




Australian Government  
AusAID

# Annual program performance report: Pacific regional program 2008–09

August 2009



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# Abbreviations

AusAID	Australian Agency for International Development
HIV	Human Immuno-deficiency Virus
IFC	International Finance Corporation
NZAID	New Zealand Agency for International Development
QAI	quality at implementation
STIs	sexually transmitted infections
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women

# Summary

Pacific island countries share challenges, including isolation from major markets, narrow economic bases, growing youth populations and vulnerability to environmental threats. Some countries lack the national budgetary resources to fund basic services. Vulnerability to economic shocks, such as the global recession, has increased the pressure on Pacific island countries, particularly those reliant on remittances.

This report is the first annual program performance report for AusAID's Pacific regional aid program and is part of an ongoing process to improve the effectiveness of Australia's engagement in the Pacific region. The report outlines the achievements and challenges faced by the program during 2008 and finds that, while significant achievements can be reported for all areas, the substantial growth in the regional budget—from \$78.4 million in 2006–07 to \$152.7 million in 2008–09—created challenges for program coherence. A new Pacific regional strategy is needed to clarify Australia's objectives and approach to regional initiatives.

## Ratings of progress

The Pacific Regional Aid Strategy 2004–2009 was developed before AusAID's current performance assessment and strategy guidelines were produced and does not include clearly defined objectives, a performance assessment framework or measurable indicators. Also, the policy landscape has changed substantially since 2004 as a result of, for example, the Pacific Plan and the evolution in domestic and global aid engagement, which is reflected in the Pacific Partnerships for Development and the Paris Declaration on Aid Effectiveness. These changes made the systematic assessment of program performance difficult.

The amber ratings for the likelihood that the Pacific regional aid program will achieve objectives 1–4 of the Pacific regional strategy reflect not only the progress made but also that the objectives are too broad to be fully met (Table 1). The green rating for objective 5 indicates that the corporate management practices within Pacific regional organisations were strengthened, and that progress was made in reforming the organisations. Overall, the ratings reflect the need to define specific measurable objectives against which future progress can be tracked. This will be addressed in the new Pacific regional strategy.

**Table 1: Ratings of the Pacific regional program in achieving the strategic objectives for 2004–09**

Objective	Rating
1. Stronger broad-based growth	Amber
2. More effective, accountable and democratic government	Amber
3. Improved law and justice and security	Amber
4. Enhanced service delivery	Amber
5. Strengthen and reform Pacific regional organisations <sup>a</sup> to ensure they meet the needs of Pacific island member nations	Green

<sup>a</sup> The University of the South Pacific, the Secretariat of the Pacific Community, the Pacific Islands Forum Secretariat, the Secretariat of the Pacific Regional Environment Program, the Pacific Islands Applied Geoscience Commission, the South Pacific Board of Educational Assessment and the Forum Fisheries Agency.

Note:

- Green The objective will be fully achieved within the timeframe of the strategy.
- Amber The objective will be partly achieved within the timeframe of the strategy.
- Red The objective is unlikely to be achieved within the timeframe of the strategy.

## Major results

The Pacific regional program contributed to some significant results in 2008.

- Support for the **regional institutional framework** assisted in the reform process for agencies of the Council of Regional Organisations in the Pacific, and is ultimately expected to lead to reduced overlap, clearer mandates and administrative efficiencies.
- **Core funding** to Pacific regional organisations supported regional service delivery, strengthened corporate management practices and supported the implementation of key reforms.
- Support for **trade initiatives** helped Pacific island countries to prepare for global and regional trade negotiations such as the Pacific Agreement on Closer Economic Relations, known as PACER Plus.
- The **Australia–Pacific Technical College** graduated 153 students in 2008, directly supporting the aspirations of the Pacific Islands Forum Leaders for greater regional integration.
- The **new remittances website** should help to reduce transaction costs for migrant workers.
- Work commenced to **strengthen statistics** to enable policymakers to make informed decisions.
  - Four draft national demographic and health survey reports for the Marshall Islands, Solomon Islands, Nauru and Tuvalu were completed, with support through the Secretariat of the Pacific Community’s Statistics and Demography Program.
  - A statistics benchmarking study was undertaken across the region, with support through the Pacific Islands Forum Secretariat.
- **Governance programs** such as the Pacific Governance Support Program, the Pacific Leadership Program and Pacific Executive Scholarships helped public sector management and leadership across the region (for example, the regional ombudsmen networks and independent media).

- The **Pacific Regional Audit Initiative** facilitated the pooling of audit resources across three of the smaller island nations—Kiribati, Tuvalu and Nauru.
- The **Pacific Regional Policing Initiative** improved basic policing, leadership and management skills and key technical skills in areas such as forensics across the region.
- The **South Pacific Board of Educational Assessment** developed a monitoring and evaluation framework for the Pacific Regional Qualifications Register, established an Accreditation Unit and established national baseline data for school years 4 and 6 in literacy and numeracy.
- Support for the **Pacific Regional HIV/STIs Project** improved treatment for people living with AIDS and targeted assistance to the most vulnerable. A new **HIV/STIs response fund** was launched in 2008.
- The **Regional Non-Communicable Disease Program** developed a harmonised regional framework, costed plans for managing non-communicable diseases in four countries and developed guidelines on physical activity, taxation and reform of tobacco legislation.
- Support for regional **environment initiatives** provided data on climate change and sea levels.
- National action plans for **disaster risk management** were completed in three (Vanuatu, the Marshall Islands and the Cook Islands) of the 14 Pacific island countries.
- **Australia and New Zealand collaboration** increased as a result of joint programming and review missions (for example, the 2008 review of Pacific regional organisations and

the Pacific Regional Influenza Pandemic Preparedness Project), joint consultation with Pacific regional organisations in the health sector and joint funding for reform of the regional institutional framework.

- The **Pacific Regional Influenza Pandemic Preparedness Project** strengthened national arrangements for such a pandemic through the development of a legislative framework that includes a national plan and standardised disease surveillance and infection control procedures, through specialist training and simulation exercises and through the procurement and distribution of Tamiflu and personnel protective equipment to Pacific island countries. The project is a good example of harmonised programming between Australia and New Zealand.

## Major challenges

**Absence of a clear strategy and rationale for regionalism** The regional aid strategy for 2004–09 does not clearly define measurable objectives, articulate the rationale for Australia’s regional engagement, or state how the program contributes to AusAID’s bilateral programs, the Pacific Plan for greater regional cooperation and integration, or the Millennium Development Goals. This has presented challenges for program coherence and strategic focus, and for assessing results.

**Proliferation and fragmentation** The substantial increase in the regional budget has contributed to a proliferation of activities. There are more than 80 discrete Pacific regional initiatives, which use a variety of modalities and implementing partners.



**Links between regional and bilateral programs** Regional activities are often not well integrated with country programs. The peer review of Australia's assistance by the OECD's Development Assistance Committee noted the importance of having strong links between bilateral and regional programs in terms of content and approaches, particularly in the health sector, where links between the two levels of assistance seem weak.

**Reform of Pacific regional organisations** AusAID has channelled an increasing proportion of aid to regional organisations as core and program funding. The review of Pacific regional organisations recommended increased core funding. However, concerns about mandate creep and the lack of transparency in the organisations' budgeting remain. While the proposed move by several donors to increase levels of core funding is positive and should help to strengthen corporate management, it may not result in a reduction in the drive to secure supplementary program funding and may provide some agencies with greater scope to expand their mandates.

**Regional institutional framework** Reforming the region's institutional framework is key to reducing overlap and increasing efficiency but progress has been slow and resource-intensive.

**Monitoring and evaluation** The substantial size and scope of the regional program, combined with the absence of a clear strategy and overarching performance framework, have made assessing the available performance information for the Pacific regional program (for example, quality-at-implementation reports, medium-term reviews and independent completion reports) extremely challenging. The reporting focuses largely on the activities undertaken, with little evidence of their impacts or outcomes. In addition, there is still very limited information from country programs on regional activities.

**Development cooperation** The lack of coordination and alignment of support provided to the region continues to be of major concern. Many organisations focus on promoting their own mandates. Anecdotal feedback from some countries indicates that support for Pacific regional organisations is sometimes supply-driven and separate from national development priorities.

**Gender considerations** Australia's support for surveys to determine the incidence and impacts of gender violence has provided detailed data on the extent of the problem. However, beyond this important work, few initiatives of the regional program report gender-disaggregated data or provide assessments of gender differences, an exception being the Australia-Pacific Technical College. Reporting on gender issues requires substantial improvement, including monitoring of relevant gender-disaggregated data in the new Pacific regional strategy.

## Main management consequences

**Pacific regional program strategy** AusAID will develop a new strategy to assist in determining support for regional organisations and initiatives, reduce fragmentation and increase harmonisation.

