Australian Government Department of Foreign Affairs and Trade

Aid Program Performance Report 2012–13 Bhutan, India and the Maldives

Introduction

In 2011, Australian aid to Bhutan, India and Maldives in the (then) South Asia Regional Program was reported on collectively in one Annual Program Performance Report (APPR)¹. The Department of Foreign Affairs and Trade (DFAT) is reporting separately on these programs in 2012-13 because they do not directly support the South and West Asia regional program.² Where available, we have highlighted performance information relevant to the new regional objectives.

This report is less detailed than other 2012-13 APPRs, because the programs are small. Analysis of development results relies mainly on information from implementing partner reports.

Bhutan Aid Program Performance Report 2012–13

Context

Bhutan has made significant development progress, particularly in the past decade, and is on track to achieve its targets under the Millennium Development Goals. The number of people living below the national poverty line fell from around 32 per cent of the population in 2003 to 23 per cent in 2007. The Royal Government of Bhutan's 10th Five Year Plan (2008-2013) aims to reduce the poverty rate to less than 15 per cent by mid-2013.

Bhutan has reformed its political system and has taken measured steps to open its economy. But poverty still exists, especially in rural areas, where people have limited access to services such as in health and education and to markets for trade. Youth unemployment is relatively high, especially in urban areas. The labour force needs better skills, particularly in technical and vocational areas, to support private sector development and broad-based economic growth.

Australia enjoys a strong and uncomplicated bilateral relationship with Bhutan. In 2012, the two countries signed a Memorandum of Understanding on Development Cooperation and held inaugural whole-of-government annual talks. In 2012-13, Australia's bilateral country program in Bhutan was an estimated \$4.4 million, with total official development assistance an estimated \$14 million.

¹ Prior to 2012-13 Aid Program Performance Reports were called Annual Program Performance Reports.

 $^{^2}$ For further details, see the South and West Asia Regional Aid Program Performance Report 2012–13, which describes a new approach to the regional program, focused on two pillars: i) sustainable development (water, food and energy security) and ii) regional connectivity (trade facilitation and connecting infrastructure).

Progress towards objectives

The Bhutan Country Program is one of Australia's smallest bilateral programs. It has historically focused on human resource development, most notably through the provision of Australia Awards. The performance of the Bhutan Country Program is rated 'green' for 2012-13.

The absence of an overarching program strategy means this rating is based on the performance of each of the individual activities making up the program, rather than overall performance against high-level objectives. For 2013–14, the Bhutan Country Program will plan to report against a single high-level objective. The analysis that follows provides an overview of the performance of each activity under the Bhutan Country Program in 2012-13.

Australia Awards program

This program is improving education outcomes in Bhutan. In 2012, 45 Australia Awards were provided to Bhutanese students, and another 44 provided for study starting in January 2013. Gender parity for awardees from Bhutan was maintained in 2012-13. Australia awardees study Masters level courses in various sectors including education, environment, finance, governance and health.

Scholarships are a successful delivery mechanism; for example, more than a dozen alumni are now employed as ministers in the Royal Government or senior executives in the civil service. A tracer study on Bhutanese students who completed study in Australia from 2000-10 found that alumni were holding positions in the civil service and therefore able to influence policy development and improve service delivery in Bhutan.

Royal Institute of Management

Through DFAT's bilateral program with Bhutan, Australia is providing funds to build the institutional capacity of the Royal Institute of Management and deliver in-country Masters' courses with support from the University of Canberra. In February 2012, the institute offered a Masters of Public Administration and Masters of Management for the first time, with 30 enrolments in the two courses. Another 30 students enrolled in these two courses in February 2013. Preparation for the delivery of a Masters of Business Administration is well underway and on track to start in February 2014.

World Food Programme

Australia is increasing the net enrolment rate for school children in Bhutan via its support to the World Food Programme. Assistance in 2012 provided meals to more than 36 000 children (equal numbers of girls and boys) in 227 schools, more than 70 per cent of which are located in extremely remote areas with limited road access. Since the end of 2007, the net enrolment rate in World Food Programme-assisted primary schools for girls has increased by around 15 per cent and for boys by around 13 per cent.

