

Guiding Questions for Review of Vanuatu's Climate Change Finance Actions

Background

The review of climate change finance actions for Vanuatu will be undertaken from 26-30 June 2017 following a request from the Government of Vanuatu in May this year. A joint regional team led by the Pacific Islands Forum Secretariat (PIFS), the Pacific Community (SPC), the German Technical Cooperation (GIZ) and United Nations Development Programme (UNDP) will review the status of implementation of climate change actions in Vanuatu based on the recommendations from the 2014 Climate Public Expenditure and Institutional Review (CPEIR) completed by UNDP and other related assessments (e.g. DFAT Mapping of Climate Finance in Vanuatu, PFM Roadmap, Forum Compact Peer Review, PEFA etc.).

This is a joint effort between the Government of Vanuatu, PIFS, SPC/USAID Institutional Strengthening for PICs to Adapt to Climate Change (ISACC) Project, GIZ/DFAT Climate Finance Readiness of the Pacific Project¹, USAID Climate Ready Project and UNDP/DFAT Pacific Risk Resilience Programme. It will be overseen by the Government of Vanuatu.

The following are some key guiding questions that will assist the review team with gathering relevant information. It is anticipated that these questions will also assist each focused group for their consultation with the review team during the week.

1. Funding Source Analysis

Lead agencies: *Ministry of Finance & Economic Management (MFEM), Ministry of Climate Change (MCC) and Prime Minister's Office (PMO)*

- What are the current key sources/donors of climate change finance for Vanuatu? Are there any other sources of funding? What are some challenges/opportunities in accessing and managing these funds?
- How are these climate change funds accessed, allocated and managed by Vanuatu?
- How are the related funds channeled to the non-government sectors captured and reported to the Government? Is there a mechanism in place?
- What is the current role of the private sector and civil society in climate change financing?
 - How can the private sector leverage its support towards climate change financing?
- Are the mitigation and adaptation financing clearly demarcated for Vanuatu?

2. Policy and Planning Analysis

Lead agencies: *MCC, PMO, MFEM and Ministry of Internal Affairs*

- What are some key policies and plans relating to climate change that were developed and approved after the 2014 CPEIR?
- Are Vanuatu's policies and plans on climate change effective? Why are they most effective?
- What are some activities from the CPEIR 2014 recommendations relating to policies and plans that have been implemented and by which partners? If there are some activities not being progressed, what are some challenges in implementing these recommendations?

¹ Background of both the USAID/SPC ISACC and DFAT/GIZ CFRP Projects is provided in the project briefs that will be made available.

- Is the allocation of resources in Vanuatu consistent with the policies, plans and strategies?
- What is the current process of formulating key policies and plans? Does the process involve other non-government sectors?
- How are the policies and plans monitored to ensure that they achieve the overall goals of the Vanuatu Government?
- What are some opportunities that exist to help improve policy/plan formulation and alignment including for accessing climate change finance?
- What are the gaps in Vanuatu's policies (individual policies or set of policies as a whole)? Why do the gaps exist (e.g. differing mandates, timelines, political will etc.)?
- Do policies enable funding to flow effectively toward climate change activities? Why or why not?
- Is there a clear mandate for local/provincial government in national climate change policy? Has provincial/local government made commitment or initiated actions to address climate change?

3. Institutional Analysis

Lead agencies: MCC, PMO, MFEM and Ministry of Internal Affairs

- What is the current institutional arrangement and coordination mechanism related to climate change that exists for Vanuatu? At what level of authority is this institutional arrangement for climate change?
- Are there any new institutional arrangements post-2014? If there are any new arrangements, how effective are they?
- What are some activities from the CPEIR recommendations related to institutions that have been progressed and by which partners?
- What are some challenges of the CPEIR recommendations related to institutions not being implemented?
- Which agencies benefit from climate change budgets and is there evidence of cross-entity and sector coordination of activity?
- Is the performance of the public sector institutions (as part of the civil service) reviewed or reported on by a central body such as the Ministry of Public Service or the Auditor General?
- Are the mandates of key ministries and institutions at the national and sub-national levels that have the remit for climate change clear?
- Are the institutional structures compatible with their policy and strategy objectives and legal mandates?
- Is there sufficient technological know-how and resources to meet policy/strategy objectives?
- How effective is the generation, storage, retrieval and reporting of climate change information?
- What performance and financial monitoring information is available to key personnel with climate change responsibilities?
- What is the relationship and interaction between Government and non-government sectors in respect to climate change?
- What institutional structures exist for climate change related action by the civil society?
- What are some gaps that exist in the current institutional structures and coordination mechanisms that can help address climate change issues?

4. Public Financial Management and Expenditure Analysis

Lead agency: MFEM

4.1 Public Financial Management Analysis

- How is the national climate change budget formulated and approved? How is the budget implemented/activities carried out?
- How are funds released? (What modalities are used to channel national expenditure to local implementation?)
- What national mechanisms/arrangements are in place to support those who are implementing the budget at the local level?
- What are some monitoring and evaluation mechanisms that exist (including performance review, internal and external audit and oversight)?
- Is planned and actual spending consistent with stated policy priorities?
- What are the current the institutional and administrative structures in relation to the medium term planning such as Budget Working Groups, Budget Management Committees etc.?
- Does the Government consult service users and providers in the budget formulation and allocation, implementation and monitoring of programmes?
- To what extent is all climate change funding and expenditure reflected in the National Budget and National Accounts of the country?
- Are climate change implications considered in Ministries' procurement plans?
- Is the impact of climate change considered in all capital project appraisals and development project designs?
- Does local/provincial government have a central or peripheral role in the national climate change budgeting process?
- What is working well and what problems have been created on the impact of external donors? Do donors impose special and additional reporting requirements? What is the effect on local capacity?
- What are some significant issues relating to the budget process identified in the Auditor General's recent report? How have these issues been addressed?
- What are some activities from the CPEIR recommendations related to PFM that have been progressed and by which partners?

