



Australian Government

Department of Foreign Affairs and Trade



# Aid Program Performance Report 2013-14

Fiji

September 2014

## Key Messages

This Aid Program Performance Report (APPR) summarises the Australian aid program's progress in Fiji from July 2013 to June 2014.

- › Australia's total official development assistance to Fiji was \$59.5 million in 2013-14, including \$34.2 million in bilateral aid and \$25.3 million delivered through regional programs<sup>1</sup>. This equates to just over one percent of Fiji's GDP and around six per cent of Fiji Government revenue.
- › In late 2013, the Australian Government announced a new policy of enhanced engagement with Fiji centred on increased cooperation on political and economic relations and people-to-people links.
- › Fiji is going through a political transition, with national elections scheduled for 17 September 2014. The aid program provided direct support to the Fijian Elections Office and Australia has agreed to co-lead a Multinational Observation Group to observe Fiji's elections.
- › Australia's aid program to Fiji has recorded some strong achievements in 2013-14, but the coming year is likely to see some major changes in how it operates in Fiji. Fiji's transition to a parliamentary democracy and the normalisation of Australia's bilateral relationship with Fiji will impact on the nature of Australia's development cooperation. Future directions of the aid program will be agreed with the new Fiji government.
- › Major achievements in 2013-2014 included:
  - Infrastructure upgrades in 20 schools, provided 4,073 students (1,923 girls and 2,150 boys) from poor and disadvantaged communities with a better place to study.
  - Assistance for the provision of immunisations contributed to an increase in the number of children immunised, from 93 per cent in 2008 to 95 per cent in 2013-14.
  - Support for the private sector helped leverage over \$1.6 million in private sector investment to assist small businesses and improve incomes for the poor.
  - Australia responded to a major outbreak of dengue fever that claimed 16 lives and resulted in over 27,000 diagnosed cases, by funding vital medical consumables and helping raise public awareness of the outbreak through a communications campaign.

## Context

Fiji's 2006 coup and consequent political environment has had a major impact on the Australia-Fiji bilateral relationship and the shape of the Australian bilateral aid program. It has influenced the aid program's design and areas of focus. Unlike many other bilateral programs, Australia has not formed a partnership for development with Fiji and does not use Fiji Government systems to deliver its programs. The Fiji program is largely delivered by managing contractors.

There have been significant developments in Fiji's domestic political environment and the bilateral relationship over 2013-14. At time of drafting, Fiji made significant progress towards elections on 17 September 2014, including the Prime Minister stepping down as Commander of the Fiji military. The Australian Government is working closely with the Fiji Government and other international partners to support Fiji's transition to democracy.

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<sup>1</sup> Budget estimate (May 2014).

In late 2013, the Australian Government announced a new policy of enhanced engagement with Fiji centred on increased cooperation on political and economic relations and people-to-people links. In February 2014, Foreign Minister Bishop visited Fiji as part of the Pacific Islands Forum Ministerial Contract Group and met Prime Minister Bainimarama. Australia lifted all travel restrictions applying to Fiji in March 2014. Fiji's transition to parliamentary democracy is likely to have a significant impact on the design, implementation and management of future development initiatives.

## Development Context

The Reserve Bank of Fiji (RBF) projects GDP to grow by 3.8 per cent in 2014, and steady progress towards the elections has improved investor confidence. However, growth is expected to moderate back to 2.4 per cent in 2015, as Fiji's recent strong performance has been linked to the short-term impact of government stimulus and consumption. Though key industries such as tourism and agriculture continue to perform well, Fiji's remoteness from major markets, expensive and infrequent transport links and high exposure to natural disasters provide challenges for service delivery, poverty alleviation and sustainable broad-based economic growth. Improvements to the business-enabling environment and longer term structural reforms are needed for Fiji to achieve sustainable growth that translates into broader benefits for the population.