Building capacity of institutions

Australia continues to build the capacity of institutions in Bhutan through the Public Sector Linkages Program. For example, the Australian Electoral Commission is working with the Electoral Commission of Bhutan to strengthen its capacity to conduct credible and effective elections through the delivery of BRIDGE (Building Resources in Democracy, Governance and Elections) workshops. This is important in Bhutan given that the country's transition to democracy was only complete in 2008, and its second-ever elections will be held in 2013.

In 2012, 75 Electoral Commission staff received training in BRIDGE, while another 126, representing other actors in Bhutan's electoral environment, attended at least one module. Eight semi-accredited BRIDGE facilitators from Bhutan are now fully accredited BRIDGE workshop facilitators, a significant step towards embedding BRIDGE into the electoral environment.

Australia's Griffith University also received Public Sector Linkages Program funding in 2012. The university trained 21 employees from the Royal Government of Bhutan to incorporate environmental management and sustainability dimensions into development activities incountry. A Mainstreaming Reference Group was created, responsible for promoting mainstreaming concepts across government.

Also through the Public Sector Linkages Program in 2012, the Queensland University of Technology provided support to Bhutan's Ministry of Labour and Human Resources to develop a formal on-the-job-training (apprenticeship) system, which will be used for workforce development.

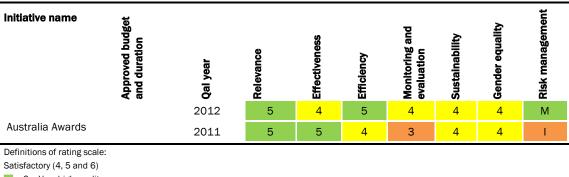


Table 1: Bhutan quality at implementation ratings

= 6 = Very high quality

= 5 = Good quality

= 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

= 3 = Less than adequate quality; needs significant work

= 2 = Poor quality; needs major work to improve

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Risk Management scale:

Mature (M). Indicates the initiative manager conducts risk discussions on at least a monthly basis with all stakeholders and updates the risk registry quarterly.

Intermediate (I). Indicates the initiative manager conducts ad-hoc risk discussion and updates the risk register occasionally.

Basic (B). Indicates there are limited or few risk discussions and the risk register has not been updated in the past 12 months.

Management responses from 2011

Progress in addressing 2011 management consequences is reported in Table 2.

Table 2: Progress in addressing 2011 Bhutan program management consequences

Management consequences identified in 2011 APPR	Rating	Progress made in 2012-13
Finalise a bilateral development strategy that retains education and vocational training at the centrepiece, integrates a scholarships strategy and enables scale-up.	Green	A program strategy for Bhutan was approved in June 2013.
Strengthen partnerships to raise program quality, focusing on gender.	Green	A strong partnership with the World Food Programme and UNICEF was maintained to deliver school feeding and reconstruction of facilities in schools damaged by earthquake.
Finalise an alumni strategy, reintegration strategy and tracer studies to demonstrate scholarship impact and explore creative ways to use scholarships.	Amber	A tracer study was finalised in January 2013, an alumni strategy and reintegration strategy are being progressed.

Note:

Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Next steps and management priorities for Bhutan program in 2013–14

Management priorities in 2013-14 are for the Bhutan program to:

- 1. develop a four-year pipeline of activities consistent with the recently approved Bhutan Program Strategy
- 2. finalise an alumni strategy and reintegration strategy for Bhutanese scholars
- 3. expand the Australian Volunteers for International Development program established in April 2013 to include other priority sectors identified by the Royal Government of Bhutan
- 4. report on program performance against a single high-level objective.

India Aid Program Performance Report 2012-13

Context

With an ethnically and religiously diverse population of 1.2 billion people, India is the world's second most populous nation. The Indian economy has become one of the world's best performers, with average annual gross domestic product growth of more than 8 per cent over the past 10 years, although International Monetary Fund forecasts are for slower growth in 2013. In 2011, India became the third-largest economy in the world. However, around 500 million people still live on less than US\$1.25 a day, and India's gross domestic product per person is less than half of that of China.

Although many of South Asia's major rivers flow through India, the country faces long-term water and energy security challenges. India as one of Australia's key partners in Asia, and targeting water resource management will address a key regional issue that, if ignored, could increase regional tension.

