

Vanuatu Church Partnership Program

Final Project Design Document

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Abbreviations

ANGO	Australian Non Government Organisation
APRP	Annual Participatory Review Process
AusAID	Australian Agency for International Development
FY	Financial year
GC	Governing Council
GFG	Governance for Growth
GoV	Government of Vanuatu
ISS	Institutional Strengthening Strategy
M&E	Monitoring and evaluation
NCCA	National Council of Churches in Australia
NGO	Non government organization
PAA	Priorities and Action Agenda
PDD	Program Design Document
PG	Partnership Group
PNG	Papua New Guinea
SDA	Seventh Day Adventist
SWAP	Sector wide approach
TOR	Terms of Reference
VCC	Vanuatu Christian Council
VCPP	Vanuatu Churches Partnership Program

Executive Summary

The Vanuatu Churches Partnership Program has been developed after a significant period of baseline research and consultation with churches, ANGOs and the government of Vanuatu. The approach builds on the highly successful support provided to the Council of Chiefs and AusAID's experience in the PNG Churches Partnership Program.

The goal of the program is:

To contribute to a healthy, educated and wealthy Vanuatu recognizing traditional Melanesian values, faith in God and Christian principles.

The objective of the program is:

The Vanuatu Christian Council and churches in Vanuatu, individually and collectively, play an increasingly recognised and effective role in improving governance and service delivery at national and local levels.

The program has four major areas of assistance:

1. Strengthening governance, management and operations of the Vanuatu Christian Council.
2. Institutional strengthening of individual churches in Vanuatu.
3. Resourcing and support for Churches in Vanuatu to expand and improve development initiatives.
4. Common activities implemented by churches collaboratively.

The total budget for the program is \$4.03 million. The indicative allocation to each program area is highly dependent upon the developing absorptive capacity of all partners, and it should be anticipated that expenditure will grow progressively into these amounts. The program is expected to begin in January 2009 and last for three calendar years to December 2011.

The program is built on the approach of a partnership between AusAID, the Government of Vanuatu and the churches in Vanuatu with their Australian NGO counterparts. Each of the Vanuatu churches will be partnered by an Australian NGO. Strategic direction and leadership will be provided by a Governing Council, comprising representatives from all parties (including AusAID, the GoV, the churches, ANGOs and the VCC). A Secretariat will be based within the VCC to strengthen existing institutional structures, and a full time Program Coordinator and M&E Officer will be supported.

The monitoring and evaluation framework for the program operates at two distinct levels: the program-wide level, and the activity level. A simple approach to activity level reporting will be completed by an annual participatory review at program level using consistent data collection and analysis processes.

Introduction

1. The Vanuatu Church Partnership Program (VCP) has been developed under the Australian commitment to building demand for better governance in the Pacific, and follows through on a commitment between the Australian and Vanuatu governments to increase community engagementⁱ.
2. Partnership with churches is a relatively new approach for AusAID given that the first Church Partnership Program was established in 2004 in PNG. AusAID prepared a Concept paper in late 2007 which took note of the lessons of that initiative, and considered the development context in Vanuatu and the role of Christian churches. An initial roundtable discussion with Vanuatu churches and ANGOs was conducted in September 2007. A baseline study was conducted in early 2008 using a highly participatory research methodology. The churches undertook research amongst their members, the community and within their organisations. This was followed by a major design workshop in April with Vanuatu churches, the Vanuatu Christian Council (VCC), AusAID and Australian church development NGOs. Further consultations on an early draft design were conducted between July and September 2008.

Development challenges in Vanuatu

3. In recent years Vanuatu has achieved strong economic growth, outstripping population growth, however a key challenge relates to spreading the benefits of that growth to a majority of the population:
 - while 80% of urban dwellers have access to clean water supplies, less than half of the rural population has the same access;
 - although 8,000 children begin primary education every year there are only 120-150 graduates from secondary school each year;
 - Access to primary health care is variable with a large proportion of the population having to travel for up to two days to reach an aid post;
 - Female incomes are estimated at only 68% of male incomes, and only two of 52 seats in Parliament are held by women;
 - Only 25 % of the population has access to power and the tariff is amongst the highest in the world;
 - only 10% of the population has access to telecommunicationsⁱⁱ.
4. In a nation-state system government has responsibility for translating growth into improved health, education and other basic services. While the Government of Vanuatu (GoV) is the locus of resources its reach beyond the two main urban areas of Port Vila and Santo is limited. Provincial government is weak and unable to deliver essential services, or provide effective representation for citizens. This situation in turn reduces legitimacy of government. GoV and donors are currently considering ways to address some of the constraints faced by provincial line ministry staff through improving public financial management, however change will be incremental. GoV is undertaking significant structural reforms to improve telecommunications and electricity coverage. While supply side interventions are underway, a coherent

approach to service delivery requires effective partnership with civil society organisations, in particular churches.

5. Civil society organisations including churches, chiefs and some NGOs play important roles in community governance and local service delivery, but have limited formal influence on government policy.

6. Church and traditional institutions are experiencing strains in dealing with modern social and economic challenges, however at local level they continue to be the most embedded institutions, receiving community contributions of time and resources and being acknowledged as holding moral and decision making authority. In the context of weak government capacity partnerships with these institutions are essential for the state to expand service delivery. This engagement also has the potential to contribute to nation building as citizens are given a voice, through their indigenous institutions, in national policy development – churches should not be seen only in the context of service delivery. There appears to be little government recognition of the extent of its reliance on civil society, or the value of more effective partnerships. This means that for donors a challenge will be building government awareness and capacity to engage meaningfully in civil society partnerships. The Education and Health Sector Wide Approaches (SWAs) being developed in Vanuatu present opportunities to reduce fragmentation through tripartite partnerships between GoV, donors and civil society.

Christian Churches in Vanuatu

7. Christianity arrived in the New Hebrides (now Vanuatu) as part of the British and French colonial enterprise in the late 1800s and sought to transform societies and established custom. Over time and under pressure custom has changed and Christianity has become increasingly indigenizedⁱⁱⁱ. Colonial authorities left virtually all indigenous schooling to missions and by the 1960s candidates for leadership were almost exclusively mission educated. At independence in 1980 both custom and Christianity were formally enshrined as bases for national identity and unity. The preamble of the Constitution of Vanuatu refers to,

“a united and free republic founded on traditional Melanesian values, faith in God and Christian principles.”

8. By the time of the 1999 Census well over 80% of the population identified as Christian, though, as with custom, this is not a homogenous identity. There are over 30 Christian denominations in the country:

Denomination	% of population
Presbyterian	31.4%
Church of Melanesia (Anglican)	13.4%
Roman Catholic	13.1%
Seventh-Day Adventist	10.8%
other Christian	13.8%
indigenous beliefs	5.6% (including Jon Frum cargo cult)
other	9.6%
none/unspecified	2.3%

Table source: 1999 National Census

9. The tension between custom and Christianity appears to have dissipated, however it is worth noting that the acceptance of custom varies across denominations, with a

greater absorption of traditional beliefs by mainline churches such as Catholic, Anglican, Presbyterian and Churches of Christ. The recent entrants to Vanuatu such as the evangelical churches from the US, tend to be less accommodating of custom. These churches are relatively well resourced with strong funding bases in western countries, in contrast to the more indigenized established churches.

10. As noted above during the colonial period Churches had virtually sole responsibility for education, and also health care. At the time of independence most health and many education facilities were passed to the new national government to fund and manage. Churches have continued to provide education services, including rural training centers, early childhood, primary and secondary schools. Approximately one third of all education institutions are operated by the main churches, using national curriculum and with some teachers provided by GoV. Other social services provided by churches include health clinics or dispensaries and basic welfare services for women, youth, the disabled and other disadvantaged groups. The Vanuatu Drivers of Change report notes,

“While government has been content to leave the delivery of social services largely to churches and NGOs, it does not seem to have an active strategy for engaging with them as partners in service delivery”.^{iv}

11. Churches report dissatisfaction with the decline of services handed over to Government at independence, as well as the low levels of government support for services that churches continue to deliver. They express frustration at the lack of influence they are able to exercise on government policy and operations. For example very few teachers at Anglican schools have formal qualifications. Anglican schools are allocated two places per year at the government teacher training college however there is little incentive to send teachers as once trained government has discretion to place teachers in any school. There are no functioning mechanisms for churches to engage with government on policy issues. The Ministry of Internal Affairs has had a department of religion but it no longer functions.

