**Tripartite Donor Response to Wan Smolbag Mid-Term Review Recommendations**

**Review Recommendations and Donor Responses:**

*Recommendation 1*

*Significant existing deficits in human resources and infrastructure should be addressed by key stakeholders as soon as possible (and before the new funding arrangement is put in place) in order to maintain current operational levels. Any further growth will need to be resourced adequately, beyond these levels. Key projects that are currently resourced outside of the core funding arrangement should be addressed temporarily, in order to ensure continuity. Salary levels should be reviewed to ensure that they are fair and reasonably competitive within the context of Vanuatu civil society*.

Donor Response to Recommendation 1:

Donors **accept** recommendation 1, but wish to make the following points:

* Addressing deficits in human resources and infrastructure should be a component of the strategic plan. Once the strategic plan exercise has been undertaken and a report presented, the three partners will be in a better position to decide the most effective way to tackle these specific issues.
* All funding requests should be made in the context of the longer-term strategic plan.
* A key driver of core funding is to move away from a fragmented project-funding approach, reducing the burden on all partners to both make, and consider funding requests. As such, donors have made a conscious decision to provide core funding, and discourage Wan Smolbag from submitting additional requests for separate project funding
* Undertaking a salary review of non-governmental organisations in Vanuatu should not be the responsibility of donors. Donors recommend Wan Smolbag takes this particular sub-recommendation forward.

*Recommendation 2*

*A whole–of-organization planning exercise should be carried out starting in April 2013, over a period of several months, taking into consideration the findings and recommendations of this review, and Wan Smolbag’s Internal Discussion Paper. This should inform the basis of programming beyond 2014, ideally for a ten year period.*

Donor Response to Recommendation 2:

Donors **accept** recommendation 2, but wish to make the following points:

* Donors agree that a whole of organisation planning exercise is useful and relevant. We note that a consultant (Heidi Tyedmers) has now been engaged to lead the exercise with Oxfam support, and AusAID funding. Donors would appreciate a meeting with Wan Smolbag to receive an update on the exercise.

*Recommendation 3*

*Planning should address the following areas and issues in particular:*

1. *Streamlining the financial systems at Wan Smolbag, particularly if there is a move towards complete or nearly complete core funding. The current financial system is still overly project and activity based.*
2. *Consideration of the development of linked but more independent structures for programme areas such as the Nutrition Centre, Sports and the Environment Programme. A “new” articulation of the overall governance structure at Wan Smolbag should be developed, keeping the elements of collaboration and partnership in mind, and guided by Wan Smolbag actors, staff and management.*
3. *The creation of a designated Research Unit at Wan Smolbag that will focus more on researching relevant and emerging social issues. This could be research initiated by Wan Smolbag, and also research carried out in partnership with external organizations. This research should be used to inform future programming at Wan Smolbag, and could help to provide an evidence base for both donors and government, and support broader policy development in Vanuatu.*
4. *The creation of a Monitoring and Evaluation Unit at Wan Smolbag that will focus on meeting the requirements of the donor partnership in terms of reporting against milestones, and identifying progress towards programme outcomes for both Wan Smolbag and donors. The development of this section would benefit from the involvement of a Monitoring and Evaluation technical specialist and must be resourced adequately.*

Donor Response to Recommendation 3:

1. Donors **accept** recommendation 3a. The planning exercise can be used to determine optimum funding levels
2. Donors **accept** recommendation 3b, but note that it is the responsibility of Wan Smolbag (rather than donors) to establish its overall governance structure. The PCC needs to take place at least every 6 months.

c&d) Donors **accept** recommendations c and d; however, rather than setting up two new units, the M&E unit could be combined with the Research Unit. The two units need to work closely and can inform one another.

*Recommendation 4*

*In general, the guiding focus for key stakeholders should be on building organizational resilience in Wan Smolbag, and protecting and supporting the culture of innovation, and the spirit of partnership and collaboration that has made Wan Smolbag unique and effective.*

Donor Response to Recommendation 4:

Donors **accept** recommendation 4. Planning should be done appropriately – flexibility can be built in.

*Recommendation 5*

*Significant barriers to effective partnership and donor harmonization must be addressed by all parties - and resolved - if a more substantive and mutually effective long term partnership is the goal. Donors should take a leadership role in this process.*

Donor Response to Recommendation 5:

Donors **accept** recommendation 5, but wish to make the following point:

* The PCC can play a crucial role in continuing to build effective partnerships between Wan Smolbag and its key stakeholders, and in ensuring good donor harmonisation. The PCC needs to be a more strategic decision-making forum. Holding PCC meetings more regularly than the current practice may also be useful. Refer to Recommendation 9 and Donor response. Wan Smolbag should take a leadership role in donor harmonisation.

*Recommendation 6*

*Clarity should be provided by all donors on their financial commitments from 2014 on - by March 31, 2013 - so that planning can begin. Donors should seriously consider entering into a longer term (ideally a ten year) commitment with Wan Smolbag in order to allow for long term planning and security.*

Donor Response to Recommendation 6:

Donors **accept** recommendation 6 that Wan Smolbag needs to have clarity on financial commitments; however donors cannot commit to longer-term funding until the strategic plan has been finalised and shared with donors.

*Recommendation 7*

*Other key donors such as Oxfam should be brought into the core funding relationship. Consideration should also be given to the possibility of delegated cooperation in a further attempt to harmonize donor relations.*

Donor Response to Recommendation 7:

Donors **accept** recommendation 7, but wish to make the following points:

* Oxfam joining as a formal partner will require a Joint Partnership Agreement to be drafted to replace the current Tripartite agreement.
* Preferable to any delegated cooperation is to jointly support certain aspects of the Strategic Plan and workplan.

*Recommendation 8*

*The core funding agreement should come as close to 100% of total operating costs as possible, within the context of a programme based, more flexible approach, allowing the organization to remain responsive and dynamic.*

Donor Response to Recommendation 8:

Donors **accept** recommendation 8, but wish to make the following points:

* Wan Smolbag’s Strategic Plan should define what the core business is, which will in turn assist with determining the optimal size of the organisation and corresponding costs.

*Recommendation 9*

*Issues around the rationale for, or competition for, core funding should be resolved at the donor level.*

Donor Response to Recommendation 9:

Donors **do not accept** recommendation 9.

* Donors do not feel it is appropriate for Donors to resolve issues around the rationale for, or competition for core funding.
* The PCC and Wan Smolbag should take the lead on these discussions
* Refer to Recommendation 5.