Fiji is on track to achieve universal primary education (MDG 2), and ensure environmental sustainability (MDG 7). Fiji is showing mixed results for three indicators: eradicate extreme poverty and hunger (MDG 1); promote gender equality and empower women (MDG 3); and combat HIV/AIDs, malaria and other diseases (MDG 6).<sup>2</sup> Recent data suggests Fiji is unlikely to meet its MDG 4 (reduce child mortality) or MDG 5 (improve maternal health) targets by 2015.<sup>3</sup>

There is a lack of recent data on poverty levels in Fiji. World Bank analysis, funded by the Australian aid program, showed poverty fell nationally from 39.8 per cent in 2003 to around 35.2 per cent in 2009 but the state of poverty since then is not known.<sup>4</sup> While overall poverty rates may have dropped, a large proportion of the population remains just above the poverty line and highly vulnerable to income shocks. An estimated 49 per cent of Fiji's population live in rural areas, where poverty rates remain markedly higher. While official unemployment remains at 9 per cent, reliable unemployment data doesn't exist. The high rates of informal and under employment (often estimated at between 20 and 30 per cent of the labour force in each case) suggest that generating more formal private sector job opportunities should be a priority in Fiji.

## Australia's aid program in Fiji

Australia's total official development assistance to Fiji was \$59.5 million in 2013-14, including \$34.2 million in bilateral aid and \$25.3 million delivered through regional programs<sup>5</sup>. The performance of regional programs benefiting Fiji, such as support for the Australia- Pacific Technical College, University of the South Pacific, Fiji National University, and the Pacific Horticultural and Agricultural Market Access program, can be found in the Fiji annex to the Regional Program's APPR.

Australia remains Fiji's largest bilateral grant donor, accounting for an estimated 52.4 per cent of total official development assistance, followed by Japan with 18.7 per cent and the European

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<sup>2</sup> Pacific Islands Forum Secretariat, *Pacific Regional MDGs Tracking Report*, 2013.

<sup>3</sup> Fiji Ministry of Health, *Fiji Maternal Health Services Review*, 2013.

<sup>4</sup> World Bank, *Republic of Fiji Poverty Trends, Profiles and Small Area Estimation (Poverty Maps) in Republic of Fiji (2003-2009)*, 2011.

<sup>5</sup> Budget estimate (May 2014).

Union with 7 per cent. Australian assistance equates to around 1 per cent of Fiji's GDP or 6 per cent of government revenue. <sup>6</sup>

Aside from humanitarian assistance and some technical assistance to key government agencies, the World Bank and Asian Development Bank (ADB) have maintained limited programs in Fiji since 2006. Other donors include United Nations agencies, Germany, New Zealand, the United States, Indonesia, India, Republic of Korea, the United Kingdom and Papua New Guinea. Although official figures have not been released, China's assistance to Fiji has increased in recent years, mostly via low-cost infrastructure loans, reflecting its growing interests and presence in the region.

The Fiji program is guided by DFAT's Fiji Country Strategy 2012–14, which focuses on the country's vulnerable and most disadvantaged communities. <sup>7</sup> The country strategy has three development objectives: improving access to quality education; strengthening primary health services; and building resilience and economic opportunities in disadvantaged communities. The bilateral program has three cross-cutting priorities to reinforce focus and coherence in delivering the aid program across the three objectives: deeper engagement between Fiji and Australia (including through scholarships), support to civil society and humanitarian assistance.

## Expenditure

Table 1 Expenditure in FY 2013-14

Objective	A\$ million	% of bilateral program
Improving access to quality education	\$7.7	22.5
Strengthening primary health services	\$9.4	27.4
Building resilience and economic opportunities in disadvantaged communities, including support to civil society organisations	\$8	23.4
Crosscutting themes:		
Scholarships	\$5.4	15.8
Enhanced engagement, transition to democracy, gender and disaster preparedness and response	\$3.7	10.8

## Progress towards objectives

The Fiji program maintained a green rating against all of its objectives in 2013-14, and this good result was consistent with findings identified in mid-term reviews of the health and education programs. The bilateral aid program showed sufficient flexibility in support for new challenges and priorities. Notably, the aid program supported the government's new policy of enhanced engagement through scholarships targeted at government agencies, study tours to Australia for senior public servants and support for the Fijian Elections Office and the Multinational Elections Observer Group. Aid program funding also allowed Australia to support Fiji's response to a dengue fever outbreak in 2013-14.

<sup>6</sup> OECD Stat Extracts, <http://stats.oecd.org/Index.aspx?DataSetCode=CRS1>, 2012

<sup>7</sup> People in poverty are represented by those living below Fiji's basic needs poverty line, equivalent to less than FJ\$6.20 a day. For this APPR, vulnerability relates to people whose livelihoods can be catastrophically affected by economic or external shocks, disability or discrimination.