**Monitoring and evaluation** The regional program will improve reporting on outcomes and results by specifying results-based reporting in agreements with Pacific regional organisations and communicating expectations to implementing partners.

**Coordination** Strategies to improve coordination between country aid programs and the regional aid program include increasing collaborative planning between regional and bilateral

sectoral initiatives (for example, Vanuatu health sector planning and Kiribati health workforce planning), using the regional strategy to reduce the number of discrete activities, and ensuring that Pacific Partnerships for Development incorporate regional initiatives where appropriate.

**Whole-of-government engagement** Two new major regional initiatives will be delivered through whole-of-government partners (climate change and regional policing initiatives) and AusAID will strengthen its engagement with these partners. The new Pacific Public Sector Linkages Program (formerly the Pacific Governance Support Program) will also place greater emphasis on partnerships and long-term engagement. AusAID will work through existing mechanisms (the Law and Justice Steering Committee) and other forums (donor roundtables on climate change) to increase harmonisation with other partners and Australian government departments (for example, the Department of Climate Change). The addition of a position for a development program specialist on climate change at the Pacific regional hub in Suva is pivotal to increased harmonisation on climate change.

## Regional performance

Pacific island countries<sup>1</sup> are particularly vulnerable to external shocks—be they environmental or economic. Their geographic location makes them prone to cyclones, floods, earthquakes

and tides that destroy farmland, housing and livelihoods. Many countries depend on a very small set of exports, and any change in the global price can profoundly affect employment and economic stability. Their remote location means that shipping is the artery of trade in goods, and a small change in energy prices can mean the difference between competitive and uncompetitive exports. As net food importers, energy prices also affect the food security of many communities.

In 2008 Pacific island countries were challenged by both high food and energy prices and the global recession. Vulnerability to economic shocks, such as the global recession, has increased the pressure on Pacific island countries, particularly those reliant on remittances such as Samoa and Tonga (remittances in Tonga account for approximately 45 per cent of gross domestic product). Population increases and lower economic growth due to the global recession is expected to lead to five countries in the region recording negative growth in gross domestic product per person in 2009.<sup>2</sup> This underscores the need for the region to build strong, robust economies that are better able to withstand external shocks.

The Pacific is off track to achieve the Millennium Development Goals by 2015.<sup>3</sup> Approximately 2.7 million people in the region are living in poverty and do not have income to satisfy their basic needs. Around 400 000 children are not enrolled in primary school and 64 out of every 1000 children die before the age of five.

Samoa and Tonga are on track to achieve four of the Millennium Development Goals. Fiji, Niue, Palau and Vanuatu are on track to achieve three of the goals. The Cook Islands, Kiribati, the Federated States of Micronesia, the Marshall Islands, Nauru, Solomon Islands and Tuvalu are likely to meet very few of the goals. Papua New Guinea is off track on almost all Millennium Development Goals.

Leadership is crucial for realising progress towards the Millennium Development Goals in the Pacific region. Better governance means higher economic growth, and higher growth means better development outcomes. Achieving effective and accountable governance remains a challenge. Expenditure is inadequately targeted, and services often fail to reach the poor.

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<sup>1</sup> Fiji, Vanuatu, Solomon Islands, Samoa, Tonga, the Cook Islands, Niue, Tokelau, Tuvalu, Nauru, Kiribati, the Republic of Palau, the Republic of Marshall Islands, the Federated States of Micronesia and Papua New Guinea.

<sup>2</sup> AusAID, *Tracking development and governance in the Pacific*, Australian Agency for International Development, Canberra, August 2008.

<sup>3</sup> The Pacific has limited data collection, analysis and dissemination of statistics to support evidence-based planning. Although most countries conduct a regular population census and improvements have been made in the past decade, household and health surveys remain infrequent. The Secretariat of the Pacific Community estimates that 62 per cent of the data required to report progress towards the eight Millennium Development Goals are either not available or not up to date.

Procurement, payroll controls and audit are generally weak. Efforts to improve government effectiveness and the control of corruption have had mixed results. The relative ease of doing business in 2008 declined in all countries except Vanuatu.

In March 2008 the Prime Minister's Port Moresby Declaration signalled Australia's intention to pursue Pacific Partnerships for Development with Pacific islands countries. To date, partnerships have been signed with Papua New Guinea, Samoa, Solomon Islands, Kiribati, Vanuatu, Tuvalu, Tonga and Nauru. Partnerships with the Federated States of Micronesia, the Marshall Islands and Palau are expected to be signed in 2010. Australia will also look to discuss collaborative development arrangements with the Cook Islands and Niue in 2010, in close cooperation with New Zealand.


The Partnerships for Development commit Australia and Pacific island countries to work together in a spirit of mutual respect and mutual responsibility to meet common challenges, particularly faster progress towards the Millennium Development Goals and other national development goals. The partnerships also give effect to Australia's commitments under the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action to increasingly align assistance with partner governments' planning and implementation systems.

# What are the results of the Pacific regional program's thematic support?

## **Objective 1: Stronger broad-based growth**

Pacific island economies need strong broad-based growth to create a diverse range of inclusive economic activity that provides communities with sustainable livelihoods. A robust private sector provides employment, develops skills and knowledge, and enables governments to build the revenue necessary to provide essential services. Initiatives that contribute to this objective primarily target trade liberalisation (to increase exports and lower the cost of imports, particularly food staples) and private sector development (to create a robust and active private economy). Infrastructure is also essential for economic activity, and the Pacific Regional Infrastructure Facility will make an important contribution to this objective. Many of the initiatives outlined under objectives 2 and 3 also contribute. It is noted that this objective is very broad and will be refined when the new strategy for Pacific support is developed.

### **Rating**

 (Amber) The objective will be partly achieved within the timeframe of the strategy.

### **Assessment of results and performance**

Progress in this area has been mixed. Increased trade liberalisation has primarily been in response to domestic issues, with some tariffs lowered in response to the food price rises in

2008 and other tariffs lowered as a result of the accession processes of the World Trade Organization. Where undertaken, aviation and telecommunications liberalisation has brought significant benefits and tourism is rising in those countries. Tourism generally appears to be holding up well despite the global recession. While some progress has been made in the Pacific Island Country Trade Agreement, it has generally not lived up to the promise of improved regional integration and the focus is now shifting toward the forthcoming negotiations of the Pacific Agreement on Closer Economic Relations, known as PACER Plus. The broader business enabling environment has improved in several countries but the global recession has undermined progress in many Pacific island countries. Fiji continues to lose business as a result of the political situation there.

Progress towards broader economic integration is linked to implementation of several initiatives under the Pacific Plan that have yet to gain significant traction. This is partly a function of Pacific island countries not committing the required budgetary resources to progress initiatives (such as bulk fuel purchases). The Pacific Regional Infrastructure Facility is still in the early stages of development and it is too soon to report significant development outcomes.

## Trade and investment

Australian support in 2008 helped **Forum island countries** to prepare for regional and global trade negotiations.

- **PACER Plus** meetings of senior officials were held to develop a road map and timetable for negotiations, training was provided under the Australian Leadership Awards Trade Fellowships for one trade officer from each country, five trade policy papers were prepared along with a comprehensive report on the benefits and challenges of PACER Plus to help support participation in discussions.
- The **Trade Research Initiative** provided \$65 000 to each country to conduct independent trade research.
- **Partnerships with the World Trade Organization** are helping Pacific countries to prepare for the Doha round of multilateral trade negotiations. Support includes trade-related technical assistance, capacity building, and assessments of the need for trade facilitation for the four members of the World Trade Organization (Papua New Guinea, Solomon Islands, Fiji and Tonga) and two accession countries (Samoa and Vanuatu).

The **Pacific Islands Trade and Investment Commission** is helping to support the development of Australian markets for Pacific exports and opportunities for Australian investment, tourism and trade with the Pacific. In 2008 the commission developed investment and business information guides for the 14 Pacific island countries, provided training on exporting, assisted seven Pacific exporters with marketing, and supported the smaller Pacific tourism offices to conduct marketing events around Australia to promote Pacific tourism and its development. However, the overall contribution to trade outcomes is unclear and there is scope to improve the focus and cost effectiveness of the commission.

The **International Finance Corporation** of the World Bank Group is helping Pacific island countries to develop the Doing Business Indicators as well as progress their global rankings. But overall progress remains slow, with most Pacific countries slipping in their rankings due to a failure to implement reform. Vanuatu improved its ranking from 67 in 2007 to 60 in 2008 with reforms in the 'getting credit' category. The establishment of public– private taskforces helped four Pacific island governments—Tonga, Vanuatu, Papua New Guinea and Solomon Islands—to streamline regulatory and administrative processes and foster investment policy and promotion.