12. At the time of independence there was a close relationship between leadership in secular and religious life. Senior political leaders included clergy such as the first Prime Minister Father Walter Lini. The two main political parties at independence aligned with the francophone Roman Catholic church and the anglophone Presbyterian church, and the mainline churches had significant influence over core policy directions. Religious authorities continue to be referenced in political debates about issues such as HIV, homosexuality and family violence, however close policy engagement has faded at the national level. This is partly explained as mainline churches have shifted their energy to preserving influence at local level with the arrival of new evangelical churches from North America^v. This inward focus has been accompanied by a shift in emphasis to spiritual development away from political life and physical and material development. As a result of building dissatisfaction with Government, as well as policy dialogue with Australian and other church development NGOs, there is now demand from mainline Vanuatu churches to play an increased role in national policy development. At the September 2007 Church Roundtable the seven mainline churches expressed strong interest in the VCC having an active voice in national policy development on a full range of issues including

service delivery, accountability and corruption. Member churches of the VCC represent 70-80% of the population.

13. Churches role at the level of community governance relates to moral leadership, particularly in family life and marriage. On the one hand churches are socially conservative organizations which have, along with institutions of custom, emphasized the supportive, secondary role for women. On the other hand churches are one of the few institutions that support women's leadership at community level – often roles that women themselves see as more desirable than high political office^{vi}. Each of the mainline churches has well established women's unions with committees at village level being a locus for women's decision making. There is a spectrum of church engagement on social issues, from liberal to conservative.

14. Competition between churches is a significant feature of the present environment. In urban areas this can be beneficial, however as described in the Vanuatu Community Governance Report (2003) in small village communities competition can fragment resources and relationships,

“ it may result in an exclusive attitude among congregation members that cause them to withdraw themselves from community projects initiated by other church groups. This disunity not only contributes to poor cooperation within a community but often time causes tensions, confusion and religious competitions and duplication. ”^{vii}

15. The Community Governance Report goes on to discuss how existing community structures can moderate the negative aspects of competition. The example cited is a village with three denominations. Through influence on the Chiefs a decision was taken to build only one church. Sundays are rostered to different denominations to lead the services where all can come and worship together – supporting unity in the community.

16. Ecumenism provides a strong values base for promoting collaboration rather than competition between churches. The Vanuatu Christian Council was established in 1966 and has five members and two observers^{viii}. Members are formally committed to working together and collaborate on spiritual and development projects, through the Ministers Fraternal. The VCC is funded through member dues and has a rotating chair. In recent years it has declined in importance, though recently members have articulated a strong desire for it to take on a strong policy and advocacy role again.

Policy Environment

17. Building demand for better governance, and improving service delivery are key elements of the Australian aid agenda. Building demand for better governance has the objective of increasing the ability of citizens to participate in decisions that affect their lives, to influence and act on how development challenges are met and to hold government and other institutions to account^{ix}. This can mean working directly with citizens to increase participation and understanding of government, as well as working with institutions such as religious organisations, civil society, women's groups and parliaments who can play a role in building demand for better governance. The proposed Vanuatu CPP was originally conceived under the White Paper building demand initiative and is to be supported from a new budget measure under the current

Government. This is also consistent with the Vanuatu Australia Joint Development Co-operation Strategy (2005 – 2010) which identifies improved partnerships with civil society including the VCC as critical to improving service delivery, and underpinning growth and government legitimacy^x. Three partnerships have developed to date – with the Malvatumauri National Council of Chiefs, and NGOs Wan Smol Bag and the Vanuatu Women’s Centre.

18. Vanuatu’s national development policies are articulated in the Priorities and Action Agenda (PAA) (2006-2015). The PAA recognizes the role of NGOs in service delivery as having a comparative advantage in providing services to the most disadvantaged where numbers are often small and costs relatively high^{xi}. However, consultation with civil society actors on strategic priorities is minimal and investment in their capacity development non-existent. This deficiency is recognised in the PAA in two ways^{xii}: formalising partnership agreements and engaging in policy dialogue.

19. Current Australian government policy and the Gender Strategy emphasizes the importance of addressing gender equality in both strategy and implementation^{xiii}. Gender equality is an identified principal for the partnership. At the September 2007 Church roundtable partners agreed to representation of women in the program leadership level. Other ways for pursuing gender equality will need to be identified by all the partners during the design process. Churches focus on family life, and the existing operations of VWC anti violence committees which draw on church women’s leadership, provide an obvious opening for action on violence against women and children. Health and education service delivery also have scope for addressing the differing needs of women, men, girls and boys. Finally women’s access to leadership skills and opportunities should be pursued when both internal governance and public policy advocacy are addressed.

20. The proposed VCPP takes an explicit partnership approach, rather than a contractual model, so that mutual interests and responsibilities are recognised and risks are shared between the partners. This approach allows partners with a range of perspectives on social development, to engage together and work through differences. This is also consistent with the new policy directions of the Government and AusAID’s policy in relation to NGO Co-operation Agreements^{xiv}.

Engagement with Government of Vanuatu

21. The Vanuatu PAA provides a policy platform for government to work with churches. This year’s budget included a modest funding grant to the VCC, however beyond this government has done little to pursue engagement with churches^{xv}. In order to achieve Objectives Two and Three of the VCPP it will be critical to build government capacity to manage and work with churches (and other civil society organizations). Various approaches will need to be identified both through the design of this partnership as well as other programs. Some early ideas for government engagement, to be discussed further with GoV and other donors include:

- Government participation in partnership meetings;
- capacity building for GoV to manage community partnerships. This could be undertaken in the VCPP or perhaps through GFG or the education or health SWAps.

- GFG will work on consultative processes for policy development. This could include close engagement with churches, for example in the early work program on community infrastructure.
- Through the education Sector Wide Approach, GoV is attempting to bring consistency to the senior secondary curriculum. This presents a clear opportunity for policy dialogue with churches
- the VCPP is the first formal donor engagement with churches in Vanuatu. AusAID has an opportunity to discuss this new approach with other donors, particularly those engaged in the education and health SWAs.

Design options considered and rationale

22. A number of options for engaging with Churches in Vanuatu were initially considered, including variations in the mode of engagement and length of partnership. In terms of mode of engagement the options considered were:

1. Tripartite partnership with Australian Church Development NGOs/ Vanuatu Churches and VCC/ AusAID;
2. AusAID working with each of the mainline churches in Vanuatu; or
3. AusAID working directly with VCC.

23. The preferred mode of engagement identified in the Concept Paper was Option 1. The feasibility of this option was tested throughout the major design workshop, and in consultations with all stakeholders.

24. One of the few models for AusAID working with churches was developed in PNG, using a tripartite approach with AusAID, Australian Church NGOs and PNG Churches. The proposed program is a direct descendent of the positive outcomes of the PNG experience. While not wanting to simply replicate the PNG model the mid term review^{xvi} of that program does provide useful lessons from which to learn; churches in PNG each have their own structures, hierarchy and ways of operating. It would be challenging for AusAID to engage directly with these complex organisations, as would be required in Option Two. In the PNG case there was real benefit in leaving this engagement to Australian church NGOs who had existing relationships, community development experience and perhaps more importantly, shared spiritual values that supported the introduction of new ideas and ways of operating.

Key lessons from PNG Churches Partnership Program:

- Build on existing relationships between Partners – ANGOs and churches where they exist
- Work within the capacity and approach of each church separately, recognizing their differing strengths and approaches
- Allow collaboration to emerge over time, providing positive incentives and encouragement for sharing learning and resources, which leads to joint programming
- Build understanding and commitment to governance issues, policy dialogue and advocacy results from reflection on community-based activity experiences
- A broad understanding of ‘capacity building’ is required, learning from doing, learning from relationships and reflection, and working in communities of practice are important approaches
- Don’t force the pace of planning and implementation, churches need to be able to respond to opportunities and take time to build internal commitment and understanding of a governance and development agenda by church leaders and within their structures
- Take a deliberate approach to engaging Government at national and local levels
- Enable women to have a voice in all program events by requiring equitable participation, this leads to greater awareness and taking on gender equality issues over time
- AusAID needs to engage in relationships across the program broadly, and participate in policy discussion rather than at a contract/activity level, respecting the ‘partnering’ approach in joint decision making fora
- The group of churches and ANGOs may need technical support in key areas, particularly in monitoring and evaluation, capacity building, coordination and meeting AusAID information needs across the program, in addition to the functions carried out by ANGOs and churches within their own programs.

