



# Fiji Annual Program Performance Report 2011

September 2012

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Australia remains committed to addressing the needs of the poor in Fiji. The Fiji Annual Program Performance Report is a summary of the Australian Government's aid program in Fiji during 2011.<sup>1</sup> Over the course of the year, AusAID transitioned from a series of interim, small-scale activities to a set of long-term, scalable investments aligned with key objectives in the health, education, market development and community development sectors. These investments also provided a platform from which AusAID will be able to double the bilateral aid program over the next two years, in line with the Australian Foreign Minister's announcement in November 2011.

Some significant strategic and analytical work was undertaken in 2011, including drafting the Fiji Country Strategy 2012-2014 and the Community Resilience and Economic Opportunities delivery strategy, along with some landmark poverty analyses that will underpin future programming.

## Context

While Fiji is one of the more developed economies in the Pacific Islands region, declines in growth linked to its successive coups have eroded its once impressive economic and development achievements, and gains in poverty reduction are being reversed. Throughout 2011 the Fiji interim government kept public emergency regulations in force, which restricted freedom of assembly. There was also direct oversight of public information and government representatives monitored all media broadcasts and publications.

Fiji's economy grew by 2.0 per cent in 2011<sup>2</sup> after contracting in the two previous years. This growth can be attributed to improved tourism receipts, although price discounting meant that real earnings per tourist were still below 2007 levels. 2011 also saw improved performance in key agricultural exports, including some recovery in sugar exports after a poor performance in 2010, but this was tempered by inflation, which averaged 8.7 per cent due to increases in the price of food and fuel. Increases in the value added tax to help address budget deficits and higher energy tariffs put further pressure on consumers.

It is estimated that around one third of Fiji's population is poor, with 35 per cent living below the basic needs poverty line. The vast majority of people are either poor or vulnerable to poverty.<sup>3</sup> Private investment declined to around 2 per cent in 2011 (the lowest level since Fiji's independence in 1970) which is exacerbating high levels of unemployment, particularly among women.

Fiji interim government debt increased to around 60 per cent of Gross Domestic Product (GDP), with the decision in early 2011 to reject an International Monetary Fund stand-by arrangement and take out a US\$250 million commercial bond to manage outstanding international debt commitments. For this reason public investment remained weak, but government infrastructure development still fell

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<sup>1</sup> The Fiji APPR covers bilateral program activities. For an assessment of regional activities that Fiji benefits from, please refer to the Pacific Regional APPR.

<sup>2</sup> Reserve Bank of Fiji August 2012. All other statistics provided by Asian Development Bank unless otherwise noted.

<sup>3</sup> Assessed against the basic needs poverty line of FJ\$3.30 a day, results from the 2008–09 Household Income and Expenditure Survey.



below budgeted estimates due to uncertainty in revenue streams and limited project management capacity.

In the context of Fiji's weak economic growth, increasing poverty and restrictions on the people of Fiji, Australia has continued a modest aid program targeting support to the poorest and most vulnerable communities. The aid program has maintained continuous support to health and education, areas that matter most to the people of Fiji. In addition, Australian assistance is delivered through civil society organisations and programs in social protection, financial inclusions and rural development sectors. Australia Awards (scholarships) and volunteers complement the suite of activities.

Australia was the largest donor to Fiji in 2011 with a bilateral aid program of more than \$19.5 million. Fiji also benefited from \$26.7 million (2011–12) in regional funding through regional organisations based in Fiji such as the Secretariat of the Pacific Community and the University of the South Pacific. These funding levels have remained consistent since the 2006 coup.

In November 2011, the Australian Foreign Minister announced the bilateral aid program to Fiji would double to \$36 million by 2013–14. The increase is in response to Australia's concerns about Fiji's continuing economic difficulties and increasing poverty, particularly in rural areas. An expanded aid program will allow Australia to focus more on the rural poor and squatter settlements while continuing ongoing work in health and education.

## Millennium Development Goals (MDGs)

Fiji faces substantial and rising development challenges. While Fiji's Human Development Index has risen—from 0.678 in 2005 to 0.688 in 2011—its ranking fell 11 places to 100 of 187 countries in 2010. Fiji is still placed just above the Pacific regional Human Development Index average of 0.671, but is behind Samoa and the world average of 0.682.<sup>4</sup>















Fiji is off-track to meet MDG 1 (eradicate extreme poverty and hunger), and its position has regressed from the 2010 assessment.<sup>5</sup>

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<sup>4</sup> United Nations Development Programme, Human Development Report 2011, Statistical Annex.

