Primary SDG	11: SUSTAINABLE CITIES AND COMMUNITIES
Broad theme	Aid distribution
Research	Testing different aid distribution models to determine the best approach for local communities
Impact region	Solomon Islands, Global
Faculty	Business
School/Institute	Economics
Academics	Professor Pauline Grosjean, Ariel BenYishay (AidData)
Project partners	AidData
Related SDGs	10: Reduced Inequalities

Elevator pitch

Pauline and her team tested a unique aid delivery approach to 80 villages in the Solomon Islands to determine how best to deliver aid money so that it goes towards projects the community values most, establishing a new and viable approach that can maximise the benefits of aid.

The Challenge: Powerful local actors may use development money for self interest

Generally, decisions about how to spend public money are best made at the local level where the funds will be used. Local communities best understand local needs and can monitor whether the funds are well spent. But powerful local actors have the ability to manipulate spending decisions to benefit their own interests to the detriment of the community. How do we ensure local actors use aid money for the greater good?

UNSW's solution: Test local actor behaviour with novel funding model approach

In a project that was published in 2018, Pauline and her team tested a novel mechanism for decentralizing public funds with 80 village communities in the Solomon Islands. Each village received a grant of 2000 Solomon Islands dollars (approximately USD 250) to implement a community building restoration project. Ten females and ten males from the community decided on what that project would be. In the control villages, the grant was given as a single block. In the trial villages, the grant was given as a voucher that could be traded in for cash at half the value. The funding approach increased community interest and participation in the decision making process around the use of funds.

The Impact: Increase community engagement and perception of fairness

The voucher model led to broader community participation in the project decision. Community participation increased 9-10% in the trial group. It appeared to encourage and empower isolated members of the community to participate. It is also resulted in a 5.5% increase in the likelihood that the project chosen reflected individual preferences recorded in surveys prior to the intervention. Selected projects were also less likely to match the preference of community leaders, indicating the voucher model may help rebalance misalignments between

the desires of community leaders and community members. Community members were almost 6% more likely to perceive the selected projects as fair and satisfactory than those in the control group. This effect was strongest among members of the community who were not regular participants in community events.

Pauline's work informs discussions around how best to deliver aid to local communities to ensure the money goes to where it was intended to go, and to where it is needed most. Aid organisations, funding bodies and NGOs working with local communities in the Pacific and globally will better understand how to achieve optimal funding outcomes that maximise community benefit. Academics working on aid delivery will be encouraged to incorporate the voucher model into their investigations to validate and expand on Pauline's work.

Researcher

Pauline Grosjean is a Professor of Economics at the UNSW Business School. Her research deals with how culture and institutions shape individual behaviour and economic development. She was the Ciriacy-Wantrup Post-doctoral fellow at UC Berkeley in 2008 and 2009, and an economist at the European Bank for Reconstruction and Development from 2006 to 2008.

Ben Falkenmire 18.06.18