25. On the downside engaging through Australian Church NGOs splits resources and significantly raises the number of players, and potential complexity of the program. There were also varying levels of capacity building expertise amongst the Australian Church NGOs, which impacted on the ownership and “space” for PNG Churches. The PNG program invests heavily in co-ordination resources – approximately 4% of the total A\$7m budget. In PNG the program is led by a “Charter Group” of Australian NGOs, which has over time included PNG representatives. This Charter Group was partly in response to the need for the Australian Church NGOs to develop ways of collaborating with each other. In Vanuatu there is an opportunity to start with representatives of each of the partners sharing decision making, including a fair representation of women. Australian church NGOs now have a track record of capacity building in PNG that can be built on in Vanuatu.

26. Experience with community partnerships in Vanuatu shows the value of AusAID sitting at a decision making table with all other parties. The experience of a three way partnership with the Malvatumauri and the University of Queensland points to the importance of a leadership group for direct dialogue on strategic issues. In the case of Wan Smol Bag this strategic group also includes other donors who support the organisation’s core program. This has the effect of reducing transaction costs for the NGO and allows for longer term, more proactive planning.

27. The VCC is a church “peak body”. While the advantage of Option Three would be that AusAID engages with only one organisation, providing relative ease of management the VCC is not as well functioning an organization as others that AusAID engages with directly. VCC members do not have sufficient confidence in

the organisation to manage funds, or deliver development programs. Partners have already discussed organisational capacity building for the VCC as a key priority. To funnel a full program through the VCC would run serious risks of failure.

28. An ongoing issue for AusAID program managers is articulating how the VCPP and other community partnerships work together to reflect common analysis and complementary objectives. This issue will be addressed by a broader strategic process.

Key baseline research findings

29. The purpose of the baseline survey¹ was to establish a current understanding of the six churches which propose to be part of the new CPP for the purpose of design of the CPP and for ongoing monitoring. The research was also designed to provide a shared task for the churches which would engage them in joint analysis of their capacity and of the capacity of the VCC.

30. The general findings of the baseline research were remarkably consistent across several areas. They point to the strong links of the Christian churches into communities and the strong, albeit informal, relationships between church and the Chiefs.

31. On the other hand there are consistent problems with communication from higher levels of the churches into local communities, there are problems with inclusion of women and young people and there is a weak relationship between the churches and the national government, despite the intentions of the VCC.

32. The research also pointed to consistent findings in church capacity. While most of the churches appear to have sound structures in place with willing workers, they need development in administration, planning, financial management and review skills. They require help in development of leadership. The churches lack resources and equipment to enable them to manage the services they already provide.

33. Like other services in Vanuatu, the churches are limited by difficulties with transport and communication. They want to have services expand to their communities and congregations and in some cases provide some of these services themselves. They also want to have more partnership and engagement with national government in order to have the government either provide the services or fund churches to do so.

34. The churches want a role in the social and policy development of the country. They want their voice to be heard through recognition and utilisation of the VCC and also through more deliberate partnership with National Government. At this time neither the churches nor the VCC are able to develop this relationship.

35. The Churches appear to want to work together but the evidence suggests this is not happening to any significant degree at this time. Churches exist side by side in communities and come together only under the Chief. The VCC could play a role in more ecumenical cooperation but has been unable to do so.

¹ AusAID, Vanuatu Church Partnership Program, Baseline Research Report, June 2008.

36. The churches have different structures but share similar values and beliefs. They all currently provide some services for communities. These commonalities provide an important starting point for the new program.

37. The research provided insight into each of the churches and their strengths and weaknesses, but was by no means comprehensive. Churches undertook a survey across a sample of their congregations and elders. The exercise provided good information and also indicated that it is possible for the churches to undertake assessment to their own systems, capacity and relationships, given some support. The process needs to be ongoing for the purpose of the new program and the experience from the baseline suggests that it can continue, with support, to be a participatory process, owned by the churches.

38. The baseline report noted that the research only examined the Vanuatu churches, and that if the proposed program is truly one of partnership then the baseline examination should be expanded to include the Australian NGOs and the AusAID management at least. Other stakeholders may also need to be included. The baseline report provides a sound basis from which to assess change in the nature, scope and effectiveness of the churches in Vanuatu across a range of key outcome and success areas related to the program. More specifically targeted evaluation of key outcomes would be related to the proposed Objective and Goal.

Approach and justification

39. The approach builds on the proposed concept of supporting a Partnership between ANGOs and Vanuatu churches, AusAID and the Government of Vanuatu.

40. The design was developed through an extensive consultation process with the churches, ANGOs and AusAID. The key feedback from the consultation workshop on the draft PDD concluded that:

- The design reflected the results of the baseline research and the ideas discussed during the major design workshop.
- There were challenges in understanding the hierarchy of the design (objective, outputs, outcomes etc) but this was largely resolved during discussions. Language has since been simplified.
- Much of the discussion at the workshop revolved around the mechanisms of the CPP and the funding levels. It was helpful to be able to respond directly to some of these issues, however, some questions needed to be clarified in the final design
- The group made very clear statements and commitments to the role of the VCC as being critical to the VCPP particularly as a coordinating body. The commitment to strengthening the VCC (as outlined in area 1) was seen as very positive
- The group proposed a modified governance structure that saw the central governance and secretariat roles for VCPP as being housed within VCC – a point considered important in terms of supporting existing mechanisms rather than creating parallel structures.
- There was some concern raised about the scope of the role of the National Council of Churches in Australia. This concerned their role and relationship to partner churches as described in the PDD (the smaller churches who had no previous direct relationships to NCCA), but also their role with the VCC (which some saw

as potentially creating a conflict of accountabilities between NCCA and member churches for the VCC) and its capacity to undertake the lead role in some activities.

41. The PDD has addressed these issues in the revised document, and adjusted roles and responsibilities of the VCC and NCCA accordingly, and developed a revised governance model.

Program Description

Principles

42. The partners (including the Churches, VCC, ANGOs, AusAID and the GoV) recognise that the following principles should guide the governance and implementation of the program:

- i. ***Independence and identity:*** The program should recognize the independent voice and spiritual identity of the Churches. It should provide adequate financing and support, but not create dependence for the future.
- ii. ***Partnership:*** A partnership is a practical framework for cooperation that is underpinned by trust, openness, mutual respect, and a desire to negotiate differences. Partnership draws on the diverse strengths of each member agency.
- iii. ***Openness and respect:*** of each others' values and the cultural values of the local community
- iv. ***Inclusiveness and equity:*** The benefits of the program should be shared fairly without discrimination, particularly ensuring representation and involvement of women and youth.
- v. ***Collaboration and participation:*** the intent of the VCPP is to promote networking and collaboration amongst the Churches, and to avoid competition and fragmentation of effort which can be problematic. The partners commit to engaging with others including government, traditional leaders and other civil society organisations. The partners aspire to building a mutual understanding and commitment to the role and capacity development of the Vanuatu Christian Council.
- vi. ***Accountability, transparency and honesty.*** The partners commit to being open and transparent, and accountable to donors, the Churches, VCC, Government and communities
- vii. ***Community-oriented:*** The program should be community-based, with resources and activities focused on community priorities and reflecting community views and participation. The program should recognise and support the service delivery role of the Churches (in health and education in particular) as well as the potential for advocacy and policy dialogue.

viii. ***Flexible, Realistic, incremental and humble:*** The program should have realistic and achievable aspirations which can be assessed, and which are not overly ambitious or prescriptive. The program should develop over time based on increasing capacity, emerging opportunities and lesson learning.

43. Reference to the underlying values and principles behind the program is intended to be a critical underpinning approach to decision making, management and review of the program by all partners. They will be included in all major agreements between partners, and will be reviewed throughout the life of the program.

Goal and Objectives

44. The goal of the program is:

To contribute to a healthy, educated and wealthy Vanuatu recognizing traditional Melanesian values, faith in God and Christian principles.

Having a healthy, educated and wealthy Vanuatu is the long term development goal of the Government of Vanuatu. The churches recognize that they have a contribution to this development goal while advocating their prophetic voice and moral responsibilities.

45. The objective² of the program is:

The VCC and churches in Vanuatu, individually and collectively, play an increasingly recognised and effective role in improving governance and service delivery at national and local levels.

46. The program has four major areas of assistance, each with an expected intermediate outcome:

5. Strengthening governance, management and operations of the Vanuatu Christian Council.

Expected outcome: Vanuatu Christian Council engaging effectively with government on behalf of all its members on a range of public policy issues.

6. Institutional strengthening of individual churches in Vanuatu.

Expected outcome: Vanuatu Churches involved in VCPP have effective, accountable and participatory governance and operations.

7. Resourcing and support for Churches in Vanuatu to expand and improve development initiatives.

² 'Objective' is the new AusAID preferred term for the development result expected from the program within the life of the program. This should be expressed in outcome terms. This used to be called the purpose.