<sup>5</sup> 2011 Pacific Regional MDGs Tracking Report.

Table 1: Tracking against MDGs in Fiji

1	2	3	4	5	6	7
End poverty and hunger	Universal education	Gender equality	Child health	Maternal health	Combat HIV/AIDS	Environmental sustainability
						
						

Note:



On track to meet MDG



Not on track to meet MDG

Fiji is achieving mixed results for MDG 3 (gender equality and empowering women) and MDG 6 (combating HIV/AIDS and other diseases). While other MDGs are reportedly on track, the pace of progress towards MDG 4 (reducing child mortality) and 5 (improving maternal health) will need to increase dramatically if Fiji is to reach its targets by 2015. In 2009, maternal mortality ratios were 28 per 100 000 births,<sup>7</sup> a decrease of about 53 per cent over 1995, however this would need to decrease by a further 63 per cent to reach the 2015 MDG target of 10.3. Infant mortality rates have barely improved since 1990.<sup>8</sup>

Non-communicable diseases are an increasingly prevalent cause of illness and responsible for around 82 per cent of deaths in Fiji.<sup>9</sup> Diabetes now affects more than 18 per cent of the population and 33.9 per cent of diabetes patients require amputations.<sup>10</sup>

While Fiji is on track to achieve MDG 2 (universal primary education), according to the 2011 Pacific Regional MDG Tracking Report, around 6000, or 4 per cent of children aged six to 14 years do not attend school each year.<sup>11</sup> Educational expenditure in Fiji has dropped by 12 per cent since 2007, and as a proportion of total expenditure dropped from 19.2 per cent in 2007 to 14.6 per cent in 2010.<sup>12</sup> Fiji's Ministry of Education has reported high drop out rates at both the primary and secondary levels, and a larger number of children do not make the transition from primary to secondary school.

## Poverty analysis

A significant analysis funded by AusAID was released in July on poverty rates and poverty distribution in Fiji. This analysis is being used to guide anti-poverty programs for policy makers and development practitioners. The Fiji Bureau of Statistics reviewed the 2008–09 Household Income and Expenditure Survey and found around

<sup>6</sup> 2011 Pacific Regional MDGs Tracking Report, p. 70–71.

<sup>7</sup> Ibid, see page 34–60 per 100 000 live births in 1995.

<sup>8</sup> Ibid. See page 32–17 per 1000 live births in 1990; 15 per 1000 live births in 2009. Similarly the under-five mortality was 28 in 1990 and 23 in 2009.

<sup>9</sup> Fiji Ministry of Health, Non-communicable diseases prevention and control National Strategic Plan 2010–2014

<sup>10</sup> Fiji Ministry of Health Annual Reports 2001–08. AusAID's Fiji Health Sector Support Program 2011–15, Program Design Document

<sup>11</sup> Access to Quality Education Program, Review of poverty and social protection in the Republic of Fiji, January 2012. Data sourced from Fiji Islands Bureau of Statistics, Household and Income Expenditure Survey 2008–09.

<sup>12</sup> AusAID's Access to Quality Education Program, Fiji, Framework for Delivery, October 2010.







## Program objectives and strategy

2011 has been an important year of transition. Over the course of the year, AusAID transitioned from a series of small-scale activities to a set of long-term, scaleable investments in line with key development objectives.

There are three key development outcomes for the Fiji bilateral program:

- improving access to quality education
- strengthening primary health services
- building resilience and economic opportunities in disadvantaged communities.

And four cross-cutting areas:

- undertaking poverty analysis to better target beneficiaries
- supporting civil society organisations and credible political dialogue
- deepening people to people links between Fiji and Australia
- integrating disaster risk reduction approaches.

These development outcomes and cross cutting themes have formed AusAID's future priorities which are outlined in the new Fiji Country Strategy 2012–2014.

A major achievement for the aid program in 2011 was establishing new long-term (five year) programs in health and education, and increasing scholarships numbers from 10 to 40 long-term scholarships. While the new cornerstone programs in health and education were being developed, Australia continued with the interim programs that were established in 2010 to remain engaged with the sectors and continue supporting basic service provision to the people of Fiji.

