

**REPUBLIC OF PALAU (ROP) 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 Palau 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 Palau (GOROP) through the Australian aid program. During the discussions with the Government, it was clear that Australian advisers are highly valued. Specifically GOROP commented on the professional approach and relevant experience of the current PACTAM advisers.

## 2. Background

The Australia Palau Partnerships for Development was signed in August 2010. The Priority Outcomes under the Partnership are: education, health and budget management. To deliver on these Priority Outcomes, Australia is:

- supporting Palau to improve the **quality of the teaching workforce** (\$257,000, 2010-12) by supporting the efforts of the Ministry of Education (MOE) and Palau Community College to develop and implement appropriate strategies to improve the qualifications and quality of elementary teachers. This will be done through the provision of an ESL specialist trainer based at the Palau Community College, (which has the mandate to undertake pre and in-service teacher training);
- supporting Palau to **improve the competency and skills base of health sector workforce**. (\$448,000, 2010-12). This initiative aims to focus on achieving a suitably trained workforce, both administrative and clinical. Australia will provide an HRD health specialist adviser to assist ROP health sector to achieve these outcomes;
- supporting Palau to **improve capacity in budget planning and management** (\$232,560, 2010-12) by addressing identified short and long term capacity restraints, initially through adviser support to the Ministry of Finance's Procurement and Asset Management Division and later to its Planning and Statistics office, responsible among other things, for the tracking, monitoring and analysis of data on the MDGs.

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 Palau*

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 AUD240,000 and will represent 31 per cent of the budget allocation for Palau. Advisers mainly provide high-level strategic and policy advice to Ministry heads and senior managers.

In Palau, 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

GOROP and is consistent with the recently negotiated Priority Outcomes agreed under the Australia Palau 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. GOROP capacity constraints are therefore the major barrier to translating substantial revenue flows into effective services for Palau'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 6 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 ROP-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 GOROP (including in most cases the heads of the Departments 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 GOROP in the future to provide advisers or fill in-line positions in areas where the necessary knowledge or skills are not available in the GOROP 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 Palau. The aid program to Palau 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 Palau 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 ROP are all provided through PACTAM and are negotiated with cost sharing arrangements (GOROP provide housing and local salary). This is a best practise approach that indicates a strong 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. All 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 GOROP.

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 Palau 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 ROP 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, AusAID program manager and their GOROP 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 Palau Partnership Talks.

## 6. Conclusion

Advisory assistance remains an important way of contributing to the skills, knowledge and expertise that is needed to support ROP'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 ROP and Australia.

## Attachment A

Rank	Position	Function	Initial Rating	Rationale for rating	GOROP response	Final Rating
1	English as a Second Language (ESL) Adviser	The adviser will work with the Ministry of Education and Palau Community College to develop and implement appropriate strategies to improve the qualifications and quality of elementary teachers. Specifically, the adviser will help prepare an ESL curriculum for the Palau Community College (which has the mandate to undertake pre and in-service teacher training).	High	The Ministry of Education is committed to raising the standard of teaching and learning, and aims to have 80% of the teaching workforce hold a minimum qualification of an Associate Degree by 2015. ESL expertise is needed to achieve this.	Agrees with rating and comments.	High
2	Health HRD Adviser	The adviser will work with the Ministry of Health to implement the Public Health Strategic Plan and facilitate the establishment a 'College of Health' Program (developed by MOH). This program is designed to train all staff to basic levels, appropriate to their job. Specific technical training will be undertaken by the Palau Community College.	High	The Ministry of Health require expert inputs in order to meet the targets outlined in the Public Health Strategic Plan and the Human Resource for Health Action Plan.	Agrees with rating and comments.	High
3	Finance Adviser	The adviser will work with the Procurement and Asset Management Office to review asset management data and develop good practice procurement policy and procedures. The adviser will also work with this Office to improve monitoring and tracking of MDG performance.	High	The Ministry of Finance need expert inputs to meet targets outlined in the Medium Term Development Strategy in order to meet its reporting requirements on the MDGs by 2015.	Agrees with rating and comments.	High