Expected outcome: Improved access to and better use of development resources from government and donor sources by individual churches.

8. Common activities implemented by churches collaboratively.

Expected outcome: Mutual understanding and learning amongst churches that informs their participation in public policy and improved service delivery.

Program Implementation

Area 1

Strengthening governance, management and operations of the Vanuatu Christian Council.

Expected Outcome: Vanuatu Christian Council engaging effectively with government on behalf of all its members on a range of public policy issues.

47. Support for the Vanuatu Christian Council (VCC) will be provided through a key partnership with the National Council of Churches in Australia (NCCA). A range of support will be provided to the VCC in their internal institutional strengthening efforts. This may include:

- Supplementary ‘core funding’ for key positions within the VCC, for example a women’s desk and youth desk, as well as a contribution to the core operating costs for the VCC to function effectively (such as costs of an Organisational Development Adviser). In principle, this funding should not exceed 75% of the VCC operating costs to avoid institutional dependence upon the program in the long term. Remaining funding may come from membership or support from the GoV. This is not realistic initially and funding may be up to 100% of operating costs in year 1 for VCC to establish the program. Funding will be provided for initial capital costs (computers, desks etc, in year 1).
- Technical assistance in strategic planning and organisational development
- Training, using a range of approaches as appropriate such as local trainers, local institutions or using international facilitators
- Funding for costs associated with meetings and events for members to participate in VCC activities
- Technical assistance and/or funding for research and policy analysis.

48. The NCCA will work with the VCC to develop an overall Strategy for the institutional strengthening of the VCC, which is to be developed and endorsed by the governing body and membership of VCC as appropriate. Each year, this institutional strengthening strategy (ISS) will be translated into an annual workplan and budget for consideration by the program’s Governing Council for funding approval. Consideration may be given by the VCC to the use of volunteers or other means of support for capacity building and operational assistance. An indicative funding allocation of \$105,000 has been set aside for this area per year (\$125,000 in year 1). This includes the direct costs for NCCP support to the VCC which should be included in the annual workplan and budget.

49. The ISS will include an internal monitoring and review mechanism to the VCC governing body to report on progress and achievements.

Area 2

Institutional strengthening of individual churches in Vanuatu.

Expected Outcome: Vanuatu Churches involved in VCPP have effective, accountable and participatory governance and operations.

50. Each participating church in Vanuatu will be partnered by its Australian NGO counterpart to develop an individual church institutional strengthening Strategy (ISS). This strategy, for the life of the program, will identify key priority areas for development within the church regarding its governance and operations related to development initiatives, including service delivery and public policy engagement. The ISS should be developed and approved within the internal governance structures of each church prior to presentation under the program.

51. Each year, this Strategy will be translated into an annual workplan and budget for endorsement by the programs' Governing Council. This endorsement will be regarded as indication to AusAID to proceed to formally approve individual funding agreements.³

52. An indicative funding allocation of \$60,000 has been set aside for this area for each church.

53. A range of activities may be supported under this area including:

- Training in a range of areas, such as financial management, policy research and analysis, service delivery management and operations, etc.
- Costs associated with capacity building efforts, such as meetings, conferences, technical assistance, volunteer costs, travel and transport
- Supplementary funding for core costs, such as those associated with governance and management functions.
- Costs associated with the development of Activity Proposals (see Area 3).

54. The ANGO will work with the Vanuatu church to develop and implement appropriate monitoring and reporting mechanisms to assess the progress and changes achieved against the church's ISS. This should include at least an annual monitoring visit and review process, and reporting to the internal governance structures of the church. The direct support costs of the ANGOs should be included in the annual workplans and budgets against the ISS. No capping or limit to the proportion of the allocation which can be used for ANGO direct costs is given, each partnership will need to agree on the appropriate level of support and costs for each party. However the funds available are very limited. Parties should provide feedback to the GC on these arrangements and adjustments proposed after year one. Note that the NCCA

³ In practice the Governing Council (with AusAID participation) has the function to review and approve the Plans and Budgets but the legal approval is tied with the formal authority invested in AusAID through the legal agreements between AusAID and each individual ANGO. AusAID would have to have an extraordinary reason not to approve the Plan once endorsed by the Governing Council.

will enter into direct relationships with the Apostolic and Assemblies of God rather than through the VCC.

Area 3

Resourcing and support for Churches in Vanuatu to expand and improve development initiatives.

Expected Outcome: Improved access to and better use of development resources from internal, government and donor sources by individual churches.

55. The underlying approach of the program is to enable to churches to participate more fully in the development processes of Vanuatu, which will increasingly include partnerships with and resourcing by the Government of Vanuatu to local service delivery providers. It is expected that this program will provide some support for service delivery and support the churches to access other available resources. But the focus of the program in using these funds would be on improving the quality of services, and other development activities undertaken by the churches. The Governing Council will have an important role in reviewing plans of churches and striking the right balance in the use of funds between service delivery and other activities.

56. The program will provide funds for development initiatives of each church in light of this approach. Recognising the differing capacities and strengths of each church, and their differing interests and contribution to development at the local level, an open-ended block funding allocation is available to each church in accordance with a funding formula to be agreed by the Governing Council, on the basis of membership size, coverage, capacity and experience.⁴

57. Churches will access the available funding through development of Activity Proposals developed jointly with their ANGO partners. Activity Proposals may be for a single one-off activity, or for multi-year more complex projects. A standard basic format for Proposals is to be agreed by the Governing Council. An appraisal criteria will be agreed by the Governing Council that all Proposals should meet, although it should be noted that Proposals will not compete against each other for funding, but rather all should meet minimum standards to access their allocated funding. The appraisal criteria will reflect the purpose of the block funding allocation – to improve access to resources and improve quality of development initiatives, not directly fund service delivery.

58. Example of activities which churches may develop include:

- Training for staff involved in management or implementation of service delivery
- Improvements in systems used within churches for service delivery or project implementation (such as new financial management systems).
- Development of M&E systems or other management information systems
- Conduct of research into improvements in implementation

⁴ The budget in Annex 4 is indicative based on a notional funding formula for illustration purposes and to test feasibility of the approach. This indicative formula should be used for the initial Service Orders for year 1 until the Governing Council reviews and finalises the formula.

- Technical assistance in policy development, research or quality improvement.

59. Refer to Attachment 2 for suggested format and appraisal standards.

60. A basic and simple reporting system for progress and expenditure against Activity Proposals is suggested. This will involve reporting against inputs and activities of the Proposal, and expenditure against budget, annually. Higher level monitoring and evaluation requirements will be undertaken at the program level against the outputs and objective.

61. An indicative funding allocation of \$380,000 per year has been set aside for this area over 3 years. A contribution to the indirect support costs of ANGOs is additional to this budget at the rate of 10% of the allocated budget to the church partner. The use of this amount is at the discretion of the ANGO. However a full account of how those funds are expended is required (which may be a statement related to the Annual Financial reports of the ANGO indicating how the funding was allocated to corporate expenses, or a specific financial acquittal).

Area 4

Common activities implemented by churches collaboratively.

Expected Outcome: Mutual understanding and learning amongst churches that informs their participation in public policy and improved service delivery.

62. A key feature of the program will be the promotion of joint activities by the churches in areas of common interest. It is expected that this output will start slowly and develop over time as more common areas of interest emerge and as experience in implementing jointly progresses. Initially, the initiatives may be research and capacity building focused, but gradually move towards joint implementation, particularly in the areas of policy engagement with government.

63. Any of the partners, the churches or ANGOs, AusAID or the GoV, may initiate a joint activity and propose it for discussion, firstly through a development process managed by the Secretariat, and then for endorsement and approval by the Governing Council.

64. Each six months, the Secretariat will convene a planning and development meeting of program partners to initiate and discuss joint activities. Using the baseline study as a starting point, some common priorities and themes will be presented and discussed by the Secretariat. Suggestions will be canvassed from partners in advance. The meeting will prioritise and refine possible initiatives. For each selected initiative, a 'lead partner' will be identified to develop the priority or theme into an Activity Proposal. Activity Proposals will be appraised by the Governing Council against agreed standards (see attachment 2 for indicative suggestions).

65. A basic and simple reporting system for progress and expenditure against Activity Proposals is proposed.

66. An indicative funding allocation of \$200,000 per year has been set aside for this area over 3 years. Proposal budgets should be all inclusive, covering the direct and costs of all partners involved in the activity, and the indirect support costs of the

'lead' Church and ANGO partners who will be responsible for managing and reporting on the activity.

Estimated Program Budget and Timing

67. A total budget of \$3.65 million has been currently set aside for this program. An indicative budget has been included in Attachment 3 (of \$4 million) which is slightly higher than this amount, regarded as the minimum level of resources to justify the approach and transaction costs of its establishment.