Table 2 Rating of the program's progress towards Australia's aid objectives

Objective	Previous Rating	Current Rating
Improving access to quality education	Green	Green
Strengthening primary health services	Green	Green
Building resilience and economic opportunities in disadvantaged communities, including support to civil society organisations	Green	Green
Cross-cutting themes	Green	Green

■ 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.

## Objective 1: Improving access to quality education

Fiji is on track to achieving universal basic education (MDG 2) with high levels of enrolment in primary schools. However, challenges remain in retaining students, ensuring their progress into secondary education and improving literacy and numeracy. An estimated 6,000 children aged 6-14 do not attend school each year (around 4 per cent)<sup>8</sup>.

Australia's Access to Quality Education Program (AQEP) is a five-year, \$50 million program designed to help improve access to quality basic education for the poorest and most disadvantaged communities in Fiji. Currently in its third year of operation, AQEP focuses on the poorest 139 primary schools, as mapped by the World Bank. Delivered through a managing contractor, AQEP has three main components:

First, AQEP provides support through school based management grants aimed at increasing enrolment and attendance of disadvantaged children. In 2013-14, this led to the re-enrolment of 85 out-of-school students (45 per cent girls) from 136 identified from AQEP's target schools.

Second, AQEP invests in school infrastructure such as class rooms and library buildings. In 2013-14, infrastructure upgrades in 20 schools provided 4,073 students (1,923 girls) with a better place to study. This brought the total number of schools upgraded since AQEP's inception to 63 (of 139), putting this activity on track against AQEP's infrastructure works schedule.

Third, AQEP provides direct support for Fiji's Ministry of Education (MoE) through short-term technical assistance and research to inform its program planning and evaluation. Good data is critical for sensible policy-making. In 2013-14, AQEP supported the development and implementation of the Fiji Education Management Information System resulting in the entry of 206,000 student records (100 per cent). AQEP also provided financial management training for 1,719 head teachers, principals, managers and treasurers (32 per cent female), achieving the target of providing training to staff from all 898 primary and secondary schools in Fiji. This was critical to enabling the MoE to implement the new government system of fee-free education grants in 2014.

AQEP also works with five selected demonstration schools to promote a disability inclusive approach by ensuring that children with disabilities have improved access to mainstream schools through advocacy, training and infrastructure upgrades. This led to the enrolment of 33 students with disabilities. All of these schools have received infrastructure upgrades to make them disability accessible, in line with the Australian Government Accessibility Design Guide.

<sup>8</sup> Pacific Regional MDG Tracking Report (2011).



Looking ahead, AQEP will need to continue to adapt to a rapidly shifting policy environment. The 2014 Fiji national budget increased spending on education from 12 per cent to 19 per cent of the total budget, reversing a long-term decline. Tuition is now free for all students, implemented through 'free education grants' to all schools in Fiji on a per capita basis. This is expected to have a widespread positive effect on school attendance and retention, although the education grants are for tuition only; they do not cover private costs of education (e.g. uniforms, lunches) and are not directly linked to education quality. Australia's assistance has been instrumental in enabling Fiji's MoE to implement the Government of Fiji's new fee-free education grants.

AQEP has maintained a green rating because it has recorded positive progress against all of its deliverables. It has also stepped up its support for the MoE at a critical time in implementing a major new government initiative. The MoE, school principals and school management committees report the program has had a positive effect on attendance and teacher motivation, an assessment also made in the 2012 mid-term review. Disability and gender inclusion is embedded throughout AQEP's design.

Continuing to assist the Ministry to implement the new education grants, including with robust financial management, monitoring and evaluation practices, will be a priority. With the new education grants addressing the barrier of school fees, there is now an opportunity for AQEP to assist the Ministry to address other barriers to quality education including inclusive education policies, school improvement planning, financial management, and assessment of learning outcomes. Policy dialogue with the Fiji government will be increasingly important to ensure that AQEP continues to complement and support MoE priorities.