## Partnerships and development partners

Fiji's traditional bilateral partners include Australia, Japan, the European Union and New Zealand. Australia is Fiji's largest confirmed bilateral donor accounting for 41 per cent of total official development assistance, followed by Japan with 24.8 per cent and the European Union with 7.6 per cent (2010). In 2010 total official development assistance from traditional donors was 1.96 per cent of GDP,<sup>13</sup> while Australian official development assistance represented 1.06 per cent of GDP.

In recent years, the interim government has implemented a 'look north policy', which has seen it expand its diplomatic and development assistance relationships to a broader group of partners including Brazil, South Africa, Indonesia and Dubai. Fiji has expanded medical exchange programs with India and also sought to expand its diplomatic, aid, trade, and investment relationships with China. According to the 2012 Ministry of Finance budget estimates, China is Fiji's second largest donor disbursing just over FJ\$27 million (approximately \$14 million) in 2011, through loan and grant assistance to build a subdivisional hospital at Navua, a hydropower plant in Taveuni, and road improvements in Vanua Levu and Sigatoka.

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<sup>13</sup> Source: OECD DAC and World Bank World Development Indicators using current US dollars. 2010 is the latest year with available data.



Apart from some technical assistance, the World Bank has not been active in Fiji since the 2006 coup and the Asian Development Bank's assistance focuses on completing activities ongoing at the time of the 2006 coup.

## Program expenditure

Table 1: Estimated bilateral program expenditure in 2011–12<sup>14</sup>

Objective	\$ million	per cent of bilateral program
Objective 1: Improving access to quality education	4.8	24
Objective 2: Strengthening primary health services	3.98	20
Objective 3: Building resilience and economic opportunities in disadvantaged communities (through market development initiatives and support for civil society organisations)	4.35	
Scholarships	4.68	24
Disaster preparedness and response	1.69	8

## Progress against objectives

Table 2: Ratings of the bilateral program's progress towards the objectives

Objective	Current rating	Relative to previous rating
Objective 1: Improving access to quality education	■ green	■ green
Objective 2: Strengthening primary health services	■ green	■ green
Objective 3: Building resilience and economic opportunities in disadvantaged communities	■ amber	■ amber

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

## Objective 1: improving access to quality education

Education is the flagship sector for the Australian aid program and an important objective of the bilateral aid program in Fiji. While Fiji is on track to achieve universal access to primary education, the quality of education remains a concern.

The Fiji interim government reports that it has achieved universal primary education (MDG 2) due to high enrolment rates for both girls and boys. However, the sector remains under resourced and the quality of schooling does not prepare children well for higher education, vocational training and future employment. According to Fiji's Ministry of Education, in 2008, 10 per cent of primary school students dropped out of school before they reached the age of 12. The poor retention rate from primary to secondary school, particularly in disadvantaged areas, is a reflection of the rising costs of schooling and deteriorating facilities.

<sup>14</sup> Actual expenditure for 2011–12 is \$19.5 million. Source: AusAID Statistics, July 2012.





Australia's assistance in education is designed to improve access to quality education by providing direct assistance to schools so all children can complete primary school education, including children with disability. In 2009 Australia's previous long-term education program—the Fiji Education Sector Program, \$28 million from 2003–2009—ended. While the new, five-year Access to Quality Education Program was undergoing the design and tender phases in 2010–11, AusAID supported four interim activities, which achieved some important results in 2011.

- In 2011, Australia funded two sign interpreters at Gospel High School which enabled 14 hearing impaired students to participate in a wider range of academic subjects, as well as sports and social activities. Support was also provided for infrastructure improvements to the Hilton Special School, which benefited 11 boarders with disability at the school hostel, and around 50 students at the Early Intervention Centre. The hostel is now safety compliant with appropriate fire alarms and escape routes for children with disability. Work also started in 2011 on the construction of a covered assembly area, which will improve the learning environment for around 75 students (40 girls and 35 boys) at Hilton Special School.
- Support to the Fiji School for the Blind has improved the school's hostel facilities for 24 visually impaired students. This assistance included providing a night watchman to increase safety for boarders, two matrons, a cook and a cleaner to improve service delivery. Australian government funding has also enabled outreach to 43 villages, which resulted in eight children being referred to the Fiji School for the Blind.
- The United Nations Development Programme's Pacific Financial Inclusion Project: Enterprise and Financial Education in Curriculum initiative is designed to increase financial literacy and awareness among primary students. In 2011, financial education materials were developed which included games designed to teach students how to understand and perform money calculations, differentiate between needs and wants, and be able to accurately track and record income and spending. Selected teachers were trained in 2011 in preparation for national level teacher training in 2012 and the roll-out of the curriculum across all school years in 2013.
- The United Nations Children's Fund supported the Fiji Ministry of Education to implement the new Fiji Internal (classroom based) Assessment Framework, and to improve water, sanitation and hygiene in schools.
- Technical support was provided to the Ministry of Education to print and distribute learning records for all class 2, 3, 4, 5 and 6 students across the country. Teachers now have the materials necessary to record continuous assessment of students. Forty disadvantaged schools were selected in 2011 for water and sanitation infrastructure upgrades and behaviour change training for improved school hygiene practices in 2012.