68. The indicative allocation to each program area is highly dependent upon the developing absorptive capacity of all partners, and it should be anticipated that expenditure will grow progressively into these amounts, rather than utilize all of the allocated funds for each output immediately. To avoid the perverse incentives for partners to 'spend their money' within allocated time frames, the notional allocations should remain available to those partners across the life of the program if unused. The Governing Council may review the allocations as appropriate.

69. Costs for all partners associated with participation in governance and management events shall be budgeted for in the funds provided for outputs 1, 2 and 3.

70. The program is expected to begin in January 2009 and last for three calendar years to December 2011. All planning and budgeting will be on the basis of calendar years (AusAID will undertake internal FY projections based on forward estimates of each year's plans). However, a long term commitment to working in partnership with the churches is anticipated by AusAID. This design should be regarded the first phase of a longer term engagement, pending review at the end of this period. Consideration may be given by AusAID after year 1 to reviewing likely future funding levels and a longer term commitment.

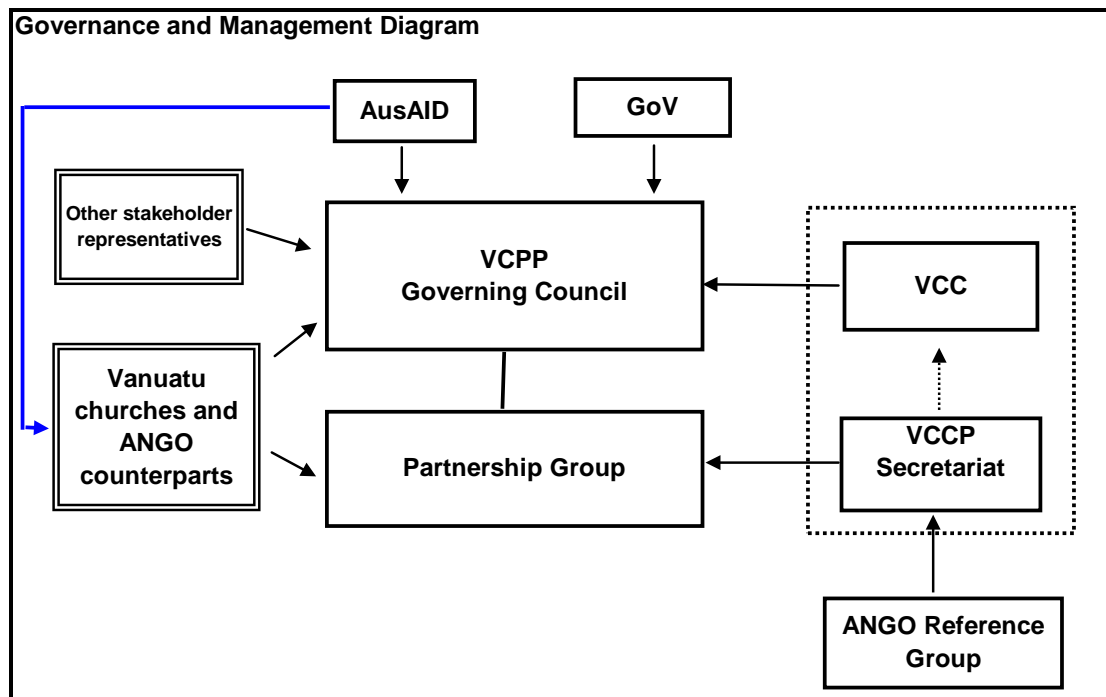
Management and Governance Arrangements and Structure

71. The program is built on the approach of a partnership between AusAID, the Government of Vanuatu and the churches in Vanuatu with their Australian NGO counterparts. The governance and management arrangements are therefore highly participatory and inclusive (in line with the program's principles) and model themselves the outcomes anticipated from the approach. It is expected that the development of norms and conventions around the governance structures will take time and resources, from all partners, and an incremental progressive approach to scaling up the program will thus be appropriate.

72. A principle guiding the approach taken is that the VCPP governance and management structures should draw upon and strengthen existing VCC structures and not create separate and parallel arrangements. This is challenging in that not all VCC members will participate initially in the program, and not all partners to the program are members of VCC (AusAID and GoV).

73. The program will be governed and managed through the following structures:

- A Governing Council
- A Partnership Group
- A Secretariat, with designated technical assistance
- Partnering between Vanuatu Churches and Australian NGO counterparts.



74. The legal and contractual framework for the program will be defined by:

- A Partnership Charter, developed and agreed by all partners to the Partnership Council. This could be based on the PNG model. The partners will draft this jointly leading up to December 2008.
- Agreements between Vanuatu Churches and Australian counterpart NGOs
- Service Orders, as subsidiary agreements to the Head Contract between AusAID and accredited Australian NGOs, which refer to the previous two principle documents. The standard AusAID format for Service Orders will be utilized.

The VCPP Governing Council

75. The Governing Council will be the overall governing body for the Program. The Council will comprise:

- 2 AusAID representatives
- 2 GoV representatives
- 1 each Vanuatu church representatives (total 6)
- 1 each ANGO representatives (total 4)
- 1 representative from VCC
- 1 representative Vanuatu Council of Chiefs

- 1 women's organization representative

76. The GC will be jointly Chaired by the GoV and AusAID on a rotating basis. Members will be the senior officials designated by each partner, and membership is not transferable to other individuals.

77. The GC will meet 6 monthly. Once a year it will be held in conjunction with the Annual General Meeting of the VCC Governing Council. In practice, it will appear to operate as the membership of the VCC Governing body with extended membership for the purposes of the program (including GoV, AusAID and ANGO representatives), excluding those churches not participating in the Program.

78. AusAID will provide secretariat services to the Governing Council. This will involve organizing the agenda, preparing papers in advance, inviting participants and issuing minutes of the meeting. AusAID may contract local TA to provide this function for the GC on an ongoing basis.

79. The Terms of Reference for the Governing Council will be jointly developed by its members and endorsed at the first meeting. They should include:

- Overall strategic direction and oversight of the program
- Endorsement and approval of the operating procedures and funding allocations for the program
- Review of the performance of the program
- Reviewing the performance of the partners within the program, and making decisions about inclusion of partners within the program.
- Ensuring a high level of accountability, transparency and participation throughout the program
- Oversight of alignment and adherence of the program to the stated principles
- Policy dialogue and engagement between partners, either during session or in events scheduled out of formal meeting sessions.

80. Importantly, AusAID is committed to working within the formal structures of the Governing Council rather than exercising management and decision making directly through legal arrangements with Australian partners or directly with individual Vanuatu Churches.

81. The GC will develop a Charter document, which will be the fundamental document for the partnership, enshrining the values and principles of the program which can be embedded in subsidiary legal documentation. All partners will need to be signatories to the Charter to participate in the program. Reference to the Charter document will be embedded in the Service Orders between ANGOs and AusAID.

The Partnership Group

82. The Partnership Group will be a mechanism for the day to day management and implementation of the partnership at the program level. (Day to day management and implementation at the activity level will remain within the arrangements of each Vanuatu church – Australian NGO partnering agreement).

83. Members of the Partnership Group will include the Program coordinators from each Vanuatu Church and the Australian NGO counterpart program managers⁵. The Terms of Reference for the Partnership Group will be developed by the group for endorsement by the Governing Council. It will focus on the operational requirements for the program, including:

- Development of operational formats and requirements for program implementation, such as the Activity proposal formats, appraisal criteria, funding allocation formulas, financial acquittal requirements, joint planning mechanisms and reporting and M&E systems
- Appraisal of Activity Proposals presented by partners
- Development and planning processes for joint activities (Area 4)
- Development and endorsement of M&E mechanisms
- Development of research and other TOR for contracting or Technical Assistance to be provided to the program
- Recruitment, selection and oversight of the Secretariat function.

84. The Chair of the Partnership Group will rotate on a yearly basis. Initially, senior experienced managers from Australian NGOs are expected to be nominated as Chair, for endorsement and approval by the Governing Council, to provide direction and leadership to the group.

85. The Partnership Group will meet at least quarterly. In the initial period, it may meet monthly or as required to mobilize the program. Normally the Partnership Group will meet in Vanuatu. Some meetings may be held by teleconference rather than in person. AusAID has agreed to provide tele-conference (or video-conference) facilities at their offices in Port Vila for this purpose.

Secretariat

86. The VCPP secretariat will be an independent group housed within but not dependent upon VCC . The Secretariat will comprise a full time Program Coordinator and a full time M&E Capacity Building Support Coordinator.