The combination of high poverty and high population density, in a largely agrarian society, makes India particularly vulnerable to climate variability. The region is already marked by a high incidence of natural disasters. More than 750 million people, about half of the region's population, have been affected by at least one natural disaster in the last two decades. Climate variability is predicted to increase the frequency and intensity of natural disasters, decrease water availability in many areas, reduce agricultural productivity and potentially increase malnutrition and poverty.

Progress towards objectives

In 2012-13, Australia's bilateral country program in India was an estimated \$3.1 million, with total official development assistance an estimated \$18.3 million. The program aims to reduce poverty and promote sustainable and inclusive growth by increasing climate resilience. Priorities include:

- > planning for climate variability
- > developing more water efficient agricultural practices
- > improving water and sanitation services.

The program also strengthened the India – Australia Strategic Partnership agreed in 2009. ³ A long-running commitment to HIV/AIDS prevention and care in the North East of India is due to be completed in 2013.

In 2012, the Australian Government decided to phase out bilateral aid to India but to continue cooperation through regional and multilateral programs. For example, in October 2012 Australia's Prime Minister announced the establishment of the India – Australia Water Science and Technology Partnership, which will provide \$12 million over four years under the South and West Asia Regional program.

Objective 1: Increased climate resilience

DFAT – United Nations Development Programme (UNDP) Climate Change Partnership

This partnership (\$3 million over three years, 2010-13) is supporting national efforts in India to:

- > implement the National Climate Change Action Plan at state level
- > reduce greenhouse gas emissions in small-scale steel mills
- > support disaster risk reduction planning for climate change adaptation.

Over the past year, the partnership has assisted Madhya Pradesh to be one of the first states in India to have a State Climate Change Action Plan endorsed by the Ministry of Environment and Forests National Steering Committee. A study tour to Australia for the Director and Training Director of the National Institute for Administrative Research led to the first pilot training course in climate change for Indian civil servants at the National Administrative

³ Relations between Australia and India were upgraded to the level of a 'strategic partnership' in November 2009. This partnership involves a joint effort to maintain peace, stability and prosperity in the region and funding from both governments to support joint research projects in energy, food and water security and in dry-land agriculture. In October 2012, Australia's Prime Minister reaffirmed the commitment of both Australian and Indian governments to the Strategic Partnership and welcomed the progress achieved.

Academy. Following the study tour, the academy made a commitment to introduce climate change training for all civil servants at the academy in 2013. Two pilot projects in disaster risk reduction—one in a flood prone area and the other in a drought region—enabled the UNDP to develop an approach to disaster risk reduction to replicate across India.

East India Plateau Climate Resilient Farming partnership

This partnership (\$2.5 million over 4 years, 2011-15) between DFAT and the Australian Centre for International Agricultural Research (ACIAR) aims to:

- > improve the productivity of poor people's farms by developing land and water resources
- > increase farm production by improving farming practices and crop diversification (such as the introduction of vegetables and fruit trees)
- > improve living standards for around 228 000 people
- > reduce the vulnerability of farmers to climate change and enhance food security.⁴

ACIAR works with a team of trained community facilitators from the Indian non-government organisation, PRADAN⁵, which works with women and their families in partnership with women's self-help groups and supporting associations.

PRADAN has recruited and trained more than 40 field extension staff (known as 'apprentices'), who now have the technical skills—relating to efficient use of soil and water resources—to implement the partnership.

The project is an excellent example of DFAT – ACIAR cooperation in applying research for significant development impacts.

Objective 2: Improved water and sanitation

In 2012, the Australian Government supported the work of the World Bank's Water and Sanitation Initiative (\$5.75 million over five years, 2009-14) to support decentralisation, policy reform and improved service delivery in water and sanitation. In India, the Ministry of Urban Development, with the technical support of the Water and Sanitation Program, developed a rating system for cities based on safe sanitation practices. The initiative is working closely with the Government of Karnataka to implement the US\$190 million Karnataka Urban Water Supply and Sanitation Modernization Project which aims to deliver water supplies in three cities, 24 hours a day, seven days a week.