### **New access to quality education program**

In August, the five-year Access to Quality Education Program (2011–2016) commenced. It targets the most disadvantaged schools, including squatter settlements, and emphasises increased access by boys and girls, including those with disability.



Australia will coordinate its assistance with the Ministry of Education, and support the ministry's efforts to improve teaching quality and measure learning outcomes.

A managing contractor, GRM International, was selected to deliver the program following an open, internationally competitive tender process.

The program targets the poorest 25 per cent of primary schools and is designed around three outcomes: reducing financial barriers, improving learning environments and facilities, and strengthening teaching quality and performance.

## **Objective 2: strengthening primary health services**

More than 800 health professionals have been forced out of the public sector since the introduction of compulsory retirement at age 55 in April 2009. Continued cuts to the Ministry of Health's budget and high staff turnover have had a significant impact on the quality of health services available to the people of Fiji.

The Fiji interim government had earmarked a 0.5 per cent increase in health expenditure annually from 2007 to achieve seven per cent of GDP, however this target has yet to be achieved. At present, the Ministry of Health receives around two per cent of GDP, the lowest in the Pacific.

Fiji had made considerable progress in improving key MDG health indicators in the 1990s. During that period, maternal and infant mortality (MDGs 4 and 5 respectively) improved significantly, with maternal mortality ratios improving from 156.5 (per 100 000 live births) in 1970 to 53.0 in 1980, to 41 in 1990 and to 22 in 2003.

However, trends since 2003 show that Fiji is off-track against individual indicators on infant mortality, under-five mortality, and maternal mortality. In 2009, maternal mortality ratios were 28 per 100 000 births, a decrease of about 53 per cent since 1995. This figure would need to decrease by a further 63 per cent to reach the 2015 MDG target of 10.3. Late in 2011, the Ministry of Health identified a disturbing trend of increasing hospital reports of child malnutrition. In these cases, children required supplementary feeding, and a number were so severely malnourished that they died. Deaths from malnutrition are a problem that has not been seen in Fiji for a considerable time.

Non-communicable diseases, including diabetes and hypertension, are an increasingly prevalent cause of illness in Fiji. They are due to poor diet and changing lifestyles, and are responsible for 82 per cent of deaths. Diabetes now affects more than 18 per cent of the population and 33.9 per cent of diabetes patients require amputations.

## **Transition health activities**

2011 was a transition year for the bilateral health program. Before the new five-year health program started, two significant initiatives were undertaken:

- Cyclone Tomas (2010) severely damaged the Loma Nursing Station and with Australia's support (\$200 000) the nursing station was rebuilt and opened in May 2011. The new building was set on high ground so mothers and babies could continue to seek treatment even in poor weather
- 127 radio transmitters and 119 solar systems were installed in rural health centres and nursing stations to improve communications and energy use.



## **New Fiji Health Sector Support Program**

In July 2011, Australia's new five-year bilateral health program, the Fiji Health Sector Support Program, began. This program specifically addresses some of most challenging health issues in Fiji today, including reducing infant mortality, improving maternal health, preventing and managing diabetes and hypertension, and revitalising Fiji's community health care worker system. It is closely aligned with the Ministry of Health's strategic priorities and will also link to other partners including the Fiji School of Health Sciences (formerly the Fiji School of Medicine and Fiji School of Nursing). The program, delivered through a managing contractor, will upgrade rural hospitals, fund new vaccines and establish systems to maintain immunisation rates of greater than 90 per cent. Health worker training and restoring the network of community health workers is a large component of the program.

In the first six months since implementation, the program has trained more than 386 nurses, obstetricians, nurse supervisors, nurse mentors, dieticians, midwives and community health workers in safe motherhood and healthy child concepts.