## Objective 2: Strengthening primary health services

Fiji is not likely to meet its target for MDG 5 (maternal mortality) by 2015, largely because a 75 per cent reduction is ambitious in the Fiji context given already low rates. There were 8 maternal deaths in 2011 and 12 maternal deaths in 2012, whereas Fiji's MDG target is 2 maternal deaths per year. However, over 99 per cent of deliveries occurred in hospitals, with skilled birth attendants. Fiji's focus is therefore on improving the quality of antenatal care. Fiji's target for MDG 4 (reducing childhood mortality) is also unlikely to be reached. The number of stillbirths and peri-natal deaths is a major concern. Fiji also still has some way to go to combat HIV/AIDs, malaria and other diseases (MDG 6). Although the prevalence of HIV/AIDs remains relatively low, there was a sharp increase in reported HIV/AIDs cases in 2011 and a high prevalence of sexually transmitted diseases<sup>9</sup>. Fiji also faces a major challenge in addressing the steadily increasing rate of non-communicable diseases (NCDs), which is fast becoming the biggest health risk that Fiji's health system must address.

To assist Fiji meet these challenges, Australia's Health Sector Support Program (FHSSP) is a five-year, \$33.5 million program designed to help strengthen the health system in Fiji. FHSSP focuses its efforts on improving maternal and child health, and the prevention and management of NCDs such as diabetes and hypertension. Delivered through a managing contractor, FHSSP has five main objectives.

First, FHSSP contributes to improving the health and safety of mothers by supporting the introduction of standards for clinical treatment of mothers, providing training for nurses and upgrading hospital facilities and equipment. In 2013-14, FHSSP worked with the Ministry of Health (MoH) to revise the national standard for 'mother safe' hospitals, and developed a process to audit all hospitals in Fiji against these standards. FHSSP supported a review of Fiji's

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<sup>9</sup> Pacific Islands Forum, Millennium Development Goals Tracking Report.

maternal health services, and helped develop a Strategic Action Plan that will help address the delays in recognising danger signs, seeking care, reaching care and receiving appropriate care.

Second, FHSSP contributes to improved child health. In a joint cost-sharing arrangement with the MoH, the FHSSP has been funding the roll-out of three new vaccines, aimed at addressing rotavirus, pneumococcal and cervical cancer. Support for infant vaccinations has contributed to 95 per cent of children under the age of one receiving ten immunisations, this is up from 93 per cent in 2008, and meets the 90 per cent target. As of late 2013, 44 per cent of audited hospitals were adequately staffed to implement Integrated Management of Childhood Illness<sup>10</sup>, a 100 per cent increase attributable to FHSSP funded training, and in line with FHSSP's goal to increase this percentage annually.

Third, FHSSP contributes to diabetes prevention and management by funding training and equipment to improve screening and early detection. In 2011, 82 per cent of deaths in Fiji were caused by non-communicable diseases (NCDs). As a direct result of FHSSP support, screening for NCDs increased tenfold from 2012-13, resulting in the detection of 1,883 cases of diabetes and 1,824 cases of hypertension. This increase in early diagnosis contributes to improved disease management, and will reduce disability (through amputation<sup>11</sup>) and death in the longer term. Much progress is still needed, however, and the FHSSP funded a review of Fiji's National NCD Strategy. This will guide the development of a MoH strategic action plan for 2015-19.

Fourth, FHSSP is revitalising the community health worker network by providing training for community health workers and supporting the MoH to progress key policies on community health workers. These efforts aim to reduce pressure on the broader health system and strengthen an existing system that works closely with communities to be a first port of call on health issues. Progress has been slow in this area as it is taking some time for the MoH to determine its position on the role of community health workers.

Fifth, FHSSP supports health systems strengthening by providing technical assistance to the MoH. Over 2013-14, the FHSSP focused on workforce planning, monitoring and evaluation, health information systems and strategic planning. A key result was the continued positive uptake of the Public Health Information System by hospitals (98 per cent of reports completed up from 96 per cent). This information is critical for health services planning, monitoring and reporting. FHSSP also supported the MoH to develop a workforce plan which identifies the health system's workforce needs over the next twenty years. This plan was recently endorsed by Fiji's Cabinet and will form the basis of future staffing and budgeting submissions.

FHSSP maintained a green rating for 2013-14 having recorded positive progress against all of its objectives.

### Objective 3: Building resilience and improving economic opportunities in disadvantaged communities

The Community Resilience and Economic Opportunity (CREO) Delivery Strategy aims to contribute to higher incomes for Fiji's poor and help communities to better respond to economic shocks. It does this in three ways.