In the latter half of 2012, Australian Government support to WaterAid India (\$850 000 over three years, 2012-2014) enabled 20 013 people to access an improved water supply and 15 223 people to access sanitation services in slums in Delhi.⁶ Environmental improvements were undertaken in three slum locations (Harsh Vihar, Janta Mazdoor and New Seemapuri) with the construction of pavements, drains and drain slab covers. Hygiene promotion activities in these communities focused on hand-washing, the safe handling of drinking water, menstrual hygiene and use of latrines.

⁴ ACIAR Project Design document, April 2012

⁵ Professional Assistance for Development Action is a voluntary organisation registered in India that seeks to enable poor rural families to live a life of dignity.

⁶ WaterAid Annual Project Report 2012.

Objective 3: Build public sector capacity

The India Public Sector Linkages Program (\$10 million over five years, 2008-13) is a flexible funding program available to Australian government agencies and public universities to transfer expertise to counterpart institutions in India.

Under a project between the Nossal Institute and the Public Health Foundation of India, stronger links have led to joint research activities and a course for training health leaders in public health education through the South Asia University. The partnership developed a shared teaching repository for staff across four India institutes of public health. It built links between institutions in India and Australia, and established an annual forum to demonstrate good teaching practices and develop teaching expertise.

The India Public Sector Linkages Program has furthered Australia's Strategic Partnership in India as several recipient Australian agencies have established offices in New Delhi to maintain long-term relationships. Australia's Department of Resources Energy and Tourism and Australia's Department of Sustainability Environment Water, Population and Communities worked with their Indian counterparts on energy cooperation and water resource management respectively. Support to India's Central Board of Excise and Customs enabled joint training programs some of which included other countries in the region. These programs address improved customs handling and facilitate more efficient trade flows. Links between Australia's Department of Agriculture Fisheries and Forests and its Indian counterpart have improved trade flows in agricultural produce between the two countries.

Objective 4: Improved public health services

HIV/AIDS prevention in the North East of India

This program (\$10 million over eight years, 2005-13) focuses on HIV/AIDs prevention. An estimated 2.1 million people live with HIV/AIDS in India. The North East region consists of eight land-locked states which have borders with five countries. Large tribal populations have limited access to health care, which is mainly through the public sector.

The Australian Government has supported the United Nations system to work with the Government of India's National AIDS Control Program through UNAIDS (the Joint United Nations Programme on HIV/AIDs). This cooperation has successfully established a regional support structure for the Indian National AIDS Control Organisation in the North East. The Government of India's Ministry of Development of North East Region has established a regional office to support institutional development, external assistance and sustainability.

After opening the office in the North East, the number of people registered for anti-retroviral treatment increased by 62 per cent to more than 33 300, and people with HIV/AIDS could receive round the clock assistance.⁷

	Initiative name	Approved budget and duration	QAI year	Relevance	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability	Gender equality	Risk management
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Table 3: India quality at implementation ratings

⁷ Project Annual Report 2012

Initiative name	Approved budget and duration	QAI year	Relevance	Effectiveness	Efficiency	Monitoring and evaluation	Sustainability	Gender equality	Rlsk management
Increased climate		2012	6	5	4	5	5	5	I.
resilience		2011	6	5	4	5	5	5	I.
Improved water		2012	5	4	4	3	3	3	I.
and sanitation		2011	6	5	5	3	3	4	
Strengthened		2012	5	5	3	4	4	3	I
government-to- government links		2011	5	5	3	4	4	3	
Improved public		2012	6	5	5	4	4	5	I.
health services		2011	6	5	4	5	5	5	

Definitions of rating scale:

Satisfactory (4, 5 and 6)

= 6 = Very high quality

= 5 = Good quality

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Management responses from 2011

Progress in addressing 2012–13 management consequences is reported in Table 2.