AusAID supported the new **pilot seasonal worker scheme**, which provides vital employment opportunities for Pacific islanders. AusAID also provided skills training to improve workers' employment opportunities at home and abroad. A **remittances website** <[www.sendmoneypacific.org](http://www.sendmoneypacific.org)> was also launched with joint funding from the Australian and New Zealand governments. The website aims to lower the cost to Pacific islanders of sending money back home by providing up-to-date price comparisons and improving competition.<sup>4</sup>

## Private sector development

AusAID funding for the Asian Development Bank's **Private Sector Development Initiative** improved the regulatory and financial environment that supports private sector development, and supported the reform of state-owned enterprises. Selected achievements in 2008 included:

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<sup>4</sup> The World Bank estimates that a 10 per cent increase in remittances to developing countries reduces the incidence of poverty by 2 per cent.

- private sector assessments for Samoa, Tonga, Papua New Guinea and Vanuatu
- comparative analysis of the performances of state-owned enterprises in the region
- option papers on branchless banking for Papua New Guinea, Tonga and Vanuatu
- implementing reform of the securities law and registry for personal property in Palau, Samoa, Solomon Islands, Tonga and Vanuatu
- drafted reforms of the company Acts in Solomon Islands, Vanuatu and Tonga
- new insolvency legislation drafted for Solomon Islands and Vanuatu.<sup>55</sup>

The initiative also supported the first privatisation in Tonga with the successful sale of Leiola Duty Free stores and the rationalisation of four other state-owned enterprises.

The **Private Enterprise Partnership for the Pacific**, delivered by the International Finance Corporation, helped Papua New Guinea and Samoa to develop a toolkit to assess impediments to tourism, provided support to Papua New Guinea to develop a viable policy and legal framework for establishing special economic zones such as the Pacific Marine Industrial Zone, and commenced several other activities to support private sector development (for example, to simplify regulatory and investment legislation in Papua New Guinea, Tonga, Solomon Islands and Vanuatu and to undertake a survey of drivers and impediments faced by small businesses, which was used to produce Papua New Guinea's first Informal Sector Policy Statement).

AusAID, in partnership with the World Bank and the International Finance Corporation, conducted detailed studies of the business environments in Samoa, Tonga, Papua New Guinea, Solomon Islands and Vanuatu, highlighting the challenges faced by **women in private sector development**. Findings from these studies are now being integrated into regional work programs.

The Pacific Leadership Program partners the Pacific Islands Private Sector Organisation, the regional peak body for national private sector organisations. The partnership supports the capacity of the organisation and its national members so that they can assume leadership roles, engage in effective public–private sector dialogue, and advocate for effective policy reform based on private sector needs.

## Major challenges

**Trade liberalisation** remains a challenging area for engagement. Many Pacific island countries rely heavily on tariffs as a source of government revenue and some are concerned about the decline in revenue associated with trade liberalisation (although more effective customs compliance has mitigated this where undertaken). Pacific island countries have also been unable to take advantage of existing trade opportunities because of weak institutions, poor trade-related infrastructure and difficulty meeting quarantine requirements. Trade facilitation and development programs can help address these concerns, and a substantial program of support will form part of the eventual PACER Plus agreement. In the meantime, more work needs to be done to help these countries increase their volume of trade in agricultural products, particularly with Australia and New Zealand.

<sup>55</sup> The Asian Development Bank identified achievements including support for microfinance service providers to expand their rural outreach in Papua New Guinea, Samoa and Vanuatu; collateral reform in the Federated States of Micronesia, the Marshall Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga and Vanuatu; business law reform in the Cook Islands, Fiji Islands, Palau, Samoa, Solomon Islands, Tonga and Vanuatu; and company registration reform in Samoa, Solomon Islands, Tonga and Vanuatu <<http://www.adb.org/Media/Articles/2008/12543-pacific-private-sectors-developments/>>.



Broader **economic cooperation**, as envisaged under the Pacific Plan (for example, pooling resources to purchase bulk fuel), is progressing more slowly than hoped. While commitments have been made by leaders at the political level, these have not yet been translated into country-level budget allocations to support specific initiatives of the Pacific Plan. Broader donor cooperation on private sector activities, including microfinance, is essential to ensure consistent approaches across the region. The quarterly meetings of the Private Sector Development Donor Working Group—Australia, New Zealand, the International Finance Corporation, the Asian Development Bank, and the European Investment Bank—have helped to inform actors, but more can be done to bring regional stakeholders together and coordinate activity more effectively.

The **lack of economic and employment opportunities** continues to be a binding constraint on economic growth in many Pacific island countries. In some countries, emigration represents a major challenge while, in others, rapid population growth makes it difficult to generate sufficient employment opportunities to keep pace with demand. The **Pacific Seasonal Worker Pilot Scheme** introduced by Australia and New Zealand's Recognised Seasonal Employer Scheme has the potential to address some of these challenges; however, current demand by workers far exceeds the supply of available employment places.


Men are the bulk of workers participating in these schemes, although Australia's program aims for gender equality and work is being done to ensure opportunities are available for women. Australia's program also aims to increase the skill base of workers by providing opportunities for technical and vocational education and training.

### Estimated expenditure

Approximately \$25.5 million—16.7 per cent of the 2008–09 budget for the Pacific regional program—was allocated to strengthen broad-based growth.

## Objective 2: More effective, accountable and democratic government

### Rating

 (Amber) The objective will be partly achieved within the timeframe of the strategy.

### Assessment of results and performance

A range of regional initiatives aim to build more effective, accountable and democratic government by building leadership and management skills, forging links between Australian and Pacific government institutions, and strengthening key accountability mechanisms (for example, the Pacific Ombudsmen Network and independent media).

Progress in this area was difficult to assess, primarily due to limitations in performance reporting (for example, there was limited assessment of the extent to which management skills and training contributed to broader reform). There also appears to be some overlap between the various governance initiatives. Nonetheless, regional program support in this area contributed some good results in 2008.

The **Pacific Governance Support Program**, redesigned in 2008 and renamed the Pacific Public Sector Linkages Program, built stronger links between Australian and Pacific



governance institutions. An independent completion report concluded that the program's activities were well received by Pacific island countries, and the program provided appropriate systems, procedures, policies and skills development (in some cases, at very low cost).

Program achievements included:

- reducing the case backlog of the Supreme Court of Tonga by introducing a computerised case management system and mediation (with the Federal Court of Australia)
- introducing better management of electoral rolls and registration by introducing a database (with the Australian Electoral Commission)
- establishing networks for ombudsmen, senior health officials and public prosecutors to facilitate exchanges of ideas and access to advice and technical assistance from Australian counterparts (the Commonwealth Ombudsman, the Department of Health and Ageing, and the Commonwealth Public Prosecutor)
- training financial regulators and undertaking supervision missions of Pacific financial institutions to address the global recession (with the Australian Prudential Regulation Authority).

The new **Pacific Leadership Program** aims to promote improved policy engagement, leadership, research, and inter-Pacific learning and exchange on governance issues. It includes a focus on promoting gender equality in Pacific governance (through, for example, political and legislative reform). The program works with peak bodies (such as youth councils) to identify and share best practices across the Pacific. The program partners the Pacific Islands Private Sector Organisation, the regional peak body for national private sector organisations. Early achievements included:

- a high-level advisory committee with representation from eminent Pacific leaders
- partnership agreements with five regional peak bodies (local government, non-government organisations, including churches, youth and women)
- a partnership with the Pacific Islands Forum Secretariat to support its governance and leadership agenda in freedom of information, women in Parliament, and research on the adoption of good leadership principles
- discussions on legislative reforms to promote gender equality in four countries (with
- support through the United Nations Development Fund for Women), and the commission of initial research in key areas, including youth leadership, gangs and the costs of corruption.

The **Pacific Public Sector Capacity Building Initiative** is aimed at supporting a better-trained, more effective public sector to plan and implement new development policies in the Pacific with stronger links between Australian and Pacific counterparts.

- Under the initiative a new four-year AusAID – Australian Public Service Commission **Pacific Governance Partnership** was implemented to improve the skills, knowledge and networks of Pacific public servants and public service institutions in the Pacific. Key achievements were the Pacific Public Service Commissioners' Conference, the Human Resource Managers' Network and 23 work attachments for senior public servants in Australia and the region.
- The **Pacific Executive Program** provided support through the Australia and New

Zealand School of Government to 38 participants from eight Pacific island countries to participate in a program of seminars in public sector management and policy, and receive mentoring to undertake a work program in their home country.

- The **Pacific Islands Scholarships for Governance Programme** was redesigned to better target middle-to-senior public servants and became an extension of the Pacific Executive Program.

## Challenges

**Intersecting objectives** Many of the initiatives in the governance sector appear to have a common objective. Work commenced on examining the extent of duplication and opportunities for synergies between initiatives. This would benefit from further analysis to ensure that initiatives are complementary.