## **Objective 3: building resilience and economic opportunities in disadvantaged communities**

Long-term weak economic growth in Fiji is having significant impact on poverty levels and livelihood opportunities. Urban squatter settlements are expanding and rural poverty is increasing. The Market Development Facility has been established as the flagship initiative to address the poverty situation and build resilience and economic opportunities in disadvantaged communities.

In Fiji, the focus is on employment creation and sustainable income generation for the poor. While the Market Development Facility team has already started value-chain analysis work in the horticulture and tourism sectors, the initiative's official launch will be held in 2012.

The work on financial inclusion has been effective. Australia has supported a number of activities including the transition to electronic social welfare payments, the introduction of mobile-money services by the two major mobile phone companies, a pilot on financial education in the school curriculum, a scoping exercise for micro-insurance, and promotion of consumer rights for credit purchases.

In October 2011 an independent appraisal was conducted of Australia's existing or newly established rural development investments in Fiji. It found that there has been great success in connecting farmers to markets using a facilitating organisation, such as a private business, civil society or community-based organisation.



Key results in 2011 included:

- Helping the Department of Social Welfare to transition 21 400 or 93 per cent of beneficiaries (58 per cent women) to an electronic welfare payment system that pays into individual accounts. A safe, convenient and cost effective way for social welfare recipients to access their funds is now being provided through wireless technology.
- Supporting Fiji Vodafone and Digicel to introduce ‘mobile money’ technology in 2010 and 2011 that is allowing users to send, receive and save money on their mobile phones—a first for the Pacific region. By the end of 2011, there were 412 950 mobile money subscribers, of which 148 836 were new clients.
- Assisting 1378 poor people (80 per cent women), with income generating projects through the Foundation for Rural Integrated Enterprise and Development. These included producing greeting cards, handicrafts, textiles and food products.
- Igniting the growth of the local honey industry through the Sariswati Bee Keeping Project. More than 800 farmers (67 per cent women) are now involved in the project, which is up from 65 farmers in 2008. Training evaluation reports and feedback also show there has been a 50 per cent improvement in the technical competency of bee keepers.
- Making sound progress on much of the logistical and operational work required to launch the Market Development Facility in Fiji by 2012. This is based on an assessment by the Independent Advisory Group in November 2011.
- Achieving support from the Pacific Horticultural and Agricultural Market Access Program to export two new products—ginger and dalo.

### New delivery strategy

Planning began in 2011 for a community resilience and economic opportunities delivery strategy to bring together the Fiji program’s investments in rural development, financial inclusion, market development, disaster management, climate change adaptation and community development. The strategy, which begins in 2012, will focus, strengthen and measure the range of objective 3 investments, and draw on activities in the regional and bilateral programs.

### Cross cutting areas

#### Support to civil society

2011 marked the 12<sup>th</sup> year of Australian support to Fiji civil society organisations under the Australian Civil Society Support Program. Australian assistance has meant continued support to the people of Fiji through organisations working to improve livelihoods and increase access to quality services despite political uncertainties. AusAID has supported the activities of 32 civil society organisations covering income



generation, health, education, environment, human rights, support for people with disability, elimination of violence against women and community empowerment.

Delivering aid through civil society organisations provides the poor and marginalised in Fiji with greater access to quality services. It means Australian aid can reach areas where other service providers are not present. An independently managed, five-year Fiji Community Development Program will replace the Australian Civil Society Support Program in June 2012, following a period of design, peer review and tender. The shift to an externally managed program will provide a clear framework from which civil society organisations can deliver their programs, enhance service delivery to vulnerable people, and strengthen their organisational capacity.

In 2011, under the transitional initiative, 32 civil society organisations were awarded grants of more than \$1.3 million. Funding significantly enhanced the capacity, presence and reach of these organisations on, for example, disability inclusive development. A grant to the Spinal Injury Association provided a vehicle which enabled it to survey the needs of its members, and to provide over 1500 people living with spinal injuries or some form of physical impairment with assistive devices. The purchase of a Braille embosser enabled the United Blind Persons of Fiji to produce all meeting documents in Braille.

### **Disaster preparedness**

AusAID assisted people in rural areas, disability organisations, and professional engineers across Fiji during the year with disaster risk management training and awareness raising programs. The National Disaster Management Office, Fiji Disabled Peoples Association in partnership with the Pacific Disability Forum, and the Fiji Institution of Engineers implemented these.

Since 2008, over 140 communities across Fiji have been helped to build their resilience to the impacts of disasters and climate change under AusAID's regional disaster program. This includes setting-up community disaster committees, developing a community disaster plan, and running a simulation exercise to test the effectiveness of the arrangements.