First, CREO helps support an increase in the net incomes of the poor through the Market Development Facility (MDF). MDF identifies growth potential in the economy, and supports key

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<sup>10</sup> IMCI includes preventive and curative elements implemented by families and communities as well as by health facilities to reduce death, illness and disability, and to promote improved growth and development among children under five (WHO).

<sup>11</sup> International Diabetes Federation reports that in Fiji, a diabetes-related amputation is carried out every 12 hours.

private sector partners to catalyse pro-poor market growth. By June 2014, MDF had signed 19 market development partnership agreements and leveraged over \$1.6 million in private sector investment. MDF has partnered with the private sector on a number of firsts for Fiji and the region, including local production of agricultural-lime, establishment of the first industrial scale mud-crab farm outside of South-East Asia and the export of the first kava-based supplement drink. The facility aims to increase incomes for 12,000 households and create 1,100 new jobs by 2017. An independent review found the program is on track to achieving this target.<sup>12</sup>

Second, CREO aims to increase the use of financial services by the poor by supporting financial education, and encouraging the uptake of mobile money and micro-insurance. The Fiji program provided \$2.25 million to the Pacific Financial Inclusion Project (PFIP) in 2013-14, facilitating the inclusion of financial education throughout the school curriculum targeted at all 197,000 school children in Fiji. The program has also supported innovation of financial products and new business models by the private sector to target the unbanked in Fiji, including introduction of mobile money, in-store banking and micro-insurance pilots. PFIP was successful in reaching its target of improving access for 500,000 people throughout the Pacific, as part of first five-year Phase 1 that ended in June 2014, with activities in Fiji contributing over 50 per cent of the target beneficiaries.

Third, CREO aims to improve the resilience of communities to respond to natural disasters and economic shocks. This is achieved through the Fiji Community Development Program (FCDP) – which provides grants to Civil Society Organisations (CSOs) to improve their capacity to make communities more resilient to hardship. In 2013-14, FCDP managed 37 grants to 27 CSOs reaching 27,000 beneficiaries. It is on track to exceed its target of 42 CSOs and 42,000 beneficiaries by mid-2015. In 2013-14, grants helped set up 45 micro nurseries in poor communities, and provided training for semi-subsistence farmers to assist with food security and improved livelihoods.

CREO has maintained a green rating and has recorded positive progress against all of its deliverables. Principles of gender equality and social inclusion are embedded throughout CREO's activities. MDF, for example, completed a poverty and gender analysis of its program in 2013, and its selection process eliminates gender bias. FCDP ensures that grant applications are assessed for impact on men and women and that its partners have access to gender-related technical assistance if required.

Australia recognises the need to align with other donors working in these sectors to avoid duplication of efforts, and to ensure programs are complementary. For example, the MDF program has signed Memorandums of Understanding with the regional Pacific Horticultural and Agricultural Market Access program and the European Union's Improving Agriculture Commodity Trade program. Looking ahead, CREO's work through MDF and PFIP will align well with the government's new economic diplomacy and aid for trade agendas.

## Cross cutting issues and emerging priorities

### Enhanced engagement and capacity building

Australia's enhanced engagement policy aims to develop stronger relationships with Fiji Government agencies and contribute to Fiji's development outcomes by building capacity, improving governance and facilitating economic growth. The Australian Government commenced a new dialogue with Fiji agencies to better identify their development needs and priorities, leading to technical exchanges between Australian and Fijian Government officials.

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<sup>12</sup> Review for the MDF Independent Advisory Group (December 2012).



Other people-to-people links also remained strong between Fiji and Australia. In 2013-14, there were 127 Australian volunteers funded by the aid program in Fiji, including 28 volunteers working in Fiji government agencies. Over this period, Australia also provided 80 Australia Award Scholarships for Fijians to study in the Pacific and in Australia, continuing our long-term commitment of building skills and capacities in Fiji.

### **Supporting Fiji's transition to democracy**

The Fiji bilateral aid program played an important role in supporting Fiji's transition to democracy during 2013-14. Fiji's elections were a focus, and we provided Australian experts to fill the positions of Deputy Supervisor of Elections and Director of Operations, and two Technical Advisers in the Fiji Elections Office (Australian Civilian Corp deployees). We also agreed to co-lead a Multinational Observer Group to observe the Fiji elections, supported by the bilateral aid program. The Australian Parliament, funded by the aid program, provided a building services specialist to help refurbish Fiji's parliament under a UNDP-led Parliamentary Strengthening program. An Australian parliamentarian also participated in a workshop to support female candidate participation in Fiji's elections.