87. The Program Coordinator will report formally to the Partnership Group. The Program Coordinator will be responsible for:

- Developing and implementing program wide management mechanisms and requirements (such as Activity Proposal formats, basic reporting requirements)
- Convening and organizing partnership group meetings, including preparing agenda and minutes
- Supporting partners in policy analysis, development and engagement
- Supporting Vanuatu church partners on planning and documentation
- Implementing tasks in accordance with Partnership Group direction

⁵ Note that the churches have discussed whether the salary level should be consistent for this role across the churches, as the internal church salary structures may not be able to attract and retain the right people. To be followed up and agreed by the churches at inception.

88. The Program Coordinator will be selected by the Partnership Group (initially from a recruitment committee tasked for this purpose), and the appointment endorsed by the GC.

89. The M&E Capacity Building Support Coordinator will be responsible for:

- Working with Vanuatu churches to establish and implement program reporting mechanisms
- Maintaining program wide records and information on progress and expenditure, by activity type, theme, sector and location
- Coordinating annual program reviews and the program evaluation
- Proposing and supporting specific program-wide research for M&E purposes
- Identifying training and capacity building needs, and coordinating support to meet M&E needs across the program.

90. The M&E Capacity building Coordinator will be recruited by the Partnership Group.

91. The Partnership Group will prepare a TOR and selection criteria for both these positions, for endorsement by the Governing Council.

92. The Secretariat will prepare an Annual Work plan and Budget for endorsement by the Partnership Group and approval by the Governing Council.

93. The Secretariat will be supported by one of the participating ANGOs to be determined by the Governing Council. An additional Services Order for the secretariat function will be prepared by AusAID for this function. Acknowledging the need to iteratively develop capacity for such a role, the secretariat will be supported by the coordinator/facilitator of Australian NGO Reference Group, who will be available to the VCPP secretariat on a consultancy basis.

Australian NGO Reference Group

94. The Australian NGO partners will form a Reference Group to share information and learn from each other. Drawing on lessons from the PNG CPP and the valuable role that the Australian NGO Charter Group has played as a 'community of practice'. The Reference Group will provide a forum to discuss and resolve issues as they arise and be a mechanism for the ANGOs to speak with a shared voice. The group will meet informally on a regular basis, the timing of which is to be agreed at an initial meeting proposed for the end of 2008 ahead of the planned commencement of implementation in early 2009. The group will be supported by a part-time or consultant facilitator to coordinate and support their activities. It is also proposed that this person will play a key role support and capacity building role with the VCPP secretariat in Vanuatu, particularly in the initial stages of implementation.

Partnering between Vanuatu Churches and Australian NGO counterparts

95. Each Vanuatu Church will be partnered by an Australian NGO counterpart. This has the advantage of AusAID being able to draw upon existing Head Contracts as the

legal basis for the program contracting, and for financial and performance accountability. Each Australian NGO will develop a partnering agreement between itself and the Vanuatu Church to ensure legal obligations are enshrined in the implementation arrangements between them, in accordance with their existing practice.

Implementation Plan

96. An overall implementation plan for the program is not required given that individual Activity Proposals and Institutional Strengthening Strategies and annual work plans will be developed.

97. Some key milestones during the inception period and through the life of the program include:

Implementation Plan	Months						Quarters		Year 2				
	0	1	2	3	4	5	6	3	4	1	2	3	4
Inception period													
Appraisal Peer Review	X												
Form Partnership Group		X											
Form Governing Council			X										
Develop Charter	X												
Prepare Service Orders	X												
Prepare TOR for Secretariat personnel		X											
Recruit Program Coordinator			X										
Prepare guidelines and formats for APs				X									
Initiate discussions on joint activities				X									
Partners prepare first Activity Proposals					X								
Partners prepare ISS				X									
GC/PG review ISS						X							
Annual Program wide cycle													
Partners prepare Activity Proposals (on rotating basis, not one off annually)						X	XXX	XXX	XXX	XXX	XXX	XXX	XXX
Convene PG meetings quarterly				X			X	X	X	X	X	X	X
Partners prepare annual workplans and budgets against ISS				X					X				
Appraise Activity Proposals in PG meetings				X			X	X	X	X	X	X	X
Convene GC meetings 6 monthly			X				X		X		X		
6 monthly reporting on activities and ISS workplans						X		X		X			X
Implement program wide M&E activities				X			X		X		X		
Annual program review								X					X

Monitoring and Evaluation Plan

98. The monitoring and evaluation framework for the program operates at two distinct levels: the program-wide level, and the activity level.

Activity level

99. The activity level encompasses the activities undertaken by partners themselves, either through their annual block grants for institutional strengthening (area 2) or for

Activity Proposals (area 3). It also includes the activities implemented by the VCC (area 1) and for joint activities (area 4) under the auspices of a lead partner.

100. At this activity level, the M&E system will be very basic and simple, so that the emphasis for M&E can be at the program-wide level.

101. Activity level M&E will thus encompass:

- 6 monthly and annual reporting of progress against activities planned in Activity Proposals and Work plans by each partner. The ANGO activities and tasks included in ISS work plans and Activity proposals will be included in the combined report by each Vanuatu church/ANGO counterpart for each ISS work plan and each Activity Proposal. This requires that the original Work plans and Proposals need to have activities planned at sufficiently high level to make reporting manageable and simple (ie not task reporting, but activity reporting). The VCC will report against its ISS Work plan and lead partners will report for joint activities for each approved Proposal.
- 6 monthly, and annual, financial acquittal of approved funding. This will apply to both the output 2 block grant and the Activity proposal budgets. This requires line budgets to be prepared in Work plan and Proposal budgets at sufficiently high levels to allow flexibility in implementation yet tracking of financial expenditure against the proposed activities and plans. Activity based budgeting is suggested, rather than category based budgeting. (However, the budget categories should conform to internal processes and systems of each church and ANGO partner, rather than be developed primarily for the program itself),

102. The original formats for Work plans, Proposals and budgets need to be developed with the reporting requirements in mind.

Program level

103. The emphasis for M&E will be at the program-wide level. A Monitoring and Evaluation Framework is found in Attachment 3.

104. The key features of the M&E plan at the program level include:

- Annual Participatory Review Process (APRP), facilitated by an M&E Specialist
- M&E capacity building Coordinator located at the Secretariat

105. The APRP will be the primary mechanism for gathering evidence, undertaking analysis and providing reporting across the Program.

106. The APRP will be facilitated by an M&E Specialist, who together with the partners, develops a set of standardized instruments for use by all partners each year. These instruments include gathering feedback from communities, churches, other stakeholders (such as the Council of Chiefs, Women's groups and the Government of Vanuatu) concerning the outcomes of the program. Each year, a one week participatory review workshop will be conducted. The M&E specialist will initially collate the information collected by the partners using the instruments, and prepare a

draft report for presentation. All partners will be invited to consider the draft report and information, and jointly conduct an analysis against the intended outcomes (output result areas and objective). The M&E specialist will then prepare a final report for consideration by the Partnership Group and Governing Council before completion.

107. The M&E Specialist will be briefed by the AusAID Initiative Manager and the AusAID Performance Assessment Adviser at Post, to ensure that the instruments developed and reporting provided directly supports the Quality at Implementation reporting for internal AusAID purposes, as well as meeting the needs of the Governing Council to inform strategic direction and learning.

108. The M&E Specialist and M&E Coordinator will be selected by the Partnership Group after open invitation, and approved by the Governing Council, in accordance with a TOR and selection criteria developed by them.

Feasibility and risk analysis

Sustainability issues

109. The program is based upon two key sustainability strategies. Firstly the processes and activities are embedded within a genuine local institutional structure, the VCC and member churches, and has a strong focus on institutional strengthening. Further, the management and governance approaches aim to strengthen the existing structures rather than create parallel structures. Secondly, the program aims to enhance the relationship of churches to the Government of Vanuatu, in both policy dialogue and service delivery. An expectation is that resources for churches to implement service delivery will be provided from GoV in the medium to longer term. Positioning the churches to engage in the health and education SWAP agenda is a key strategy behind the program.

110. A critical issue for ongoing AusAID monitoring is to ensure that the resources provided under the program do not overwhelm local capacities and resources, and that resources do not create ongoing expectations and dependence.

Cross-cutting issues

111. Gender is the most significant cross-cutting issue to be taken into account in this program. It arises as a key issue from the baseline research report. There are significant lessons learnt from the PNG CPP program. The following specific strategies will be incorporated into implementation:

- Require gender equality in participation in all program events (such as training, management structures etc) which may require adding to the number of participants or representatives to ensure women are included.
- Include gender equality issues in the proposal formats and appraisal criteria for all Projects.
- Include gender equality issues in the M&E arrangements at activity and program level.