There were no natural disasters in 2011 for which the interim government requested Australia's assistance.

### **Volunteers**

In 2011 there were 60 Australian volunteers on assignment in Fiji, including 45 new volunteers. In 2011 assignments were better aligned to complement the aid program's three objectives in health, education, and building resistance and economic opportunities for vulnerable communities.

Seventeen assignments focused on education, 25 on health and 18 on community resilience and economic opportunity. In terms of cross cutting issues, 17 assignments focused on disability, five on gender equality, 12 on environment (including disaster risk management and climate change) and 12 on child protection, human rights and HIV/AIDs. The majority of assignments, 36, were based with civil society organisations, while the remainder were spread across government and regional organisations, and United Nations agencies.





As a result of the contributions of Australian volunteers in Fiji:

- approximately 500 students with a physical or learning disability and over 100 teachers across 10 special schools accessed improved learning materials, better teaching resources, and policies and approaches to better manage students with disability
- patients at Fiji's two largest hospitals were provided with better access to pharmaceutical services, and people with disability in rural areas had better access to health care
- sports programs such as cricket, athletics and Australian Rules Football are more inclusive for people with disability, women and girls, and people living in vulnerable communities.

## Australia Awards

The 2011 Australian Development Scholarships intake increased by 400 per cent, from 10 in 2010 to 40 in 2011, in line with the Australian Government's commitment to increase the number of awards worldwide. This increase was well timed as scholarships to Australia are becoming unaffordable to the interim government. Australia remains a desirable study destination for its proximity, familiarity of study environments and highly valued qualifications. Engineers, veterinarians and agricultural specialists, among others, are priority skill areas that Australia Awards are addressing.

A tracer study<sup>15</sup> was conducted in 2011 and demonstrated the following successes:

- 99 per cent of survey respondents reported that their first job after their award was relevant to a medium extent to their area of study (81 per cent responded that it was relevant to a great extent)
- 97 per cent of the 2008–2010 cohort felt that their training was relevant to Fiji's development, with 94 per cent stating that it was relevant to their current employment
- 84 per cent of respondents reported that their current position was ranked higher than before they completed their study
- 94 per cent of the survey alumni reported that the content, knowledge and skills gained during their studies was relevant at least to a medium extent in their current job
- surveyed alumni reported frequent use of the 'soft skills' gained on award, such as communication, analytical and critical thinking (which were used daily by 89 per cent, 85 per cent and 84 per cent of the respondents respectively). The alumni interviewed also stated that their studies had helped them to develop a work ethic, improve their time management skills and have greater confidence in presenting opinions and making contributions in the workplace.

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<sup>15</sup> A tracer study contacts former study participants to assess the benefits of the scholarship program for their subsequent community and employment career paths.





- AusAID is working on a more efficient reintegration process and alumni network and to embed scholarships into sector designs and projects. The work plan for this commenced following the launch of the alumni network in 2010.

### Public sector training

A number of regional initiatives have provided training and capacity building opportunities for 38 (16 men and 22 women) mid-level managers in the public sector, including the Pacific Executive program, Pacific Public Sector Linkages Program, Australian Public Service Commission Partnership and the Australian Leadership Awards Fellowships. The AusAID funded Pacific Islands Centre for Public Administration, collaboration with the University of the South Pacific, is in its early stages of implementation in Fiji. The centre plans to complement support for public sector strengthening already implemented through bilateral, regional and other donor activities. These programs can improve stakeholder coordination, consolidate priority areas to increase impact on public sector capacity, and develop a scholarships strategy and improved monitoring and evaluation framework.

### Climate change

Australia released the results of the first detailed scientific projections for long-term climate change impacts in Fiji and the Pacific. These include extreme weather events (high-intensity storms, hot periods), sea level rise, and associated increased levels of inundation and storm surges, and are expected to continue increasing over time.

In 2011, the University of the South Pacific worked with six rural communities in Fiji to help them adapt to the impacts of climate change by implementing on-ground adaptation measures, enhancing community awareness about climate change impacts, increasing local capacity to assess and address climate change impacts, and mainstreaming adaptation into community planning and decision making. AusAID supported this program with \$390 000 in funding in 2011.

The World Wide Fund assisted communities in Macuata and Ba provinces (\$720 000) to increase their awareness of climate change impacts, and implemented adaptation measures to protect coastal ecosystems.