### **Supporting effective responses to humanitarian emergencies and disasters**

In December 2013, the Fiji MoH declared an outbreak of dengue fever. By May 2014, the Fiji MoH reported over 27,000 cases since November 2013, resulting in 19,000 people hospitalised and 16 confirmed deaths. The outbreak affected hospital capacity and stock levels of essential medical supplies. Australia responded by making FHSSP vehicles available to Fiji Government officials to conduct rapid field assessments, and providing early advice on a communications strategy. Following a formal request for assistance from the MoH in March 2014, we provided \$750,000 to help re-stock essential medical supplies and fund an ongoing public awareness campaign.

### **Supporting social and economic inclusion in Fiji**

Gender inequality persists in Fiji. Although girls are better educated than boys, this does not translate into equal workforce participation. Further, 64% of women who have been in an intimate relationship have experienced physical and/or sexual violence (Fiji Women's Crisis Centre 2013). Principles of gender equality are embedded throughout the program, gender data is disaggregated where possible, and FHSSP's focus on maternal health highlights its gender focus. FHSSP also funded a local NGO to provide pregnant women a voluntary counselling and confidential STI testing service. They were also screened for risk of gender-based violence, mental health issues and NCDs. Over 12,000 women accessed the service exceeding the annual target by over 20%. In 2013-14, the aid program undertook extensive consultations to develop a Fiji Country Plan under the regional program's 'Pacific Women Shaping Pacific Development' initiative. This commits \$6.7 million of funding to 2017 to address gender-related issues in Fiji.

Principles of disability inclusiveness are also embedded in the program. For example, AQEP targets people with disability by broadening its approach to school access to be more inclusive. Infrastructure upgrades have made 27 schools more accessible to those with disability.

## Mutual Obligations

In 2013-14, the Australian aid program continued to operate in Fiji in the absence of a formal partnership agreement with the Fiji Government. Although no formal mutual obligations exist, Australia's aid program is aligned to Fiji's development priorities and our assistance in health and education is dependent on the Fiji Government's willingness to also prioritise those sectors. Annual budgets for FHSSP and AQEP are agreed with the respective Ministries, who also chair the governing boards of those programs. This alignment means there is strong ownership, leadership and policy coherence by the Fijian Government, as evidenced by meaningful participation by line Ministries in our programs. Fiji's increased allocation to education in its 2014 budget is a further sign of its commitment to this sector. Australia worked closely with the MoE in 2013-14 to enable the implementation of this initiative, including by providing financial management education for school administrators to help manage these new grants.

## Program Quality and Management

### Analysis of Quality at Implementation Reports

Five Quality at Implementation (QAI) reports were produced by the Fiji program for the 2013 calendar year. These confirm all initiatives report good overall performance. Most programs show some areas that require improvement, with the exception of the Community Development Program which showed at least good quality performance in all criteria.

The QAI report for FHSSP considered its monitoring and evaluation (M&E) arrangements as 'less than adequate' because it lacked clarity about how the program intended to achieve its intermediate and ultimate goals. DFAT has been working with the managing contractor through 2014 to revise the M&E framework. The efficiency rating for the scholarships program also regressed to 'less than adequate'. This was due to a loss of staff resources to manage implementation, combined with the additional administrative requirements of deferring intakes due to budget reprioritisation, and integrating IT systems.

### Performance of key delivery partners

The majority of bilateral development assistance in Fiji is delivered by managing contractors: AQEP is delivered by GRM; FHSSP by Abt JTA; and in the CREO portfolio MDF is delivered by Cardno Emerging Markets and FCDP is delivered by Coffey International. The PFIP component of CREO is delivered by UN Capital Development Fund. The most recent assessments of all DFAT's delivery partners in Fiji have found that they are performing strongly, with each contractor receiving an average of 5 ('very good') across the contractor performance assessments.

## Risks

Table 3 Management of key risks to achieving objectives

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?
The political environment after scheduled elections in September hinders the development and implementation of the Australian aid program.	Australia provided strong support for Fiji's elections, and enhanced its bilateral engagement with the Fiji Government.	In consultation with a new Fiji Government, Australia should align its new Aid Investment Plan with Fiji's long-term policy objectives. Maintain flexibility in the development and implementation of the aid program.