**Pacific Governance Support Program** Monitoring and evaluation systems under this program were weak and it was unclear to what extent the activities of this program delivered sustainable benefits. Concerns were also raised about whether the activities supported were a high priority for partner governments and whether a wide range of short-term activities could have a significant impact. To help address these concerns, as noted previously AusAID redesigned the program (now known as the Public Sector Linkages Program) and intends to invest in those relationships that have the potential for significant development outcomes in the longer term (by providing, for example, multi-year funding).

## Estimated expenditure

Approximately \$14.5 million—9.4 per cent of the 2008–09 budget for the Pacific regional program—was allocated to make government more effective, accountable and democratic.

## Objective 3: Improved law and justice and security

The majority of Australia's law and justice support for Pacific island countries is provided bilaterally. The regional program of support targets policing, justice, and maritime security.<sup>6</sup>

More broadly, support for various environmental and disaster preparedness initiatives is addressing human security issues (see 'What are the results of support for addressing crosscutting issues?'). This objective is currently very broad.

## Rating

 (Amber) The objective will be partly achieved within the timeframe of the strategy.

## Assessment of results and performance

Progress towards this objective in 2008 was mixed.

The **Pacific Regional Policing Initiative**, which concluded in December 2008, delivered some good outcomes. At its completion, the initiative was independently reviewed and assessed as being of good quality overall. The initiative's major achievements follow.

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<sup>6</sup> The Regional Assistance Mission to Solomon Islands is an excellent example of successful regional collaboration in support of improved security.

- Thirteen agencies adopted new planning systems, with seven of these establishing clear links between plans and budgets.
- Leadership and management skills were strengthened through the executive training program.
- Fingerprint Bureaus were established in seven police agencies, with five of these now contributing to investigative and judicial outcomes.
- Standardised Pacific Police and Crime Scene Management Guidelines were developed and provided to national police agencies.
- The Kiribati bilateral program leveraged the regional program to deliver additional training, which has been highly valued by the Government of Kiribati. It is an excellent example of bilateral–regional program linkages.

The **Pacific Judicial Development Program** is intended to strengthen governance and the rule of law. The training provided through the program to mid-2008 was assessed as good quality. Judicial officers of Pacific island countries received training in mediation to LEADER-accredited standards and now provide training to other judicial and court officers. However, progress stalled in mid-2008 because of a contractual issue. NZAID is the managing donor of this program.

The achievements of the **Regional Maritime Program** included establishing an audit system to assess safe ship operations, port operations and seafarer safety (15 audits conducted), updating legislation in three countries, updating the training curriculum and disseminating it to 11 maritime training institutes, providing training to 127 seafarers (in areas such as safety, law, planning, management and social issues (such as sexually transmitted infections), and developing stronger links between key Pacific maritime bodies.<sup>7</sup>

## Challenges

**Policing** The Australian Federal Police has assumed responsibility for delivering regional policing assistance. AusAID will need to continue its efforts to facilitate coordination among the Australian Federal Police, the Attorney-General's Department, AusAID and other stakeholders in this important area to ensure that the support provided is harmonised.

**Pacific Judicial Development Program** The program is being re-tendered with a new contracting model. The Pacific judicial representatives are keen to ensure ongoing support and are seeking expansion beyond the scope of the current program. Further analysis is required to determine an appropriate mode for support.

## Estimated expenditure

Approximately \$4.6 million—3 per cent of the 2008–09 budget for the Pacific regional program—was allocated to improve law and justice and security.<sup>8</sup>


<sup>7</sup> Secretariat of the Pacific Community, Regional Maritime Program, '2008 program report'.

<sup>8</sup> This does not include additional Australian Federal Police policy expenditure.

## Objective 4: Improved service delivery

The regional program has a number of initiatives to improve service delivery, with a focus on health and technical and vocational education and training.

### Rating

 (Amber) The objective will be partly achieved within the timeframe of the strategy.

### Assessment of results and performance

#### Health sector

Australia's support in the health sector has a focus on HIV and sexually transmitted infections, pandemic preparedness, non-communicable diseases and the health workforce. Achievements are identified but there is a lack of clarity on the appropriate role for regional rather than bilateral initiatives. Coordination and alignment challenges persist.<sup>9</sup> AusAID has commissioned work on the regional health architecture, and is actively pursuing harmonisation between bilateral and regional initiatives.

#### Achievements

Several initiatives in this area (for example, the Regional Non-Communicable Diseases Program and the Pacific Islands HIV and STI Response Fund) are relatively new but build on earlier activities that improved outcomes at country level (for example, the Pacific Regional HIV/AIDS Project). Achievements in 2008 follow.

- The **Pacific Regional HIV/AIDS Project**, which was completed in 2008, was assessed as highly effective in an independent evaluation. The project was an example of harmonised donor programming between Australia and New Zealand.<sup>10</sup> Its achievements included:
  - an increase in the number of agencies that include HIV in their work, and a more comprehensive approach to capacity building and planning at regional, national and community levels
  - a significant improvement in access to anti-retroviral therapy across the region
  - better targeting of assistance towards behavioural change and communication strategies for vulnerable groups.<sup>11</sup>
- AusAID's regional **malaria support** was integrated into the Solomon Islands Health
- Sector Support Program.
- The **Pacific Regional Sexual and Reproductive Health Capacity Building Program** comprehensively mapped the needs of in-country family health associations in

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<sup>9</sup> These issues were identified in two separate independent reviews, including a review of the Regional Non-Communicable Disease Program and review of the regional health architecture.

<sup>10</sup> AusAID Pacific Regional HIV/AIDS Project, Independent completion report, January 2009. This finding was also supported by another review, which assessed several regional projects (Lynn Pieper, *The effectiveness of Australian-supported regional programs in the Pacific: a desk review*, March 2008).

<sup>11</sup> Pacific Regional HIV/AIDS Project, Independent completion report, January 2009. According to the report, 59 per cent of grants targeted young people and 57 per cent of the larger competitive grants addressed the needs of people living with HIV, sex workers, men who have sex with men, seafarers, people with a disability, and prisoners.

nine countries to provide quality sexual and reproductive health services in the Pacific. The program also attracted funding support from NZAID.

- The **Secretariat of the Pacific Community** facilitated increased support from the **Global Fund** for the Pacific region, which the small island states would not have capacity to access without technical support.
- The **Regional Non-Communicable Diseases Program**<sup>12</sup>, launched in 2008, improved collaboration between the World Health Organization and the Secretariat of the Pacific Community with harmonised work plans, and developed costed plans of the program for Vanuatu, Kiribati, the Marshall Islands and Solomon Islands.
- The **Pacific Regional Influenza Pandemic Preparedness Project** helped Pacific island countries prepare for an influenza pandemic and emerging infectious diseases by providing small contingency supplies of Tamiflu and/or personal protective equipment to
- 22 countries, developing pandemic preparedness response plans, providing ParaVet training, producing standardised disease surveillance and infection control procedures for animals and humans, and increasing coordination with key agencies (for example, the World Health Organization). In a number of countries, the supplies of Tamiflu provided by the project were the only supplies in country at the time of the H1N1 Influenza 09
- outbreaks in early 2009. This project is a good example of harmonised donor programming
- between Australia and New Zealand.
- The number of **trained health professionals** increased, with 88 students graduating from the **Fiji School of Medicine** (up from 61 graduates in 2007).
- The **Pacific Human Resources for Health Alliance** was established to help monitor resource needs and promote effective partnerships and coordinated approaches for increasing the capacity of the health workforce.
- **Pacific Islands Program** provided specialist health services, including 32 visits by clinical teams<sup>13</sup> in specialties such as orthopaedics, cardiac, plastic surgery, ophthalmology and urology. It also provided four training attachments for Pacific-based clinicians and 10 group workshops on post-operative care, burns management, emergency surgery and primary trauma care.

### Estimated expenditure

Approximately \$23.3 million—15.3 per cent of the 2008–09 budget for the Pacific regional program—was allocated to improve service delivery in the health sector.

### Education and training

#### Achievements

The **Australia–Pacific Technical College** offers internationally accredited training in a range of basic trades, tourism, health and community services, and hospitality. A mid-term review of the college found that it remains highly relevant to Forum Leaders' aspirations for greater regional integration.

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<sup>12</sup> Non-communicable diseases represent some of the leading causes of death and disability in the Pacific region.

<sup>13</sup> These visits included two to Tonga, eight to Fiji, eight to Solomon Islands, three to Vanuatu, four to the Cook Islands, two to Samoa, two to Tuvalu, two to Nauru and two to Kiribati.