### Program quality

Program monitoring and evaluation is key to demonstrating success and progress towards the strategic objectives. At the end of 2011, a monitoring and evaluation plan was developed to help AusAID's Fiji team better monitor and manage its programs. The plan illustrates the links between the program's staff and the broader Australian Government aid objectives in Fiji. It integrates monitoring and evaluation frameworks from major programs enabling reporting to fit with AusAID's increasing focus on demonstrating results.

Table 3: QAI ratings 2011

Quality at Implementation	Financial approval	Financial approval					
		Relevance	Effectiveness	Efficiency	Monitoring & evaluation	Sustainability	Gender equality
Civil society program	\$7.8m over 12 years	5	5	3	3	4	5
Temporary assistance to Fiji education	\$3.6m over 2 years	5	5	5	4	4	4
Fiji scholarships 2011 intake	\$5.7m over 2 years	5	5	5	4	5	6
Access to quality education ( <i>new</i> )	\$14.5m over 3 years	5	4	4	4	4	4
Fiji Health Sector Support Program ( <i>new</i> )	\$15m over 3 years	5	4	4	4	5	4
Fiji Health Sector Interim Assistance	\$3.3m over 2 years	5	4	4	4	5	4
Fiji Community Development Program ( <i>new</i> )	\$13.3m over 5 years	6	5	5	4	5	5

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  
 ■ = 1 = Very poor quality; needs major overhaul

Overall QAI ratings improved from 2010 to 2011. 2011 was the first year of new programs in health, education and civil society and therefore had few concrete outputs to report.

The Fiji program will grow in terms of scope and funding. official development assistance has been steady at about \$18 million since the 2006 coup, but the program will double to \$36 million by 2013–14. While the establishment of long-term programs means the program is capable of scaling up to meet doubling targets, AusAID resources at Post will be highly stretched by the imperative to monitor quality, manage risk, ensure visibility and report on results.

### Pipeline planning

The Fiji program continues to grow in terms of scope and funding with two large programs commencing in 2011 as well as the intention to double the program over the next two years. Designing the program's future pipeline will be a priority for 2012 to meet this commitment. The pipeline will continue focusing on the key development objectives outlined in the Fiji Country Strategy 2012–2014.

### Risks

If the political situation deteriorates in Fiji, it may further compromise or restrict Australia's ability to work with government counterparts to implement the programs. Australia's staff in-country will work to ensure programs can continue in any constrained environment through civil society and other partners.



Poverty levels, particularly rural poverty, continue to slide. AusAID programs will ensure they target the vulnerable and most disadvantaged communities. Increased poverty will impact on development and other social outcomes.

### Multilateral performance assessment

In recent years Australia has channelled significant funds through multilateral partners such as the United Nations and development banks. In 2011, the Australian Government committed to assess the effectiveness of Australia's key multilateral partners as one of the recommendations of *An Effective Aid Program for Australia: Making a real difference – delivering real results*.<sup>16</sup>

Australia funded the United Nations Children's Fund (UNICEF) to help Fiji's Ministry of Education to implement the new Fiji Internal (classroom based) Assessment Framework, as well as to improve water, sanitation and hygiene in schools. However, the work undertaken by UNICEF encountered significant delays in 2011, resulting in a contract extension to enable the water, sanitation and hygiene infrastructure rehabilitation and ensure that this work is undertaken against updated minimum infrastructure standards. UNICEF project staff has found the turnover of senior Ministry of Education officials challenging, another reason for the delay.

The Pacific Financial Inclusion Program—a regional program working across five Pacific Island countries—aims to increase the number of people accessing new or improved financial services such as bank accounts, bank transfers and insurance credit. In Fiji in 2011, the program helped more than 20 000 welfare recipients to open free bank accounts for their welfare payments, saving the social welfare department more than \$150 000.

### Management consequences

The following list of priority actions will be undertaken by AusAID in the coming year to address issues raised in this report. A summary of last year's management consequences can be found at annex A.

- Implement the Australian Government's commitment to double the bilateral aid program by 2013–14 (the 2012 APPR will also review the *Transition to democracy* Ministerial announcement of 1 June 2012).

Further analytical work to understand poverty distribution, and what impact Australian aid is having on poverty levels, will be a priority action in the context of an increasing bilateral program. The analysis will also take into account young people, gender and ethnicity. In line with the *Effective Aid* policy statement, future assistance will focus on where aid can make the most difference. Tackling poverty will be at the centre of future aid efforts. Monitoring the increased aid flows and lessons learned from a rapid scale-up will also be considered.