4.2 Expenditure Analysis

- What is the trend of climate change planned and actual expenditure as a percentage of overall Government expenditure over the last two years?
- Is there any tracking tool for climate change expenditure? How important is this tool?
- What is the overall level of spending on climate change and how is it divided between recurrent and capital expenditure budgets?
- Does the present mix of sources of expenditure hold any implications for the efficiency of spending or its sustainability?
- How much of the national budget is allocated to local/provincial government to spend on climate change related programmes?
- What climate change-related programmes, activities or services should local/provincial government spend on, in line with their climate change policy and strategies?

- How do these programmes relate to the objectives and targets identified in local/provincial development plans?
- How is the climate change fund spent in the sectors? (E.g. climate proofing local service provisions, procurement to the private sector, supporting CSOs and voluntary organizations, internal capacity development, etc.).
- To what extent have discretionary powers for spending and revenue collection been devolved to local authorities, or competencies for revenue collection and resource allocation been delegated to non-state actors (private tax collectors, traditional leaders etc.)?
- What happens with procurement and expenditure when there is an emergency or disaster? What procedures are involved?

5. Human Capacity Analysis

Lead agencies: MCC, PMO, MFEM and Ministry of Internal Affairs

- What is the current national capacity including budgetary provision to manage Vanuatu's climate change programs?
- Does Ministry of Climate Change have the capacity to develop a vision and formulate policies on climate change including budgeting, monitoring and developing partnerships with identified stakeholders?
- Is there effective human resources management and human resources development in relation to climate change in the government?
- Is there evidence of climate-related capacity building activity and development of expertise in Vanuatu?
- What are some challenges faced by key stakeholders in understanding climate change finance? How have these challenges been addressed?
- What technical capacity does the local/provincial government have to program and deliver climate change finance?
- What are some experiences of the collaborative working relationship that exist on accessing, planning, budgeting, managing and delivering climate finance involving a range of national and local stakeholders?
- Are human resources adequately allocated for climate change in comparison with resources allocated for other priority sectors such as health, education etc.?

6. Development Effectiveness Analysis

Lead agencies: MFEM, PMO and MCC

- Does Vanuatu drive its own climate change policies and programs?
 - *Does Vanuatu take the lead role in establishment of priorities?*
 - *Is there demonstrated commitment at the highest decision making level to established processes?*
 - *Are efforts by communities – youth and women-led initiatives – recognized in decision-making processes?*
- Do development partners align with country objectives and use local systems?
 - *Do development partners adopt the objectives and performance indicators incorporated into country policies and action plans?*
 - *Do development partners use country structures, systems and mechanisms? How can alternative modalities still accomplish alignment and harmonization goals?*

- *What portion of development assistance falls outside the direct purview of national systems?*
- *Do development partners provide indicative commitments of aid in a multi-year framework and disburse aid in timely and predictable fashion?*
- *Are programs well-coordinated to prevent duplication and fragmentation of efforts?*
- Does Vanuatu focus on development results and are results measured?
 - *What are the mechanisms, processes and frameworks for monitoring the implementation of climate change policies and plans?*
 - *Are there collective mechanisms (i.e. involving government and development partners) for monitoring implementation of climate change policies and plans?*
- Are the funds channeled directly from donors or central government to local levels that do not involve local/provincial government?
 - *Is the local government aware of these funds?*
 - *Who delivers these funds? (CSOs, NGOs) Do they work with local/provincial government?*
 - *Is this funding accounted for within the local/national climate change budget?*
 - *How effective are these funded programmes?*

7. Gender and Social Inclusion Analysis

Lead agencies: Department of Women's Affairs

- What is the level of integration of gender equality and social inclusion (GSI) into climate change finance instruments such as policies and plans in Vanuatu?
- What are some benefits for the vulnerable and marginalised groups of the society such as people with disabilities, children, elderlies and women from climate change programs?
 - *How is social benefit measured?*
 - *What indicators are in place?*
- Is there any integration of protection of marginalised groups into the response programs related to disaster preparedness, during disasters and post-disasters?
- Is the Department of Women engaged in the appraisal of project proposals related to climate change and policy development?
- Are there socio-economic and gender assessments undertaken to develop or establish baseline data and understand existing needs and gender dynamics?
- Are gender and other social inclusion elements included in project design in terms of implementation budget; output, outcome and impact indicators and institutional arrangements for project implementation and monitoring?
- How are women, youths and other marginalized groups engaged at all levels, including through consultations and decision-making processes?
- Is there inclusion of gender perspective in the application (or implementation) of projects?
- Is there project screening for gender sensitivity at the various stages of the project preparation, appraisal, approval, and monitoring?