The college graduated 153 students in 2008 and had 1003 students enrolled at the end of 2008 (of which 70 per cent were male and 30 per cent female). More than 80 per cent of students indicated satisfaction with their training. As at 30 March 2009, a total of 363 students had graduated (49 per cent female) and training had been provided for the staff of 520 different employers.<sup>14</sup> The college has attracted students from 13 of the 14 Pacific Islands Forum countries. Participating institutions that provide technical and vocational education and training have been upgraded, and partnerships and closer links have been forged with the private sector to better meet industry needs.

### Estimated expenditure

Approximately \$40.2 million—26.4 per cent of the 2008–09 budget for the Pacific regional program—was allocated to improve the delivery of education and training.

### Challenges

The grant management processes of the **Regional Non-Communicable Diseases Program** requires ongoing monitoring.

Emigration presents an ongoing challenge to the health authorities as it is **depleting the health workforce**. The capacity of the health sector needs to be supplemented with, for example, specialist services provided through other programs.

**Coordination** with national health programs and plans remains a challenge for some regional initiatives, with some operating largely parallel to national health departments (for example, the Regional Non-Communicable Diseases Program). Wider coordination (for example, between non-government organisations and government agencies) also varies in strength across the region and has been a significant problem in some countries (for example, national AIDS councils).

The mid-term review of the **Australia–Pacific Technical College** noted that its presence had highlighted shortcomings in some local institutions (facilities, equipment, trainer skills, learning resources and recurrent funds). Its relationship with partner institutions should include increased support for improving their capacity. The broader development context also demands that high-end technical and vocational education and training be balanced with ongoing support to the basic education sector. These issues will be taken up in the forward program.

### Estimated expenditure

Approximately \$63.5 million—41.6 per cent of the 2008–09 budget for the Pacific regional program—was allocated to improve service delivery.

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<sup>14</sup> Australia–Pacific Technical College mid-term review.


# What are the results of support for Pacific regional and multilateral organisations?

An implied objective of the Pacific regional aid program is to strengthen Pacific regional organisations to support the development priorities of Pacific island countries and reform agencies of the Council of Regional Organisations in the Pacific to focus on their core business, improve coordination and deliver efficiencies. Regional organisations receive a substantial share of the regional budget. Australia also provides support through several multilateral organisations in order to pool resources with other donors and draw on multilateral technical expertise in key areas. This chapter outlines key results and challenges, particularly for Australia's support to Pacific regional organisations, with a focus on corporate management and operational issues, and progress in reforming the regional institutional framework.

Current quality-at-implementation reporting for Pacific regional organisations does not generally identify major development outcomes or impacts. Reporting tends to focus on relationships, management and corporate reform issues, which are more closely linked to core funding. Some of the development outcomes delivered by the regional organisations are identified in the previous chapter, although these are generally linked to significant AusAID-funded activities. The reporting on the development results of regional organisations is an identified weakness in this report and will be addressed in future reporting.

## **Objective 5: Strengthen and reform Pacific regional organisations to help ensure they meet the needs of Pacific island member nations**

### **Rating**

 (Green) The objective is on track to be fully achieved within the timeframe of the strategy.

### **Assessment of results and performance**

Pacific regional organisations are a major element of Australia's support for regionalism. Reform of the regional architecture is under way to achieve efficiencies and ensure that regional organisations better meet the needs of member countries. Implementation of major reforms of the regional institutional framework has been slow (for example, amalgamation of the Pacific Islands Applied Geoscience Commission with the Secretariat of the Pacific Regional Environment Program and the Secretariat of the Pacific Community), but the groundwork was completed and the South Pacific Board of Educational Assessment is progressing with its amalgamation with the Secretariat of the Pacific Community. Individual Pacific regional organisations have undertaken reforms to improve corporate governance and program



management and to strengthen national engagement. Significant achievements of Pacific regional organisation and multilateral agencies in 2008 follow.

### Pacific regional organisations

The **University of the South Pacific** implemented a major reform program, which included the rationalisation of staff resources and courses. As a result the university was able to turn a dire financial situation into a budget surplus.<sup>15</sup>

The **Secretariat of the Pacific Community** strengthened its planning function and progressed performance-based management. Other achievements included collaborating with the World Health Organization through a memorandum of understanding and a joint program on non-communicable diseases, developing joint country strategies for five countries<sup>16</sup>, decentralising the HIV/STIs function to Suva to improve collaboration with other regional stakeholders, successfully transitioning the Regional Rights Resource Team from the United Nations Development Programme, helping to increase the preparedness of 22 Pacific island countries and territories for an influenza pandemic, and progressing the regional Gender Mainstreaming Framework. The joint Australia and New Zealand 2008 review of support to Pacific regional organisations assessed the Secretariat of the Pacific Community as 'a well functioning organisation; well respected for responsiveness to member priorities, good corporate processes and provision of capacity supplementation to small island states'.<sup>17</sup>

The **Pacific Islands Forum Secretariat** played a key role in progressing the Pacific Plan and the process for reforming the regional institutional framework. The secretariat successfully completed a corporate reform program, which included development of a new corporate plan, a reduction in focus to four strategic areas, and better alignment of its budget with program strategic plans. The secretariat also commenced benchmarking studies for the regional statistics and audit initiatives.

**Forum Fisheries Agency** contributed to stronger fisheries management and development in the region by helping members negotiate new conservation measures, developing a regional surveillance strategy, coordinating surveillance exercises against illegal fishing, and helping countries to develop national development plans for fisheries.<sup>18</sup> A recent independent review found that there is 'strong support for FFA's work, that it connects well to country priorities ... and demonstrates tangible national results'.

The **South Pacific Board of Educational Assessment** is progressing with its amalgamation into the Secretariat of the Pacific Community. It also improved its financial management and reporting, developed a monitoring and evaluation framework for the Pacific

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<sup>15</sup> The university went from surpluses of about \$2.3 million in 2003 and \$3.4 million in 2004 to deficits of \$5.1 million in 2006 and \$2.3 million in 2007. In 2008 the deficit was forecast to be \$1.6 million but, following the reforms, the university estimated it achieved a surplus of at least \$1 million. A budget surplus is forecast for 2009. Many of the reforms are consistent with the recommendations of a recent independent review (Review of Australia's Support to the University of the South Pacific, 14 November 2008). Australia recently announced it will provide \$4.8 million in funding to the University of the South Pacific in 2009, which represents a 32 per cent increase on previous annual funding levels. This includes an incentive funding component of \$0.8 million to continue the momentum of reforms.

<sup>16</sup> Strategies were developed for the Federated States of Micronesia, Niue, Pitcairn, Solomon Islands and Tuvalu.

<sup>17</sup> Philip Hewitt & Janine Constantine, 2008 joint triennial review: Australian and New Zealand approaches to supporting Pacific regional organisations, a joint paper from the Secretariat of the Pacific Community, Australia and New Zealand, 31 October 2008. for additional information, see Secretariat of the Pacific Community, Secretariat of the Pacific Community and the Pacific Plan, January 2006 – June 2009.

<sup>18</sup> According to the latest Pacific Plan progress report (Pacific Islands Forum Secretariat, 2009 annual Pacific Plan progress report, July 2009): 'a notable achievement ... [has been the] entry by the Parties to the Nauru Agreement ( PNA ) into a Third Implementing Arrangement, which represents a bold step towards more effective management and conservation efforts. These developments send a strong message about Member commitment to addressing over-fishing in the Pacific, particularly in relation to tuna stocks'.



Regional Qualifications Register, established an Accreditation Unit and established national baseline data for school years 4 and 6 in literacy and numeracy for member countries.

The **Pacific Islands Applied Geoscience Commission** completed national action plans for disaster risk management in three Pacific island countries, completed mapping of the exclusive economic zones of 13 Pacific island countries, and developed national energy policies for 11 Pacific island countries. The commission's scientific research and technical assistance services are valued in the region.

The **Secretariat of the Pacific Regional Environment Program** endorsed recommendations from the independent corporate review (supported by Australia and New Zealand and a number of Pacific island countries), developed a new performance assessment framework and a revised action strategy for nature conservation, developed the Pacific Islands Greenhouse Gas Abatement through Renewable Energy Project, and expanded its funding base by establishing relationships with new donors.

### Multilateral agencies

The **United Nations Development Programme** supported the 2009–13 Pacific Regional Strategy on HIV and other STIs and the development of an entrepreneurship education curriculum to help promote self-employment.

The **United Nations Children's Fund** continued child immunisation and protection programs in the Pacific. Achievements included implementing more than 80 per cent of planned immunisation activities, and conducting baseline child protection research in Fiji, Kiribati, Solomon Islands and Vanuatu. UNICEF and the World Health Organization worked more closely on immunisation programs. Under its regional disaster risk reduction program, UNICEF has pre-positioned emergency supplies across the Pacific for women and children. During the January 2009 Fiji floods, these supplies were used to assist many of the 11 500 evacuees located in shelters around the country.