## Management Responses

Fiji's biggest challenge in the coming period will be to achieve a peaceful and sustainable transition to democracy. Australia will need to provide flexible and responsive assistance including for the electoral process, re-establishment of parliament and other key democratic institutions. Australia will develop a new governance initiative that will provide technical and other assistance in priority areas to help Fiji address some of these challenges.

The Fiji program has been tracking well at the activity level and delivering good results in most areas. However, many of these outcomes are only partially systemic because the aid program is not positioned to influence and leverage the Government of Fiji's own policies, priorities and resources. The challenge for the Fiji program is to reposition itself in working with a democratically elected government to address Fiji's development challenges in line with new Australian development policy. The way that it will do so will be determined through the development of the Fiji Aid Investment Plan.

Adjusting to anticipated changes in the operating environment in Fiji, following its first national elections in eight years on 17 September, 2014, presents a major challenge for the program. Australia's aid program will need to be agreed with the new government that forms after that election and begin to operate under different 'rules of engagement'. Existing programs are designed for flexibility, and will be able to adjust to an elected government's new policies and ways of operating. The Health and Education programs are in the second half of implementation, and any new design process will consider a new post-elections environment.

Following the elections, there is expected to be an increase in donor activity in Fiji, so increasing coordination efforts will be critical to minimise duplication and enhance cooperative efforts.

The program will need to continue its efforts to integrate key cross-cutting issues into all programming: gender, climate change, disaster response and risk reduction and disability inclusiveness.

## Annex A

### Progress in addressing 2012-13 management responses

#### Management consequences identified in 2012-13 APPR

Revise and strengthen the monitoring and evaluation frameworks of the major programs ensuring they link to the performance assessment framework. The program will develop annual targets for each objective of the Fiji country strategy and monitor these through QAIs and APPRs. Staff capacity on monitoring and evaluation will be strengthened.

Continue the focus on poverty, including how best to address the drivers of poverty. Including new analysis of poverty and gender, unemployment and informal squatter settlements. Complemented by program-based poverty analyses in relation to markets, school communities and community-based social protection. Once results are available, a workshop will be held for the Fiji program to develop a common understanding of poverty and an approach to tackling poverty in each sectoral program.

Support Fiji to take credible steps towards a return to democracy by working closely with DFAT colleagues and other Australian Government agencies and jointly collaborating with donors as Australia considers options for post-election engagement.

Finalise the Fiji country plan for the Pacific Women Shaping Pacific Development (PWSPD) initiative. This will include gender analysis to understand the gendered dimensions of school access and shape interventions of PWSPD through AQEP.

Develop financial inclusion interventions in areas requiring further investigation, in particular remittances and micro-savings.

#### Rating

Achieved

Partly achieved

Achieved

Achieved

Partly achieved

#### Progress made in 2013-14

The Fiji Program began to participate in the Evaluation Capacity Building Program in this period, which has provided excellent technical assistance that is improving performance monitoring in the program and building staff capacity. Programs are setting clearer and more realistic targets through annual work plans, with improved approaches to monitoring achievement.

Lack of official data on poverty rates or unemployment has hampered efforts to undertake further analysis of these issues. Attempts to study informal squatter settlements were also hampered by capacity issues faced by the implementing partner for this study. Progress was made at the initiative level, with the Market Development Facility completing a poverty and gender analysis that will help inform its future investments. A workshop was held with staff to discuss the program's poverty approach and a study was completed examining the role of faith-based organisations in alleviating poverty in Fiji.

Australia's assistance to the electoral process has been highly valued by the Fijian Government and has contributed to ongoing preparations for the upcoming elections. Work has begun on considering options for post-election support for Fiji's governance challenges.

The PWSPD Country Plan Summary for Fiji has been finalised and initiatives are underway, although further design work is required.

The issues around remittance involves banking regulations and practices in a number of developed countries which are international transiting points for the remittances before it actually arrives in developing countries like Fiji. This issue to be taken up by the G20 Financial Inclusion group.

Micro-savings was piloted in the Solomon Islands as part of PFIP Phase 1 and we have indicated that we would like to look at the potential of using the lessons learnt to run a similar micro-savings pilot for rural women in Fiji as part of PFIP Phase 2 which we are funding bilaterally.

