

**REPUBLIC OF MARSHALL ISLANDS (RMI) COUNTRY PROGRAM REPORT  
PACIFIC REVIEW OF ADVISER POSITIONS FUNDED BY THE AUSTRALIAN AID PROGRAM**

## Overview

[A Joint Adviser Review Report](#) was released on 15 February 2011, which provided a synthesis of the findings and key recommendations from individual country reviews, including country specific adviser figures and narrative.

Australia worked bilaterally with a large number of partner country governments to review each adviser position. While the underlying Review methodology and the core content of country-specific reports is consistent across programs, in each case the final country-specific Review Report reflects decisions made by the joint Review teams as appropriate for the specific cultural and language context. As a result there are some presentational differences between reports.

This report presents the findings and recommendations of the joint Review process undertaken between the Governments of the Republic of Marshall Islands and Australia.

It is important to note that the Review process involved an assessment of the value and effectiveness of each adviser position – not the performance of individuals in those positions. The Review focused on the role of each position in meeting agreed country program objectives and development outcomes. On the basis of this assessment, the continued funding of adviser positions by AusAID was jointly considered and agreed with partner governments.

## 1. Executive Summary

Discussions with senior government officials re-confirmed strong support for the roles of the current advisers provided to the Government of the Republic of Marshall Islands (GORMI) through the Australian aid program. During the discussions with the Government, it was clear that Australian advisers are highly valued. Specifically GORMI commented on the professional approach and relevant experience of the current PACTAM advisers.

## 2. Background

The Australia RMI Partnerships for Development was signed in August 2010. The Priority Outcomes under the Partnership are: energy; and water and sanitation. To deliver on these Priority Outcomes, Australia is:

- supporting RMI to implement policies articulated in its **National Energy Policy** and the **Climate Change Road Map** (\$769,020, 2010-12). The anticipated outcome will be a reduction in energy use, in line with the targets outlined in RMI's National Energy Policy and Action Plan. Two advisers will work with agencies involved in the sector to work towards the adoption of energy-efficient practices by government ministries and industry; and
- supporting RMI in the **water and sanitation** sector (\$715,000, 2010-12) to take forward key recommendations from a recent joint study by RMI and Pacific Islands Applied Geoscience Commission (SOPAC) which found the RMI's finite and fragile fresh water resources are under increasing pressure from population growth, urbanisation and economic development as well as from predicted climate change risks.

Long term advisers under the above programs are engaged through the Pacific Technical Assistance Mechanism (PACTAM) managed by Australian Volunteers International.

In addition to the above support, Australia also provides significant funding for communities and NGOs under the Small Grant Scheme, and for scholarships including under the Australian Regional Development Scholarship (ARDS), Australian Leadership Awards (ALA) and the Australia Pacific Technical College (APTC).

### *Advisers in the Marshall Islands*

There will be three international long-term adviser positions funded under the aid program in 2010-11. The total cost of advisers is estimated at AUD265,000 and will represent 20 per cent of the budget allocation for RMI. Advisers mainly provide high-level strategic and policy advice to Ministry heads and senior managers.

In RMI, the government relies on advisers to bring current international experience and good practice to development work. With limited human resources, the Government also relies on advisers to help bring about change at a reasonable pace and to fill skill gaps in the public sector. It is important to recognise that adviser provision is demand-based from the GORMI and is consistent with the recently negotiated Priority Outcomes agreed under the Australia RMI Partnership for Development.

The North Pacific countries are in a unique position in terms of donor support. The majority of their revenue is provided under the US Compact of Free Association. In general, terms of the agreement do not allow for the provision of long-term advisers. GORMI capacity constraints are therefore the major barrier to translating substantial revenue flows into effective services for RMI's people. Through the provision of advisers, Australia is therefore in a unique position to support the governments of the North Pacific to make more strategic use of donor funds.

### *Methodology used to conduct review*

The review considered 'long term' (at least six months input per year) adviser positions that were in place in the 2010-11 (Australian) financial year.

The methodology used for the review included document and data analysis and consultations with all current beneficiaries of advisory assistance through the RMI-Australia aid program. Key steps in the process are:

- Initial data analysis gathered information on every adviser position in place or planned for the 2010-2011 financial year.
- AusAID made an initial assessment of the priority of each position, assessing their terms of reference, existing monitoring reports. Each position was ranked as high (continue the position), medium (consider changes to the position) or low (phase out the position).
- Initial rankings were discussed by the Review Team with GORMI (including in most cases the heads of the Ministries receiving the advisory assistance). Final rankings were determined during these consultations.

## **3. Review Findings**

### *Key issues related to Relevance, Effectiveness and Cost Effectiveness*

#### Advisers not linked to partnership programs

With a growing program in the North Pacific and as an important provider of advisers, Australia is likely to be approached by GORMI in the future to provide advisers or fill in-line positions in areas where the necessary knowledge or skills are not available in the GORMI public service. In considering requests for advisers that are not part of our partnership programs, we need to better assess how AusAID adds value – what we contribute other than funding and whether we are able to effectively manage the performance of the adviser. Where we are not in a position to effectively manage the adviser, we need to be proactive in seeking opportunities to collaborate with other donors, especially in areas where they have more expertise or play a lead role.

Nevertheless, concentrating rather than expanding our focus should remain the aim of Australian support in RMI. The aid program to RMI is likely to continue to focus on current Partnership priority areas. It will be important to deepen our engagement in and knowledge of these key sectors rather than diffuse our advisory support in other areas, to ensure advisers are effective and Australia's aid is not exposed to reputational or other risks because we are not sufficiently informed about what advisers are doing.