The **World Bank's** contributions were primarily in the form of technical advice and so were harder to discern. Achievements included providing advice and advocating telecommunications liberalisation (which contributed to expanded coverage and lower unit costs in several countries), analysing temporary migration, which was used to inform pilot seasonal worker programs in Australia and New Zealand, converting analytical work on disasters and climate change into country adaptation plans, and exploring options for a possible Pacific Catastrophic Risk Pool.<sup>19</sup>

### Challenges

**Reform of the regional institutional framework** will continue. The expansion of the Secretariat of the Pacific Community to incorporate the South Pacific Board of Educational Assessment, and the division of the Pacific Islands Applied Geoscience Commission's functions between the Secretariat of the Pacific Regional Environment Program and the Secretariat of the Pacific Community present challenges. The significant growth in the Secretariat of the Pacific Community must be managed to ensure that its corporate systems are appropriate.

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<sup>19</sup> There appears to be some mandate overlap between the World Bank and the Pacific Islands Applied Geoscience Commission in disaster management planning.

Budget transparency, continued reliance on project funding, overlapping mandates and coordination continue to represent major challenges for regional organisations (as outlined previously).

While some agencies have improved **monitoring and evaluation** at the activity level, reporting on development outcomes requires improvement. Despite efforts by some Pacific regional organisations to improve national-level reporting, its timeliness and, at times, appropriateness needs to be improved.<sup>20</sup>

## Management consequences

AusAID's **engagement with Pacific regional organisations** has increased since the Pacific regional hub in Suva was established in 2007. AusAID will, in collaboration with NZAID, further increase engagement with these organisations at the policy and program level with a specific focus on:

- **Improving reporting on outcomes.** This will be a requirement in new agreements to be negotiated with Pacific regional organisations. This improvement will need to be accompanied by more transparent budgets that focus on core priorities linked to strategic plans.
- **Reducing overlap between Pacific regional organisations and increasing harmonisation with national development plans.** AusAID and NZAID will jointly engage other key donors (particularly the European Union) to encourage harmonisation and prioritisation in work programs with the Pacific regional organisations. Integrating regional programs with national development plans (such as through the Tonga partnership for development on non-communicable diseases and in Kiribati on health workforce planning) will be promoted for other programs.

## Estimated expenditure

Approximately 39 per cent (both core and project funding) of the 2008–09 budget for the Pacific regional program was provided through Pacific regional organisations and multilateral organisations. Core funding support was approximately \$33.3 million (around 21.8 per cent) and non-core project funding was approximately \$27 million (around 17.7 per cent).<sup>21</sup>

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<sup>20</sup> This was identified as a challenge in the joint review of Pacific regional organisations.

<sup>21</sup> Percentages in this report do not add to 100 per cent, as some project funding provided through Pacific regional organisations is also reflected under relevant strategy thematic areas.

# What are the results of support for addressing crosscutting issues?

## Environment

The Pacific regional program supports environmental initiatives to help monitor the impacts of climate change.

- The South Pacific Sea-level and Climate Monitoring Project and the Pacific Islands Climate Prediction Project provided Pacific island countries with data for national and sectoral planning.
- The Vulnerability and Adaptation Initiative has supported the installation of more than 300 water tanks in Tuvalu and more than 200 water tanks in Tonga, small-scale coastal regeneration activities (for example, replanting mangroves), and national policy development in water and sanitation.

### Assessment of results and performance

Although the initiatives are helping Pacific island countries to monitor the impacts of climate change, the benefits of the small grants facility are questionable, given its administrative requirements and weak alignment with national processes.

A range of donors are increasing assistance in the environment sector, particularly for managing the impacts of climate change, which will require close whole-of-government and donor collaboration. In March 2009 Australia launched a major new climate change initiative, the Pacific Climate Change Science Program, which will help countries in the region better understand the impacts of climate change.

### Estimated expenditure

Approximately \$7.6 million—about 5 per cent of the 2008–09 budget for the Pacific regional program—was allocated to environment initiatives.

## Disaster preparedness

The **Pacific Enhanced Humanitarian Response** initiative aims to increase the resilience of communities and build the capacity of partners to prepare for and respond to disasters through increased risk analysis and planning.

- National action plans for disaster risk management were developed for three (Vanuatu, the Marshall Islands and the Cook Islands) of the 14 project member countries (Pacific Islands Applied Geoscience Commission).

- Disaster management committees were established and community-based disaster management plans are being developed in 30 communities in Fiji, 12 communities in Solomon Islands and 12 communities in Vanuatu (National Council of Churches Australia).
- Four community disaster teams were established on the island of Futuna and are being supported with ongoing training and assistance in developing disaster plans for their communities (CARE Australia).
- Emergency supplies for women and children are in place for the Pacific, with a regional depot located in Fiji. Supplies were mobilised by UNICEF in response to the January 2009 floods, which caused 11 deaths and forced approximately 11 500 residents to evacuate their homes. Emergency supplies are also being pre-positioned in Kiribati, Samoa, Solomon Islands and Vanuatu.

## Assessment of results and performance

The initiative delivers assistance through seven discrete activities via different implementing partners, and the regional benefits are unclear. There is no overarching monitoring and evaluation framework or coordination mechanism to assess progress or share knowledge between partners. The disaster preparedness work undertaken by the Pacific Islands Applied Geoscience Commission has more of a regional focus by bringing together Pacific island countries. The advantage of these separate activities needs further analysis.

## Estimated expenditure

Approximately \$3.6 million—2.3 per cent of the 2008–09 budget for the Pacific regional program—was allocated to improve disaster preparedness.

## Gender issues

Four initiatives are directly targeting gender issues.

- The **Gender Equality in Political Governance Programme** aims to increase women's leadership in political governance (for example, parliamentary representation). Discussions have commenced on legislative reforms to promote gender equality in four countries (United Nations Development Fund for Women).
- **Pacific Women's Private Sector Development** is targeting female entrepreneurs for programs to expand business opportunities. Initial scoping studies have been undertaken.<sup>22</sup>
- The **Private Enterprise Partnership for the Pacific**, a multi-donor funded initiative managed by the International Finance Corporation, is helping to support women's participation in the private sector by adapting the Global Entrepreneurship Monitor's Gender and Investment Climate Reform Toolkit in five Pacific countries. The first report on challenges to women's participation has been released.<sup>23</sup>
- The services offered by the **Fiji Women's Crisis Centre** work to address all forms of violence against women and abuse of children. The centre provides crisis counselling and legal, medical and other practical support services for women and children survivors of

<sup>22</sup> The reports are available on AusAID's website 'Pacific women in private sector development', viewed July 2009, <<http://www.ausaid.gov.au/research/>>.

<sup>23</sup> Chakriya Bowman, Jozefina Cutura, Amanda Ellis & Clare Manuel, *Women in Vanuatu: analyzing challenges to economic participation*, World Bank, Washington, DC.

violence. It is also involved in public advocacy, legal lobbying, community education and institutional training on gender relations and gender-based violence. In addition, the centre provides technical support and mentoring to other organisations working in the Pacific region and is the secretariat for the Pacific Women's Network against Violence against Women.

## Assessment of results and performance

The Pacific region has the lowest rate of female political representation in the world (2.5 per cent of members are women compared with a world average of 18.2 per cent)<sup>24</sup> and a high rate of violence against women. Women in the Pacific are also under-represented in terms of employment and have a low educational status. Most Pacific island countries have signed up to the Convention on the Elimination of All Forms of Discrimination against Women but progress towards commitments has been limited.

Most AusAID-funded regional initiatives identify gender equality as an issue but reporting on it remains weak. Few initiatives report gender-disaggregated data or provide assessments of gender differences. An exception is the Australia–Pacific Technical College, which has strong gender information and strategies. Reporting on gender considerations needs to be substantially improved and include the findings from monitoring relevant gender-disaggregated data under the new Pacific regional strategy.

## Other issues

### Partnerships

AusAID partners many Pacific regional organisations to provide both member and voluntary contributions for core and specific programs. As a member of these organisations Australia engages with each organisation's governing council. In addition, AusAID partners many other government departments, such as the Australian Public Service Commission, the Bureau of Meteorology and the Australian Federal Police, to deliver programs in their respective areas of expertise. AusAID is also entering into a new partnership with the Department of Climate Change.

Improvements to statistical data collection and capacity in the Pacific are also being facilitated through core funding to key regional partners, including the Secretariat of the Pacific Community (\$10.8 million in 2008–09) and the Pacific Financial Technical Assistance Centre (\$781 340 for 2008–09). The Australian Bureau of Statistics received \$270 000 through the Pacific Governance Support Program. Bilateral programs also contributed \$1.7 million for 2008–09). From 2009–10, support for the Secretariat of the Pacific Community's Statistics and Demography Program will be scaled up.