#### Note:

- Achieved. Significant progress has been made in addressing the issue
- Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
- Not achieved. Progress in addressing the issue has been significantly below expectations

## Annex B

### Quality at Implementation ratings

Investment name	Approved budget and duration	Qal year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
Access to Quality Education		2013	6	4	5	4	4	4
		2012	6	5	5	4	4	4
Health Sector Support Program		2013	5	4	4	3	5	4
		2012	5	5	5	4	5	5
Community resilience and economic opportunities		2013	5	4	5	5	6	4
		2012	N/A	N/A	N/A	N/A	N/A	N/A
Community Development Program		2013	6	6	5	5	5	5
		2012	5	5	5	5	4	5
Scholarships		2013	5	5	3	5	4	5
		2012	5	4	5	5	5	5

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = 6 = Very high quality

5 = 5 = Good quality

4 = 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

3 = 3 = Less than adequate quality; needs significant work

2 = 2 = Poor quality; needs major work to improve

1 = 1 = Very poor quality; needs major overhaul



## Annex C

### Evaluation and Review Pipeline Planning

List of evaluations completed in the reporting period

<b>Name of Investment</b>	<b>Aidworks number</b>	<b>Name of evaluation</b>	<b>Date finalised</b>	<b>Date Evaluation report Uploaded into Aidworks</b>	<b>Date Management response uploaded Into Aidworks</b>	<b>Published on website</b>
Health Sector Support Program	INJ640	Strategic review	30 April	19 August	TBC	No

List of evaluations planned in the next 12 months

<b>Name of Investment</b>	<b>Aidworks number</b>	<b>Type of evaluation</b>	<b>Purpose of evaluation</b>	<b>Expected completion date</b>
Community Development Program	INK130	Mid-term review	To independently review the performance of the program to date, and inform our decision on whether to continue to Phase 2.	15 October 2014

## Annex D

### Performance Benchmarks 2014 -15

Aid objective	2014-15 benchmark	Rationale for selecting this performance benchmark
Primary school facilities are improved	187 classrooms built or upgraded.	Key proxy to measure progress against Objective 1: Improving access to quality education. Improving classroom facilities will provide safe and comfortable learning environments for children in Fiji, and encourage higher attendance rates.
Increased access to safe delivery services by expectant mothers.	Improved hospital performance against mother safe and baby-friendly standards.	FHSSP is working with the Ministry of Health to institutionalise high quality hospital care for expectant mothers, through the development of 'mother safe' standards, training of health staff in these standards and regular auditing to assess whether the standards are being met.
Private sector growth increases incomes for the poor.	40 partnerships with private sector in place.	Key proxy to measure progress against Objective 3: Building resilience and economic opportunities in disadvantaged communities; the Market Development Facility currently has 19 partnerships in place with private sector partners that are designed to enhance incomes of the poor and aims to have 40 in place by end of 2014-15.
Fiji holds successful elections in 2014.	Australian assistance to the Fijian Elections Office and the Multinational Observer Group contributes to successful elections held in September 2014.	Australia provides technical assistance to the Fiji Elections Office to help Fiji prepare for elections, and has an interest in Fiji's return to democracy. Australia was requested by the Fiji Government to fill the role of co-lead to a multinational elections observation group to determine if the Fiji elections (17 September 2014) are credible.
Improved public sector capacity.	10 Australia Award scholarships will be allocated to Government Ministries to build staff capacity in key areas.	Australia is providing an increasing number of opportunities for Fiji's public service to increase its capacity, including through further studies in Australia through the Australia Awards.
Reorient program to focus on Australian government's new development priorities.	Aid Investment Plan for Fiji approved.	The current Country Strategy for Fiji was developed in unique circumstances: Australia and Fiji had limited bilateral relations, and we were unable to work in certain sectors. The new Aid Investment Plan to be developed in 2014-15 will set out a new plan for how Australia can best support sustainable economic growth and poverty reduction in Fiji, in line with the Australian Government's new aid policy.
Empowering women and girls.	More than 80% of investments will effectively address gender issues in their implementation.	In line with Australia's new development policy and performance framework, all programs will need to meet this benchmark. This will be measured through individual program performance against the 'gender' criteria within the annual QAI process.