- Improve communications, public diplomacy and branding of Australia's aid activities.

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<sup>16</sup> The Australian Multilateral Assessment was released in March 2012 and will be covered in the 2012 APPR.



There is scope to further increase the visibility of Australian aid in Fiji. In 2012, a communication specialist will train in-country staff and managing contractors on strengthening visibility and communication techniques including social media. This expert will also update the media strategy. AusAID will investigate a contract with a media monitoring firm to track the aid program through local media. More effort will also be given to promoting greater understanding of the objectives and scope of Australian aid, and to encouraging feedback.

- Planning to guide development of future programs.

Pipeline programming will be conducted throughout 2012 to inform future programs beyond 2014. This will include support to Fiji as it prepares for elections in 2014.

- Implement monitoring and evaluation frameworks, focusing on the results agenda.

A priority for AusAID is improved reporting of results. The Comprehensive Aid Policy Framework is the structure we will use to track and report on the results achieved with Australian aid in Fiji. It is critical that the robust monitoring and performance frameworks in the cornerstone programs are aligned with the agency's results and monitoring and evaluation frameworks. The program's monitoring framework will be updated in 2012.

- Supporting staff to manage the increased bilateral funding.

Align the analytical and policy work of Canberra staff with the program delivery work of the Post (and vice versa). Greater emphasis will be given to workforce planning to ensure staff have the right skills to deliver results. Staff who want to specialise in a particular sector, such as health or education, will be supported to do so.

- Gender stocktake – in 2012 AusAID will conduct a stocktake of all the gender related initiatives in the Fiji aid program.

## Annex A

Actions from 2010 APPR	Response
1. Australia Fiji Aid Strategy 2012–2014	Drafted in 2011, finalised in July 2012.
2. Strengthen monitoring and evaluation framework and skills and resources	Suva Post has recruited specialist monitoring and evaluation expertise to work with the Fiji program. With this assistance, the program has developed a monitoring and evaluation performance assessment framework, invested in staff training, created a field monitoring guide for staff use, and worked extensively with new program teams to ensure that the monitoring and evaluation frameworks within each program contribute effectively to the performance assessment framework, and capture the program's contribution to the headline results in the Comprehensive Aid Policy Framework.
3. Delivery strategy and proliferation	In September 2011, the program undertook a review of all current and previous rural development activities, and started preparing a delivery strategy for the third component of the program, community resilience and economic opportunities. This brings together bilateral and regional activities operating in Fiji, such as the Australia Pacific Technical College, the Market Development Facility, and the Pacific Financial Inclusion Program. It will be finalised in 2012.
4. Subsidiary agreements	The program was able to negotiate subsidiary arrangements for new bilateral and regional programs commencing in Fiji, enabling those programs to start. These subsidiary arrangements reflected the changed legal requirements in Fiji and Australia (such as tax regimes) and enabled the Fiji Health Sector Support Program, the Access to Quality Education Program, the Australia-Pacific Technical College Phase 2, Pacific Horticultural and Agricultural Market Access Program, and Market Development Facility to commence.
5. Leadership-delegated cooperation/co-funding	The Fiji program continued discussions with the European Union to identify possible areas where this could be implemented. To enable these discussions, the European Union participated in all peer review assessments for the Fiji Community Development Program design, and was part of an open tender process.
6. Future planning	The program extended networks with academics and analysts to guide future programming.
7. Analyse gender, poverty and conflict issues	The program supported the Fiji Bureau of Statistics to complete analysis of the 2008–09 Household Income and Expenditure Survey, and enable its publication. The Fiji program also supported the World Bank to work with the Fiji Bureau of Statistics to produce, for the first time, poverty distribution maps.
8. Public diplomacy	The program issued 28 media releases (21 of which were specifically on the aid program) and achieved more than 120 mentions in the local media.
9. Supporting staff	The Suva Post continued to face management difficulties. While a Minister Counsellor was appointed in May 2011, they were unable to commence duties in Fiji until 2012. The post conducted an analysis of staff structures and responsibilities as part of preparations for a restructure, which led to a broader review of roles, responsibilities and structures within the Pacific Division. This work will be completed in 2012, focused on providing work/life balance, effective professional development opportunities for staff at Post, streamlined management arrangements and the creation of new senior program manager positions to reflect the increased duties of roles and provide staff with opportunities to apply for promotions.