### Anti-corruption

Anti-corruption is a key feature of many initiatives in the governance sector. For example, the Pacific Governance Support Program supported several initiatives (such as strengthening independent media and the Pacific Ombudsmen Network), which helped to address corruption and strengthen oversight. Other key initiatives include the Pacific Regional Audit Initiative and the Pacific Governance Partnership with the Australian Public Service Commission, which are helping to improve audit practices and strengthen public sector management and oversight.

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<sup>24</sup> United Nations Development Programme–Pacific Centre.

# What is the quality of activities in the Pacific regional aid program?

The Pacific regional aid strategy for 2004–09<sup>25</sup> does not clearly define measurable objectives, articulate the rationale for Australia's regional engagement, or state how the Pacific program contributes to AusAID's bilateral programs, the Pacific Plan for greater regional cooperation and integration, or the Millennium Development Goals. This presented challenges when assessing performance, especially when the regional aid budget was almost doubled. From 2006–07 to 2008–09 Australia's Pacific regional aid budget increased from \$78.4 million to \$152.7 million. The aid program consists of more than 80 discrete initiatives, which use a variety of modalities and implementing partners.<sup>26</sup>

The amber ratings for the likelihood that the Pacific regional aid program will achieve objectives 1–4 of the Pacific regional strategy reflect the progress made but also indicate that the objectives are too broad to be fully met. The green rating for objective 5 indicates that the corporate management practices within Pacific regional organisations were strengthened and that progress was made in reforming the organisations. Overall, the ratings reflect the need to define specific measurable objectives against which future progress can be tracked.

In 2008 just over half of the initiatives in the Pacific regional program—42 out of 81 initiatives—were tracked through AusAID's formal processes to assess their quality at implementation and completion (where relevant) (Table 2). The tracked initiatives accounted for around 85 per cent of total expenditure on the Pacific regional program.<sup>27</sup> A few significant activities are embedded in larger initiatives (for example, the Gender Equality in Political Governance Programme is part of the Pacific Leadership Program) and so were not rated separately.

The quality-at-implementation ratings were peer reviewed but there was little opportunity to ensure comparability of ratings. Some ratings for initiatives involving the Pacific regional organisations appear inconsistent with findings of independent reviews (for example, the South Pacific Board of Educational Assessment was assessed by an independent review as

performing quite well, yet AusAID's quality-at-implementation rating assessed most aspects as being only satisfactory). To help comparability of future ratings, and to identify potential overlaps or synergies, the regional program will endeavour to have clusters of activities (for example, all governance activities) peer reviewed together.

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<sup>25</sup> AusAID, *Pacific regional aid strategy 2004–2009*, Australian Agency for International Development, Canberra, 2004.

<sup>26</sup> The risk associated with such fragmentation of support was highlighted in a recent internal review conducted by Paul Nichols, Design Adviser, Design Procurement Advisory Group, 'Scaling up: analysis of the known pipeline using the Program Management Plans (2008/09)', January 2009.

<sup>27</sup> Quality-at-implementation reports were not prepared for the Secretariat of the Pacific Community Regional Maritime Program Security Initiative or for several private sector development initiatives, although performance information was extracted from other sources.

AusAID requires each program to rate the progress of selected initiatives against the four quality-at-implementation criteria—implementation progress, achieving objectives, monitoring and evaluation, and sustainability. AusAID aims to have an overall quality rating of ‘satisfactory’ for 75 per cent of initiatives. The Pacific regional program achieved an overall rating of ‘satisfactory’ for 89 per cent (Tables 2 and 3).

- 83 per cent of initiative managers rated implementation progress as satisfactory (rated 4 or above).
- 95 per cent of initiative managers determined that their initiatives were achieving their objectives (rated 4 or above).
- 67 per cent of initiative managers rated the monitoring and evaluation frameworks for their initiatives as satisfactory (rated 4 or above).
- 95 per cent of initiative managers rated their initiatives’ sustainability prospects as satisfactory (rated 4 or above).

A large percentage of initiatives still required improvements in aspects of their implementation. Just over 58 per cent of initiatives required some improvement in their implementation progress, 68 per cent in their achievement of objectives, 75 per cent in monitoring and evaluation and 89 per cent in producing sustainable impacts.

## Monitoring and evaluation

A large proportion of the regional program is delivered through country-based interventions so benefits of a ‘regional’ umbrella are unclear.

Performance reporting for Pacific regional organisations focuses on corporate performance rather than development outcomes. These should be captured in future quality-at-implementation reports. Within individual activities, links between reported results and objectives were often weak. Performance information was more robust where evaluations had been conducted (for example, the Pacific Regional HIV/AIDS Project and the Pacific Regional Policing Initiative).

## Sustainability

Sustainability needs to be contextualised to the Pacific. AusAID has sought to build the institutional capacity of Pacific regional organisations so that they can support Pacific island countries by supplementing their capacity. For example, many Pacific island countries cannot afford and do not need to maintain a full-time capability to undertake a national census every 10 years. Australia has invested in promoting a sustainable census capacity at the Secretariat of the Pacific Community so that it can supplement the capacity of Pacific island countries and help them to conduct their censuses.



**Table 2: Quality at implementation or completion in 2008 of initiatives in the Pacific regional aid program**

Name of initiative or activity	Financial approval	Implementation progress	Achieve objectives	Monitoring & evaluation	Sustain-ability
Regional organisations					
Secretariat of the Pacific Community Core Budget	\$108.75m	6	6	6	6
Pacific Islands Forum Secretariat	\$21.15m	4	4	6	4
Pacific Islands Applied Geoscience Commission	\$16.52m	6	6	6	6
Forum Fisheries Agency	\$18.19m	6	6	4	4
Secretariat of the Pacific Regional Environment Program	\$22.44m	4	4	4	4
South Pacific Board for Educational Assessment	\$5.53m	4	4	3	4
University of the South Pacific	\$42.43m	4	4	5	4
Fiji School of Medicine	\$3.15m	3	3	3	4
UNDP Pacific Sub Regional Centre	\$12.81m	4	4	5	4
UNICEF Pacific Program	\$12.00m	4	5	4	4
World Bank South Pacific Facility	\$35.33m	3	3	2	4
Governance					
Pacific Governance Support Program	\$27.12m	4	4	4	3
Pacific Public Sector Linkages Program	\$25.00m	5	5	3	4
State Society and Governance Melanesia	\$5.85m	3	4	2	3
Pacific Governance Partnership	na	5	3	3	4
Pacific Executive Program	\$7.50m	5	4	3	4
Pacific Plan Implementation Support	\$4.68m	QAI exemption			
Pacific Leadership Program Phase 1	\$10.05m	5	5	5	4
Pacific Public Sector Capacity Building Initiative	\$13.43m	6	4	3	4
Law and justice					
Pacific Judicial Development Program	\$5.42m	3	3	3	3
Pacific Regional Policing Initiative	\$21.55m	5	5	5	3
Regional Maritime Programme	\$5.40m	QAI not prepared			
Health					
Pacific Regional Influenza Pandemic Preparedness Project	\$8.50m	4	4	4	4
Regional Non-Communicable Disease Program	\$19.89m	4	4	4	4
Pacific Regional HIV/AIDS Project	\$18.23m	5	5	5	4
Pacific – Health System Strengthening	\$13.03m	4	4	4	4
Pacific Islands Program	\$11.88m	5	4	4	3
Pacific Malaria Initiative – Solomon Islands Malaria Program	\$6.98m	3	4	3	4
Pacific Malaria Initiative – regional research	\$5.04m	5	5	5	4
Sexual and Reproductive Health Program	\$2.50m	4	4	4	3
Trade					
Foreign Investment Advisory Service	\$3.40m	3	4	2	4
PACER Plus Support	\$3.12m	5	5	4	5
Pacific Islands Trade and Investment Commission	\$5.00m	4	4	3	4
Environment					



Name of initiative or activity	Financial approval	Implementation progress	Achieve objectives	Monitoring & evaluation	Sustain-ability
Vulnerability and Adaptation Initiative	\$4.00m	3	3	3	4
South Pacific Sea-level and Climate Monitoring Project Phase 4	\$9.00m	4	4	4	5
Pacific Islands Climate Prediction Project Phase 2	\$3.00m	5	5	5	4
Persistent Organic Pollutants Project Phase II	\$7.43m	5	5	5	5
Technical and vocational education					
Australia–Pacific Technical College	\$127.77m	5	5	5	4
Australia–Pacific Technical College Scholarships	\$10.00m	5	5	4	4
Private sector development					
Asian Development Bank Private Sector Development Program	\$10.00m	5	5	4	4
IFC Private Enterprise Partnership for the Pacific	\$12.50m	3	3	2	4
Enterprise Challenge Fund	na	na	na	na	na
Pacific Land Program	na	Too early to report results			
Gender					
Secretariat of the Pacific Community gender-based violence	na	No separate QAI			
UNIFEM Gender Equality in Political Governance Programme	na	No separate QAI (part of the Pacific Leadership Program)			
Fiji Women’s Crisis Centre	\$4.87m	5	4	4	4
Other					
Enhanced Humanitarian Response	\$12.05m	4	4	2	4
Enhanced Humanitarian Response: Peace and Conflict	\$5.27m	4	4	4	4
Pacific Regional Infrastructure Facility	\$1.00m	5	5	5	4
Regional Statistics Initiative	na	No separate QAI			

Definitions of rating scale

Satisfactory (4, 5 and 6)

■ (6) Very high quality

■ (5) Good quality

■ (4) Adequate quality; needs some work to improve

Less than satisfactory (1, 2 and 3)

■ (3) Less than adequate quality; needs significant work

■ (2) Poor quality; needs major work to improve

■ (1) Very poor quality; needs major overhaul

Note: The above ratings are provided for only aid activities with total funding approval of more than \$3 million. na Not applicable.