112. The anti-corruption policy will be implemented throughout the program by:
- Transferring risk for financial management and accountability to accredited ANGOs rather than providing funding direct to local organizations, which entails the provision of additional support in financial management systems and accounting to be provided by ANGOs to local partners
 - Expecting the audit regimes of individual ANGOs to include coverage of the program funds to third parties (churches) and including this in the Service Orders and Head Contracts with ANGOs.
 - Conducting regular monitoring through Post involvement in the Governing Council.

113. Compliance with other cross-cutting policy requirements, in particular the Child Protection, Population and Environment Policies will be included in agreements with ANGOs. Copies of all policy documents and cross-cutting requirements will be made available by AusAID to church partners and ANGOs upon mobilization.

Critical Risks and Risk Management Strategies

114. A risk matrix is included in Annex 5.

115. The key risks for this program include:

Relationship risks amongst all the Partners (AusAID, GoV, ANGOs, Churches): a breakdown in relationship amongst the churches, or between any of the other parties would seriously undermine the potential for the program to achieve its outcomes. AusAID needs to enter into the relationship with goodwill and maintain open and frank dialogue. ANGOs need to monitor the relationships with their partners and manage capacity building and accountability carefully. PNG church leaders need to act pro-actively at local level to anticipate any potential conflicts or difference of opinion and make efforts to address them

Capacity of Churches to engage: Building a consensus amongst a diverse group on the priorities and direction of VCPP as a whole will be important. Progressive and incremental engagement amongst all parties is to be expected. A slow uptake of spending and slow beginning to implementation is to be commended.

Capacity of ANGOs to provide adequate technical and management support: Several of the ANGOs involved in the program do not have experience in the Vanuatu context, and are unfamiliar with the systems and approaches of a 'partnership' approach (as is AusAID and GoV in this setting). The National Council of Churches in Australia in particular should invest in internal capacity building and technical support to enable them to play their critical support role to the VCC and local partners.

Political risk: The program may give rise to differences of views between churches and the GoV, and between the GoV and GoA. This is to be expected and anticipated, with healthy debate and contestability modeled in the governance and management structures. Nevertheless,

cautious engagement on policy issues is warranted from all parties, and AusAID's expectation for policy engagement and dialogue with GoV should be realistic until conventions and norms are built within the GoV of the role of the church in building demand for good governance. AusAID should take an independent and pro-active role in engaging with GoV on an understanding of how government can engage with civil society and promote openness and transparency in its own direct policy dialogue.

Dependency and sustainability risk: It is important not to flood the churches with external funding beyond their own absorptive capacity which creates dependence in the medium to long term. Careful judgment by the Governing Council on funding allocations and appropriate sources of funding for the VCC is necessary.

Attachment 1 - Institutional Strengthening Strategy and ISS Annual Work plan and Budget – draft format

Institutional Strengthening Strategy

The ISS is meant to be a high level living document that documents at any one time the future direction of capability building assistance to that organization.

There should be 3 main sections:

1. An analysis of strengths and weaknesses, opportunities and challenges facing the organization.
2. A set of key priorities for strengthening will be identified in general terms.
3. A method for reviewing how change is occurring in that organization, using internal participatory methods should be included.

The ISS is proposed to be a maximum of 5 pages.

The baseline study research provides the basis for analysis and priorities in the first instance.

The ISS is not a project proposal, so no objectives, outputs or activities are specific requirements. It is meant to be a strategic and policy setting document.

Peer Appraisal

Suggested appraisal criteria for the ISS of each partner could include:

- Does the analysis capture a realistic understanding of how the organization is perceived by others?
- Does the analysis show a participatory and transparent process? Are women and youth included in the analysis?
- Are the key priorities sufficiently clear to provide direction for annual planning?

Feedback on the ISS may be provided by the Partnership Group, but the ISS are not in themselves ‘approved’ for implementation.

ISS Annual Work plan and Budget

The annual work plan and budget is the main document that enables partners to access funding under the block grant allocation.

The Work plan is not a project proposal, but a concrete plan.

A set of specific activities is expected, with line item budgets necessary to implement those activities. A general description of the activity is all that is required, identifying the target group and scope of the activity.

For example:

Activity 1: Financial management training for health centre managers.

15 health managers will be trained in a 2 week course on MYOB. This will be conducted in Port Vila by an international trainer.

Budget

Trainer Fees	\$5000
Airfares and Accommodation	\$2500
Local airfares for participants	\$5000
Incidental costs	\$2500
TOTAL	\$15,000

Activity 2: Attendance at Public Policy Development Workshop

The Program Coordinator will attend a workshop conducted by Melbourne University on development of public policy for essential services in March 2009

Budget:

Airfare	\$2500
Conference Fees	\$1000
Accommodation etc	\$2000
Total:	\$5500

A consolidated budget should be attached BY ACTIVITY.

Vanuatu Church and ANGO partner direct management costs should be included in the consolidated budget.

An annual report discussing progress against each activity and the funds spent on the activity will be required. The financial acquittal will be by activity line items (ie total cost of the Activity, not the detailed budget items).

Changes to the Annual Work plan and budget may be made without prior approval or consultation. However, the annual report should provide details on the changes, progress made against new or re-planned activities, and a reconciliation of actual expenditure against budget approved.

Attachment 2 - Activity Proposal format and Reporting

Activity Proposal format

Activity proposals for partners to access funds notionally allocated by partner under output 3, and for joint activities under output 4, are intended to be brief and simple concept papers. The peer review process by the Partnership Group for approval will highlight any key issues or feedback necessary to improve or change the activity, rather than requiring extensive documentation.

The Activity Proposal will be a 2 page document with the following headings:

Activity Title:

Partner:

Sector/sub-sector:

Total Cost:

Objective: state the objective of the activity in results language. (ie once complete, what will the result or use of the activity be)

Background analysis:

- Analysis of the problem or situation that gave rise to the activity
- How was the activity planned – who was consulted?
- What else is going on that is relevant to this activity?
- What, if any, specific Government policies or programs are relevant to this activity?

Description of activity:

- What it will do,
- When, who is involved? Who will benefit?
- Locations and duration

Roles and Responsibilities:

- Who is responsible for implementing and reporting on this activity?
Do they have sufficient skills to do so, or additional support required?

Monitoring and evaluation:

- How will information be gathered about the achievement of this objective? If this is a substantial activities, a specific method for evaluation may be needed.

Work plan

- A summary table of the key steps (or tasks involved)

Budget

- A line item budget

Indicative Appraisal Criteria

Suggested criteria or minimum standards for peer review to approve the activity could include:

- Were relevant stakeholders consulted or are they aware of this activity?
- Is the activity appropriate in the context, given other actors and activities?
- Does the organization have the capacity to implement this activity?
- Does this activity promote sustainability or create ongoing dependence?

Reporting requirements and format

The suggested reporting requirement is very brief and focused.

A report on the achievement of the activity against its objective, provided in narrative terms is required. Evidence of the achievement should be provided where possible. (for example, training evaluation forms, service delivery data, feedback surveys, etc).

A statement of total expenditure for the activity against the total budget is required for the final report, NOT a detailed financial report against line items.

ANGOs and Church partners will be expected to maintain detailed financial accountability systems which generated the data for the total expenses report, and the Contracts and Agreements will allow for audit and spot checks of the summary financial reporting provided at any time by AusAID. ANGOs should maintain a system of regular audit and financial monitoring to ensure accuracy of summary reporting. This will be included in AusAID Service Orders to ANGOs for this program.