#### Assessing the effectiveness of advisers to deliver real reforms

We recognise that initially advisers in RMI have focussed (appropriately) on delivering key short-term outputs required by the Government. However, when considering the continuation of a position, we will need to determine whether the Government continues to be committed to the reforms the adviser has been recruited to deliver. We will need to shift our focus from judging the effectiveness of advisers on the processes they are delivering on, to their ability to nurture and progress real reforms in the area of policy formulation and/or service delivery. If evidence indicates government is not ready for reform, then we should consider more cost effective options for delivering outputs (eg. using volunteers, local or short-term positions).

#### Cost sharing arrangements for adviser positions

The current adviser positions in RMI are all provided through PACTAM and are negotiated with cost sharing arrangements (GORMI provide housing). This indicates a level of ownership on the part of the government and helps ensure the real value of the adviser position is in the position and not in any extra budget (for equipment, conferences etc) the adviser brings with them.

## **4. Recommendations**

### *Future commitment to adviser positions*

A summary of specific positions, their roles and priority rankings following assessment is at Attachment A.

Three adviser positions were reviewed. All were identified as high priority and should continue to be supported. Two of the positions are new and advisers are not yet in place.

### *Process for managing future requests for advisers*

Recommendation 1: Before any position is agreed to, the following issues must be considered at a minimum by the requesting Ministry. Decision-makers for existing programs (both in AusAID and from the managing contractor) should adopt these criteria as the basis for assessing future requests for advisers.

- Requests for advisers outside our main programs need to be assessed in terms of how AusAID adds value – what we contribute other than funding and whether we are able to effectively manage the performance of the adviser.
- Requests for extensions need to be assessed in terms of whether the Government continues to be committed to the reforms the adviser is helping deliver, and accordingly whether the adviser can therefore deliver on the outcomes agreed in their Terms of Reference (TORs).
- Continue current cost-sharing arrangements with GORMI.

Recommendation 2: The TORs for each adviser assignment should clearly articulate the expected outputs, capacity development goals, proposed approach (direct/hands-on or guiding/supporting), exit strategy, review processes, the adviser's lines of accountability and responsibilities of all parties including Ministry heads, counterparts and adviser. TORs must be reviewed on a regular basis to track progress and address any issues arising. Where progress is severely hampered by issues that have arisen in the course of the assignment,

the Ministry Head (or senior delegate) is responsible for taking appropriate actions including ending the assignment where there is no prospect for successful achievement of outcomes.

Recommendation 3: Every two years, the use of advisers across the aid program will be reviewed to ensure prioritisation based on agreed development priorities and ensures consistency of approach. AusAID's Annual Program Performance Review process provides a good mechanism for regular review and re-assessment. A report on progress in implementing recommendations from the Adviser Reviews will be prepared for presentation at the Australia RMI Partnership Talks in the following year.

Recommendation 4: AusAID's contracts with service providers (specifically PACTAM) supporting recruitment processes should ensure that a suitable candidate is placed. If a suitable person cannot be identified, AusAID's decision to support the position may need to be reassessed.

## **5. Next Steps**

### *Timeframe and process for implementing review recommendations*

All aid program activities in RMI will need to confirm their approaches to using technical advisers in accordance with the recommendations in this report. Where new programs are being designed, this report's recommendations will provide guidance on the design of components related to technical advisers. Where existing programs are being implemented, the AusAID program manager and their GORMI counterparts will need to assess existing practices related to the use of technical advisers and adjust them to incorporate this review's recommendations. The Focal Point in Canberra will provide oversight to ensure that all programs take necessary steps to implement this review's findings. The recommendations of the review will be implemented by June 2011, prior to the next Australia RMI Partnership Talks.

## **6. Conclusion**

Advisory assistance remains an important way of contributing to the skills, knowledge and expertise that is needed to support RMI's development. Provision of adviser assistance through PACTAM costs up to AUD150,000 per annum per position. Under the Partnership agreement the use of advisers is seen to be vital, especially in the first few years where the focus is on capacity building and putting strategic plans in place. Nevertheless, the advisers should be used judiciously to ensure they contribute to effective development outcomes and represent value-for-money for both RMI and Australia.

## Attachment A

Rank	Position	Function	Initial Rating	Rationale for rating	GORMI response	Final Rating
1	Water & Sanitation Adviser	The adviser will work with the Utilities Company to assist with the development of a Water Policy and Action Plan to address problems of insufficient and inefficient water catchments.	High	A large number of urban households are without water storage facilities and fresh water resources are extremely limited in RMI.	Agree with rating and comments.	High
2	Energy Adviser	The adviser is working with the Energy Division of the Ministry of Resources & Development, to implement energy efficiency activities to support the National Energy Policy and Action Plan.	High	RMI is completely dependent on imported oil which account for 90% of the national energy supply. Assistance in the sector is vital.	Agree with rating and comments.	High
3	Energy Adviser	A second Energy Adviser, also based at the Energy Division of the Ministry of Resource and Development, will act as Project Manager to coordinate energy related activities across all government ministries in the Marshall Islands.	High	RMI has a number of agencies involved in this sector. Currently there is no one with oversight or coordination of all the activities potentially leading to replication and poor use of funds.	Agree with rating and comments.	High