

Pacific Cost Benefit Analysis Initiative Planning Meeting Workplan (draft) - Vanuatu



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Current Economic Analysis in Decision Making Processes

- Budget system in Vanuatu- governed by the Public Finance & Economic Management Act.
- Budget cycle
 - Forecast established with ceilings
 - Budget submission by line agencies through to Ministerial Budget Committee
 - Final endorsement via parliament

Project proposal appraisals

- Through Strategic Planning and Aid Coordination. Information required in existing templates conforms to CBA requirements, though more descriptive.
- Appraisal done by Climate Change Ministry is very basic at this stage

Capacities and trainings

- Ministry of Finance and Economic Management: Only 3 staff in the economics section with very little training support. 4 staff in Budget section
- Dept. of Strategic Planning and Aid Coordination: limited economic analysis capacity, handful of staff for a huge workload
- 2011 – PACC project training attended by two country participants; CBA however was not applied to the Vanuatu's PACC project component
- April 2013 – In country CBA training.

	Needs	Opportunities
Capacities	<ul style="list-style-type: none">• Yearly/quarterly training for Finance and planning department staff• Incorporate specific CBA requirements into existing appraisal processes• More personnel , at different levels, to be engaged in or aware of CBA work• Undertake a more thorough capacity assessment of existing staff (finance), related to the below policy processes and instruments	Development of appropriate work plan which includes regular in-country trainings to specifically target finance and strategic planning personnel, including other sectors

	Needs	Opportunities
<p>Processes</p> <p><i>Budgetary Planning (national and sectorial);</i></p> <p><i>Project proposals appraisal and selection;</i></p> <p><i>Investment planning and implementation;</i></p> <p><i>Regulatory frameworks for development control (such as EIA, standards etc.)</i></p> <p><i>Policy planning and implementation;</i></p>	<ul style="list-style-type: none"> •Information needed to shape the development of draft climate change/DRR policy, sector planning or project implementation •Incorporate CBA into EIA process, adding value through socio-cultural and environmental evaluation 	<ul style="list-style-type: none"> •Tap into practical knowledge relative to funding opportunities which will enhance capacity to apply CBA principles more regularly and is conducive to Vanuatu's circumstances

Action Plan

- Purpose Statement
 - **Institutionalizing CBA into existing processes and functions by adding value and enhancing capacities in order to assist in decision making.**

Case Study

- Epi Island: Part of the island is covered by PACC, adaptation measures already identified and being implemented during 2014, but the detailed design and implementation process can be informed through CBA (e.g. sizing and timing or combination of options), or CBA use as retrospective case study. Some data gaps have been filled that hampered previous CBA intent (to check). Other parts of the island measures will be implemented through Vanuatu Coastal Adaptation Project (V-CAP) , CBA case application can be ex-ante.
- Use resources from budget of PACC, VCAP PPG, or MDRR now to support case study and in-country training. Use PACCSAP support for sectoral analysis. Further case studies to be identified at VCAP sites, intervention areas, further supported from VCAP resources once project starts.
- Timeline: March 2014 (commence)

In-Country Training – timeline and resourcing

- Timing: February onwards data collection. In country workshop round March-April. Opportunity to use PACCSAP experts as trainers, through participatory assessment.
- Mentoring arrangements can be fixed with the PACCSAP (AECOM) consultant team using available project resources.

P-CBA Country team

- Malcolm Dalesa – Adaptation/DRR Officer
- Wenny Garaewoka – Budget Accountant
- Dennis Alvos - PACC Coordinator
- Matthew Hardwick- VCAP Coordinator
- Charlie Namaka- Sector Analyst

- Training participants: Finance, Strategic Planning, Infrastructure, Agriculture, Water resources, Internal affairs

Internal Processes and Sustainability Measures

Internal Processes	Proposed Actions
<ul style="list-style-type: none"> • <i>Budgetary Planning (national and sectoral);</i> • <i>Forecasts being done by Economics section as well as training of line ministry finance officers</i> • <i>Project proposals appraisal and selection;</i> • <i>All Proposals currently appraised by DSPAC, as well as going through the National Advisory Board, particularly CC/DRR specific projects seeking endorsement</i> • <i>Investment planning and implementation</i> • <i>[need info from VIPA]</i> • <i>Regulatory frameworks for development control (such as EIA, standards etc.)</i> 	<p><i>Revise existing project and policy templates to incorporate CBA related information i.e. provision of quantitative information as well as being descriptive.</i></p> <p><i>Existing guidelines can be amended to include new information.</i></p> <p><i>Incorporate CBA into EIA process, adding value through socio-cultural and environmental econ. valuation</i></p> <p><i>Training of line ministry finance officers to integrate CBA considerations into budgeting preparation/processes</i></p>

Sustainability measures

Technical support mechanism	Proposed Action
<ul style="list-style-type: none">•Delivery of in-country training through CROP agency or USP•Undertake “training of trainers” sessions•Instigate mentoring support mechanism	<p><i>Quarterly training provided for finance, strategic planning and other officials. 2-4 days in length.</i></p> <p><i>Assess existing capacities of finance staff and other agencies relative to CBA application in policy processes and instruments. Can be basis to input into potential TOT participants.</i></p> <p><i>Formation of mailing group and regular contact through email, skype, etc</i></p>