Attachment 3 – Monitoring and Evaluation Framework

Monitoring and Evaluation Framework

Monitoring and Evaluation Plan

Outputs and Objective hierarchy	Indicators (measurable result)	Method for data collection, analysis and reporting	Instruments	Responsibility
Objective				
The churches in Vanuatu, individually and collectively, play an increasingly recognised and effective role in improving governance and service delivery at national and local levels.	Deepening engagement between Government and churches on public policy, and increasing responsiveness and adoption by government	Reflection and self-reflection by Governing Council and Partnership Group, noted in minutes of meetings, and analysed and collated by ART, supplemented by interviews and discussions with them.	GC suggested agenda items and Minute format; Semi-structured open-ended interview questionnaire	Governing Council and Partnership Group 6 monthly, collated and analysed by APRP
	Public policy positions developed and advocated by the churches at local and national levels increasingly adopted and incorporated into services and policies of government at national and local level	Community based and stakeholder based (Council of Chiefs, women's organisations, GoV) research against baseline study conducted by evaluation team	Evaluation TOR	Evaluation team
Areas of Assistance				
Strengthened governance, management and operations of the Vanuatu Christian Council	Vanuatu Christian Council engaging effectively with government on behalf of all its members on a range of public policy issues	Stakeholders (GoV agencies, donors, civil society, members) report increasing satisfaction with VCC contribution to public policy, evidenced through qual/quant survey tool administered annually by APRP	Survey questionnaire for use VCC and church partners	M&E coordinator working with M&E Specialist during APRP
Institutional strengthening of individual churches in Vanuatu	Vanuatu Churches involved in VCPP have effective, accountable and participatory governance and operations	Feedback from communities sought by Vanuatu Churches using a tool developed by M&E Specialist against the ISS originally prepared by Churches/partners	Community based survey instrument	Church partners working with M&E Coordinator prior to APRP
Resourcing and support for Churches in Vanuatu to expand and improve development initiatives	Improved access to and better use of development resources from internal, government and donor sources by individual churches	Analysis of activity reports from partners by APRP annually. End of program evaluation of changes in churches' access to resources and quality of service delivery against baseline	Format to aggregate and analysis activity reporting for use by M&E Specialist; Evaluation TOR	APRP annually. Evaluation team.
Common activities implemented by churches collaboratively	Mutual understanding and learning amongst churches that informs their participation in public policy and improved service delivery	Feedback collected from Governing Council and partnership Group annually on benefits of joint activities, using standardised instrument for aggregation/comparison over time	Self-administered feedback sheet	M&E coordinator working with Church partners prior to APRP

Attachment 4 - Indicative Budget

Vanuatu Church Partnership Program Indicative Budget

	Unit	Unit Cost	# of units	Total per year	Total
Output 1 - Strengthen VCC					
<i>Indicative budget to be prepared annually</i>					
- Women's desk	salary/yr	10000	1	10,000	
- Youth desk	salary/yr	10000	1	10,000	
- Organizational development adviser (PT)	half time	15000	1	15,000	
- ISS work plan costs (training, TA, research etc)	unit	40000	1	40,000	
- Capital items year 1 only (computers, desks, chairs, equipment)	unit	20000	1	20,000	
- Utilities and supplies	unit	5000	1	5,000	
- direct program costs for NCCA support (Staff time, travel and accomm, TA)	unit	25000	1	<u>25,000</u>	125,000
Annual operational funding allocation - year 1	Annual grant	125000	1	125,000	
Annual operational funding allocation - year 2	Annual grant	105000	1	105,000	
Annual operational funding allocation - year 3	Annual grant	105000	1	105,000	
					<u>335,000</u>
Output 2 - Institutional Strengthening churches					
Annual ISS funding allocation - to include direct program costs of ANGOs	Annual grant	60000	6	360,000	1,080,000
Output 3 - Development initiatives of churches					
Annual Activity funding allocation - total available	1,200,000				
- Presbyterian	35%	420000	1	140,000	420,000
- Church of Melanesia (Anglican)	20%	240000	1	80,000	240,000
- Seventh-day Adventist	15%	180000	1	60,000	180,000
- Assemblies of God	10%	120000	1	40,000	120,000
- Church of Christ	10%	120000	1	40,000	120,000
- Apostolic Church	10%	120000	1	40,000	120,000
- Australian NGO management support costs - contribution to indirect costs	<i>per ANGO</i> <i>20% of total to partnership</i>				
- Presbyterian - Uniting Church ANGO		42000	6	14,000	42,000
- Church of Melanesia (Anglican) - ABM		24000	6	8,000	24,000
- Seventh-day Adventist - ADRA		18000	6	6,000	18,000
- Assemblies of God - NCCA		12000	6	4,000	12,000
- Church of Christ - BWAA		12000	6	4,000	12,000
- Apostolic Church - NCCA		12000	6	4,000	12,000
(direct costs included in output 2)					
Output 4 - Joint Activities					
Annual funding allocation available	Unit	200000	1	200,000	600,000
Program management					
Secretariat Costs					
- Salary and on costs	Annual	30000	1	30,000	90,000
- Travel and accommodation	local trip	1000	10	10,000	30,000
- Utilities and office costs	per month	500	12	6,000	18,000
- Meetings and Seminars	per quarter	200	4	800	2,400
- Governing Council costs	per quarter	1000	4	4,000	12,000
- Costs of Australian NGO Reference Group Chair					
- Salary support (2 days per month)	daily rate	800	24	19,200	57,600
- additional travel, office, utilities etc	per month	1000	12	12,000	36,000
- part time Facilitator (2 days per week)	annual salary	0.4	65000	26,000	78,000
Monitoring and Evaluation costs					
- M&E local capacity building officer	Annual	25000	1	25,000	75,000
Annual review	TA	40000	1	40,000	120,000
Program evaluation	TA	60000	1	<u>60,000</u>	180,000
				<u>233,000</u>	
Previously spent Design and Baseline study period costs					
					?
Grand Total					4,034,000

Attachment 5 - Risk Matrix

Risk Matrix

Risk	L	I	Rating	Response
Breakdown in relationships amongst the key parties due to theological, personality or political differences would impede implementation	2	5	3	ANGOs need to invest in building effective relationships amongst themselves and with their partners. Churches in Vanuatu need to work with goodwill within the program, supporting each other's efforts. AusAID needs to maintain good relationships with the GoV to ensure high level political support and openness
Capacity of Churches to engage. Different churches have differing levels of capacity and interests. Too high expectations for performance and delivery to wearly on, especially in levels of political and policy engagement and advocacy is unrealistic.	2	3	2	A progressive and incremental approach is proposed, so that individual churches can take up funding and undertake activities in the pace that is appropriate to them. AusAID should not have high expectations of achievements too early in the program, especially for policy and political engagement. Diversity and differences in church activities is to be expected and valued.
Several of the ANGOs involved in the program do not have experience in the Vanuatu context, and are unfamiliar with the systems and approaches of a 'partnership' approach (as is AusAID and GoV in this setting).	3	4	4	ANGOs should consult with colleagues involved in the PNG CPP. Senior management needs to provide adequate support to the program in initial stages. The National Council of Churches in Australia in particular should invest in internal capacity building and technical support to enable them to play their critical support role to the VCC and local partners.
The program may give rise to differences of views between churches and the GoV, and between the GoV and GoA. This is to be expected and anticipated, with healthy debate and contestability modeled in the governance and management structures.	2	2	2	Cautious engagement on policy issues is warranted from all parties, and AusAID's expectation for policy engagement and dialogue with GoV should be realistic until conventions and norms are built within the GoV of the role of the church in building demand for good governance. AusAID should take an independent and pro-active role in engaging with GoV on an understanding of how government can engage with civil society and promote openness and transparency in its own direct policy dialogue.
It is important not to flood the churches with external funding beyond their own absorptive capacity which creates dependence in the medium to long term.	2	2	2	Careful judgment by the Governing Council on funding allocations and appropriate sources of funding for the VCC is necessary.

Endnotes

- ⁱ Australia Vanuatu Joint Development Co-operation Strategy 2005 – 2010 p10
- ⁱⁱ Governance for Growth Design Document, August 2007, Section 2
- ⁱⁱⁱ Douglas B. “Christian Custom and the Church as Structure in ‘Weak States’ in Melanesia”, Paper presented at the Civil Society, Religion and Global Governance Conference, 1-2 September 2005, ANU
- ^{iv} Cox et al “The Unfinished State, Drivers of Change in Vanuatu” April 2007 p49
- ^v *ibid* p42
- ^{vi} *ibid* p30
- ^{vii} Kalantano et al “Community Governance in Vanuatu” 2003, p67.
- ^{viii} Members: Presbyterian, Roman Catholic, Church of Christ, Assemblies of God, Apostolic Church. Observers: Seventh Day Adventist, Assemblies of God
- ^{ix} AusAID, Building Demand for Better Governance: New Directions for the Australian Aid Program. Position Statement and Program Guidance 2007 p1
- ^x Program outcome 2.2 JDCS
- ^{xi} PAA p 9
- ^{xii} PAA p 23
- ^{xiii} Australian Aid White Paper 2006; Gender Equality in Australia’s Aid Program 2007y
- ^{xiv} Co-operation Agreement Policy , <http://www.ausaid.gov.au/ngos/pdfs/agreement.pdf>
- ^{xv} In 2007, for the first time GoV provided funding to the VCC of Vt\$1.5m (\$17,000Aud)
- ^{xvi} Kelly L. PNG Church Partnership Program Mid Term Review 2007