Table 4: Progress in addressing 2011 India program management consequences

Management consequences identified in 2011 APPR	Rating	Progress made in 2012-13
Communicate the Australian Government's decision to phase out bilateral aid to India to the Government of India and manage sensitively.	Green	The Government of India accepted the decision. The Australian Government opened new avenues for cooperation through the Regional Program (for example, the India – Australia Water Science and Technology Partnership).
Pay greater attention to gender issues in water and sanitation.	Green	The World Bank's Water and Sanitation Initiative in India implemented a major study of gender issues in urban water and sanitation, including four case studies of successful approaches to addressing women's needs. One outcome was discussions with the railways on improving access and safety for women's toilets at railway stations.
Integrate gender inclusion more effectively into climate resilience programs.	Green	DFATwill request more detailed reporting on how women's self-help groups are involved in the East India Plateau climate resilience work, in particular, information on women's role in decision making.
Ensure that the aid program's office in New Delhi includes Government of India requirements in Public Sector Linkages Program guidelines.	Green	Requirements were included in guidelines and all applicants informed of the new requirements. As a result, all Public Sector Linkages Program projects received speedy approvals after previously

Share experiences and learning from the Public Sector Linkages Program, which will conclude and be replaced by the Government Partnerships for Development program from 2013-14.Green Sector Linkages Program experience to the Government Partnerships for Development Secretariat.Ensure gender issues are addressed in climate resilience and disaster risk reduction work.Amber Progress was made in 2012-13. A visit to the UNDP project site revealed that women are centrally engaged in disaster risk reduction work and in managing improved water supplies. More work is needed to ensure stronger gender inclusion in climate resilience activities.	Management consequences identified in 2011 APPR	Rating	Progress made in 2012-13
Sector Linkages Program, which will conclude and be replaced by the Government Partnerships for Development program from 2013-14.Linkages Program experience to the Government Partnerships for Development Secretariat.Ensure gender issues are addressed in climate 			experiencing delays.
resilience and disaster risk reduction work. project site revealed that women are centrally engaged in disaster risk reduction work and in managing improved water supplies. More work is needed to ensure stronger gender inclusion in	Sector Linkages Program, which will conclude and be replaced by the Government Partnerships for	Green	Linkages Program experience to the Government
	5	Amber	project site revealed that women are centrally engaged in disaster risk reduction work and in managing improved water supplies. More work is needed to ensure stronger gender inclusion in

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Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Next steps/management priorities in 2013–14

Management priorities for India in 2013-14 include:

- 1. Engage India through the South and West Asia Regional Program, under its two pillars of sustainable development and regional connectivity, to improve climate resilience and economic integration, in particular through:
 - a. the India Australia Water Science and Technology Partnership
 - b. the South Asia Water Initiative
 - c. DFAT's partnership with the International Centre for Integrated Mountain Development.
- 2. Continue exploring opportunities for trilateral cooperation with India through the India Development Partners Administration, the government unit responsible for administering India's international assistance program.
- 3. Manage legacy activities, with the finalisation of the bilateral program, under the South Asia Regional program and report on future assistance to India through the regional program.

Maldives Aid Program Performance Report 2012–13

Context

Turmoil characterised the political situation of the Maldives during 2012 and early 2013. The contested transfer of power from President Nasheed to President Mohamed Waheed Hassan polarised the country. The Maldives continues to face challenges related to its transition to democratic processes, exacerbated by relatively young governance and judicial institutions. Other political and economic issues include the impact of ongoing global economic changes, high levels of public debt and the consequences of climate change vulnerability.

The Maldives is South Asia's only Millennium Development Goal-plus country. The country's upper middle income status hides significant socio-economic disparities between the capital Male and outer atolls. Economic growth slowed to 3.5 per cent of gross domestic product in 2012, compared to 5.8 per cent in 2011. The Maldives was declared a heavily

indebted country in 2011, thereby no longer qualifying for International Monetary Fund and World Bank concessional loans. The Government of Maldives increasingly depends on regional allies such as India for loans for which the development objective or conditions are not always transparent. The Maldives is still at an early stage in its transition to democracy, and further instability is likely leading up to and following planned elections in September 2013.

The Maldives remains acutely vulnerable to climate change and environmental challenges. The Government declared a policy objective in 2009 to become a carbon neutral country by 2020. However, the Maldives depends heavily on imported fossil fuels to meet its energy and transport needs. While it has a higher per capita income than many other small island developing states, the Maldives is still acutely vulnerable to oil price volatility.

In 2012-13, the aid program to the Maldives totalled \$3.6 million. Other assistance through regional and global programs and through other government agencies brought Australia's total official development assistance to an estimated \$10 million.