**Table 3: Summary of quality at implementation or completion in 2008**

	Implementation progress	Achieve objectives	Monitoring & evaluation	Sustain-ability
Total number of activities with rating	36	37	36	37
Number activities rated 'satisfactory' (4 or above)	35	37	28	37
Proportion of activities rated 'satisfactory' (4 or above) (% of total)	81.3%	86.0%	65.1%	86.0%
Number of activities that required improvement (rated 1 to 4)	23	27%	32%	38
Proportion of activities that required improvement (as % of total)	53.4%	62.7	74.4%	88.37%

# What are the management consequences of this assessment?

Table 4 provides a summary of the expectations associated with the management consequences detailed below.

## Develop a new strategy for assistance

Of primary importance is the need for a new strategy to assist in determining the nature of support for regional organisations and regional initiatives. This will help to reduce aid fragmentation, improve the effectiveness of the regional aid program and assist Pacific island countries to make faster progress towards the Millennium Development Goals and their own development aspirations. The new strategy will:

- articulate how the regional program is advancing the Australian Government's priority of closer engagement with the Pacific region, as expressed in the Port Moresby Declaration.
- identify the rationale for Australia's support for regionalism
- develop guiding principles to help decide when to pursue a regional approach and the preferred modality
- guide Australia's regional works with development partners in line with the Cairns Compact on strengthening development coordination in the Pacific
- develop an overarching performance assessment framework with measurable indicators
- articulate the links between the regional program and the Pacific Plan
- clarify Australia's objectives for engaging with Pacific regional organisations
- outline the approach to reducing the proliferation of initiatives and the fragmentation of support within the program.

The new strategy should serve as an effective tool for assessing regional program performance and guide future decision making.

## Identify the focus and rationale for regional program interventions

The regional program needs to be streamlined by identifying the comparative advantage of different agencies and the extent to which they support priorities articulated by leaders in the Pacific. More focused effort may be required on trade and economic integration, given that these offer more potential for regional benefits.

The bilateral programs for Kiribati and Tonga identified in their annual program performance reports benefits from regional initiatives. However, there is little evidence of integration of

bilateral and regional initiatives. Some work has commenced in Vanuatu and Kiribati. Specific information on the impact of regional initiatives was made available for a number of regional programs (the Pacific Regional Policing Initiative, the Pacific Regional HIV/AIDS Project and the Australia–Pacific Technical College) but limited information was available about the impacts/outcomes of support to regional organisations broadly. Better links between regional activities and sector-based programs are required. The peer review of Australia’s assistance by the OECD’s Development Assistance Committee noted the importance of:

keeping strong linkages between [bilateral and regional programs] in terms of content and approaches ... particularly in the health sector, where links between the two levels of assistance seem weak at present.<sup>28</sup>

At times Pacific regional organisations and multilateral agencies working in the region appear to be overly constrained by their institutional structures. It is important to ensure that this does not translate into added pressure for national systems.

AusAID will work closely with other Australian government partners in, for example, law and justice, the environment and health to promote cohesive approaches to Pacific island countries. It will also continue existing strong collaboration with NZAID.

## Consider gender issues

The new regional strategy must include a performance framework that incorporates expectations on gender issues. In addition, individual initiatives must work to improve gender reporting and gender-disaggregated data. Program managers—many of whom have undertaken gender training—need to consider gender issues when initiatives are being developed.

## Consider the best ways to scale up support

The appropriateness of regional mechanisms for scaling up support for Pacific island countries must be considered within the context of the regional strategy and the benefits of a regional approach relative to bilateral approaches. This will include considerations of appropriate modalities, the preference being for approaches that minimise transaction costs for national governments and promote improved cooperation between implementing partners.

Monitoring the impacts of support on vulnerable communities will be prioritised through arrangements with key organisations.

## Improve monitoring and evaluation

The absence of a performance assessment framework and the lack of clarity about regional program objectives made assessing program performance a major challenge and reporting on it very difficult. A new strategy that includes a performance assessment framework with measurable indicators will provide the foundation for more effective monitoring and evaluation of the regional program. Reporting on gender issues also needs to be improved in future reporting from regional organisations in particular. This will be reflected in new funding agreements being developed.

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<sup>28</sup> OECD, Australia: Development Assistance Committee (DAC) peer review, Organisation for Economic Co-operation and Development, Paris, 2009, p. 109.

## Adequately resource the program areas

It will be important to adequately resource the development of the new strategy and performance framework. These issues will be considered in formulating the regional program.

**Table 4: Specific expectations of program areas**

Task	Expectations	Timeframe	Responsibility
Develop Pacific regional strategy	<ul style="list-style-type: none"> <li>➤ Clear objectives for regionalism and regional program</li> <li>➤ Basis established for providing regional or bilateral support</li> <li>➤ Clear performance framework incorporating expectations on crosscutting issues such as gender</li> </ul>	By the end of 2009	Pacific Branch Canberra with input from Suva and country program posts
Engage with Pacific regional organisations	<ul style="list-style-type: none"> <li>➤ New agreements to specify outcomes reporting</li> <li>➤ Improved budget transparency</li> <li>➤ Increased knowledge of the operations of Pacific regional organisations</li> </ul>	By November 2009 Ongoing	Suva Post with input from Canberra  Suva Post, which will increase monitoring of programs where overlap is seen as an issue (for example, the Secretariat of the Pacific Regional Environment Program and the Pacific Islands Applied Geoscience Commission)
Improve the evidence base for development	<ul style="list-style-type: none"> <li>➤ Funding for the Secretariat of the Pacific Community for</li> </ul>	Ongoing	Pacific Branch Canberra to finalise
Reform regional health architecture	<ul style="list-style-type: none"> <li>➤ Review the regional health architecture</li> </ul>	Ongoing	Pacific regional hub in Suva with Pacific Branch Canberra
Harmonise quality-at- implementation reporting	<ul style="list-style-type: none"> <li>➤ Peer reviews of initiatives' quality at implementation by sector or cluster</li> </ul>	By November 2009	Pacific regional hub in Suva with Pacific Branch Canberra
Increase whole- of-government engagement	<ul style="list-style-type: none"> <li>➤ Working through Law and Justice Steering Committee</li> <li>➤ Increased liaison with the Department of Climate Change</li> </ul>	Ongoing	<p>Pacific Branch Canberra with the relevant advisers to work through the Law and Justice Steering Group to improve harmonisation of initiatives with relevant partners.</p> <p>Program specialist in a climate change position created in Suva collaborating with the Department of Climate Change</p>

Task	Expectations	Timeframe	Responsibility
Increase donor harmonisation	<ul style="list-style-type: none"> <li>➤ Increased alignment between the World Health Organization and the Secretariat of the Pacific Community on health programs</li> <li>➤ Greater coordination with New Zealand in a range of areas</li> </ul>	Ongoing	Suva hub with Pacific Branch Canberra and Health Thematic Group
Increase engagement of bilateral posts in regional programs	<ul style="list-style-type: none"> <li>➤ Reporting on the impact of relevant regional programs in annual program performance reports</li> <li>➤ Increased engagement by bilateral posts with regional program managers and program personnel</li> </ul>	Ongoing	Bilateral posts Regional program managers Regional program personnel

## Review and evaluate progress for 2009–10

To continue the quality improvement process, the following reviews will take place in 2009–10:

- Regional Non-Communicable Diseases Program
- Regional health architecture
- South Pacific Sea-level and Climate Monitoring
- Pacific Islands Climate Prediction Project Phase 2
- UNICEF Pacific Multi-Country Program
- Pacific Enhanced Humanitarian Response Initiative
- Pacific Drinking Water Safety Plans Program
- State, Society and Governance in Melanesia Program
- Pacific Sexual and Reproductive Health Capacity Building Program.