The 2012-13 the program to the Maldives aims to support a resilient, effective and accountable state and a strong civil society. The Australian Government's bilateral program for 2012-13 focussed on two main sectors, education (primarily scholarships) and climate change, as well as other areas of engagement. A new program strategy for Australia's aid to Maldives will be released with two development pillars: human resource development and climate change resilience. Improved governance will be a crosscutting theme.

Progress towards objectives

Objective 1: Education

Australia Awards Scholarship program

This is DFAT's flagship investment in the Maldives, worth more than 70 per cent of the \$3.6 million of the bilateral aid program in 2012-13. Maldivians received 33 awards for studies in Australia in 2013.

The President of the Maldives, in a message to alumni at a reception in December 2012, commented that scholarships have made an invaluable contribution towards overall human resource development in the Maldives. A number of alumni are in key leadership positions incountry.⁸

Tracer studies conducted in the Maldives in August 2012 found that awardees gained new knowledge and skills and put most of what they learned into practice. The studies also found that awardees improved the capacity of their organisations and institutions. They reported that awardees were able, over time, to influence policy decisions that improved basic services to the public.

Alumni achievements captured in the tracer study were:

> mainstreaming results-based monitoring and evaluation systems

⁸ They are: the Speaker of Parliament; High Commissioner to India; Deputy High Commissioner to Sri Lanka; Deputy Minister of Education; Ministers of State for Fisheries and Agriculture and Immigration and Emigration; Vice Chancellor of the Maldives National University; Director General of the Environmental Protection Agency; Charge d' Affaires of the Permanent Mission of Maldives to the UN; Director (Maldives) South Asian Association for Regional Cooperation Secretariat; a number of Members of Parliament.

- > making a substantial contribution towards reducing poverty levels in the outer atolls
- > improving the nursing program offered by the Faculty of Health Sciences
- > playing a key role in developing the strategic plan for the Maldives Police Service
- > working on a plan to curb gang violence
- > helping to coordinate a national study on violence against women (one in 2007 and one in 2008).

Priority sectors for intake 2013—aligned with the country program—focus on education, engineering, environment and health. In 2012–13, two Maldivians were selected for a sustainable fisheries management training program for the Indian Ocean region (global) under the Australian Leadership Awards Fellowship Round 12.

Maldives Education Sector Volunteers Program

Following the success of the Maldives Pilot Volunteer Program, and in cooperation with the Maldives Ministry of Education (2009-11), the Australian Government signed an agreement to establish the Maldives Education Sector Volunteers Program in September 2012. 7 Australian volunteers commenced assignments in the Maldives in 2012-13.

Objective 2: Climate change

Maldives Climate Change Trust Fund

DFAT supports the Maldives Climate Change Trust Fund, managed by the World Bank and jointly funded by the European Union. Australian Government funds made an additional contribution of \$500 000 to the fund in March 2012. Two components—Wetlands Conservation and Coral Reef Monitoring for Adaptation and Climate Change and Clean Energy for Climate Change Mitigation—were approved by the Government of Maldives in April 2012. The fund received widespread publicity through national media in 2012 which helped improve its visibility as the primary vehicle for climate change support to the country.

Supervision visits by the World Bank in early 2013 rated the progress of the components as 'satisfactory' and 'moderately satisfactory' respectively. This reflects some progress on the ground, as well as delays in procurement procedures and limited local technical expertise.

While the fund has experienced some implementation challenges, it is still the best way for the Australian Government to support the Government of Maldives climate change policies and plans and the best platform to coordinate with other donors in the sector. A fiscal crisis in the Maldives could directly impact on fund operations, because the fund's Project Management Unit is made up of seconded Government of Maldives employees. Close monitoring of the country situation will help identify any problems early.

Discussions with the Ministry of Environment and Energy confirmed that the preference of the Government of Maldives is for future Australian support for climate change to be channelled to the Climate Change Trust Fund. Greater focus on climate change in Australia's scholarships and volunteer program could increase Australian visibility and influence in the sector.

Other areas of engagement

UNDP Integrated Governance Programme

Two governance activities funded in 2011 continued in 2012–13—UNDP Justice Sector Program and Civil Society Development Programme. These were consolidated in August

2012 under the UNDP's new Integrated Governance Programme, which has one project management board. The new program structure is allowing UNDP to be more responsive and flexible in its engagement with government and civil society stakeholders. These are critical attributes for effectiveness in the Maldives' fluid political context. In 2013, part of Australia's contributions through the Integrated Governance Programme will be directed at electoral support for voter education, security, youth and women's groups and capacity development.

In October 2012 the program considered 17 short-listed proposals and provided grant funding for 11 proposals. Agreements with five of the 11 grantees are complete, and the first payment was disbursed by the end of the 2012.

An independent evaluation of UNDP's engagement with civil society in Maldives 2008–12 (including Australian Government-funded activities) was released in December 2012. It found evidence that:

- > women and youth were participating more in development, human rights and democratic processes as a result of Australian Government funding
- > Australian Government funding was effective in building the capacity of civil society in the outer atolls and increasing the awareness of democratic principles and processes
- > high transaction costs were associated with working in the outer atolls
- > UNDP needed to improve results-based monitoring
- > UNDP needed to make the grant cycle longer to consolidate progress and achievements.

In response, the UNDP has agreed to recruit a dedicated monitoring and evaluation officer for the Integrated Governance Programme to institute a results-based approach to reporting.

In 2012, two justice sector forums were held—one on Community Mediation (29 November) and one on Criminal Law (6 December). For the first time in the Maldives' history, the forums brought together key justice institutions to discuss issues such as developing alternative dispute resolution, strengthening the legal profession, developing legal aid options and providing victim support. However, DFAT can expect that progress will continue to be slow and incremental.

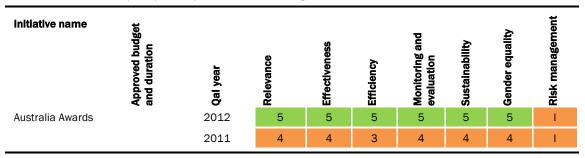


Table 5: Maldives quality at implementation ratings

Definitions of rating scale: Satisfactory (4, 5 and 6) = 6 = Very high quality = 5 = Good quality = 4 = Adequate quality, needs some work 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

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Management responses from 2011

Progress in addressing 2011 management consequences is reported in Table 3.

Table 6: Progress in addressing 2011 Maldives program management consequences

Management consequences identified in 2011 APPR	Rating	Progress made in 2012-13
Finalise a bilateral development strategy that clearly integrates scholarships and is suitably flexible to manage the impact of future political uncertainty and emerging priorities.	Green	DFAT will finalise the program strategy by June 2013. It will focus on sectors that enjoy broad political support, to minimise the risk of disruption due to the upcoming national elections and a potential change of government.
Improve capacity to mitigate political and program risk by working with partners on political analytical capabilities (possibly including joint in- country visits) and by increasing Australia's engagement with delivery partners.	Green	DFAT has worked more closely with partners to better understand the political situation. This includes joint visits with the European Union and gaining access to political assessments from the UN, other bilateral donors and civil society organisations.
Work with managing contractor Coffey to improve access to Australia's education program for smaller atolls where people struggle to meet English language requirements.	Amber	This recommendation is still a work in progress. Some options to improve access to scholarships in the outer atolls have been explored by DFAT, but discussions with Coffey to find ways to implement these are at an early stage.
Liaise with the European Union and World Bank to improve donor coordination with the Maldives Climate Change Trust Fund and progress the implementation of projects under the fund.	Green	The Australian Government worked closely with the European Union and World Bank before the last meeting of the Maldives Climate Change Advisory Committee in April 2013. The Australian Government was active in advocating for the trust fund to be the primary vehicle for climate change support to the country. This was accepted by key stakeholders.

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Next steps and management priorities in 2013-14

Management priorities for the Maldives program in 2013–14 include:

Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

- 1. strengthen political analysis capacity and program partnerships to improve risk management
- 2. align scholarships with the priorities of the new program strategy
- 3. explore the feasibility of the scholarship alumni association providing a policy forum and think tank for development
- 4. explore the feasibility of expanding the volunteers program into new sectors that will support the program strategy