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At the South Seas Conference in Canberra in 1947, Australia, New Zealand, France, Great Britain, the Netherlands and the United States signed the Canberra Agreement which led to the formation of the South Pacific Commission. Since its formation, and with the transition to independence of PNG and the Pacific island countries, the Commission has become an important instrument for regional cooperation. It is therefore fitting that the Commission will meet in Canberra on 19-21 October on its 50th anniversary.

The Commission has built a key role in assisting and coordinating regional responses to development issues. It makes a strong contribution to natural resources management in the region, especially fisheries and agriculture. The Commission also assists Pacific countries to address regional health problems such as malaria and dengue fever. Furthermore, the Commission's work is evolving into new areas where a regional mechanism can be useful, such as assisting development planning and issues affecting women.

AusAID is the largest contributor to the Commission, providing around \$7 million annually. This funding is part of the Australian Government's long-standing commitment to development in PNG and the Pacific. In 1997-98, Australia will provide assistance totalling \$319 million to PNG and \$125 million to Pacific island countries.

I congratulate the South Pacific Commission on its 50th anniversary and look forward to discussing its future work directions at the conference in Canberra.

Trevor Kanaley
Director General

NEWS BRIEFS

AUSTRALIAN AID TO NORTH KOREA

In response to the latest international appeal issued by the World Food Programme (WFP), Australia is to provide \$3.5 million in food aid for the Democratic People's Republic of Korea (DPRK).

The additional funding will contribute to the WFP's program of increasing daily food rations for the 2.6 million North Korean children under the age of six from 100 to 250 grams a day. It will also contribute to food for work schemes for 250 000 flood-affected farmers and supplementary feeding for up to one million hospital patients.

Australia, through AusAID, has already provided over \$4 million, including 93 tonnes of Australian-made high energy biscuits, to help alleviate the food crisis in the DPRK.

This latest contribution brings the Australia's total humanitarian assistance to the DPRK to \$7.5 million.

AUSTRALIA SUPPORTS PRIVATE SECTOR IN EASTERN INDONESIA

An agreement between the Australian Government and the World Bank will result in a major private sector study of the eastern islands of Indonesia, the country's poorest region.

The study will examine the feasibility of establishing an office of the World Bank's International Finance Corporation in eastern Indonesia. This office, in the

Australia Indonesia Development Area (AIDA), would provide technical assistance to local private firms to develop commercially viable investment project proposals.

The study will also cover analysis and advice on the regulatory environment for foreign investment in the AIDA region of Indonesia.

The Australian government, through AusAID, is providing \$180 000 towards the cost of the study, which will be completed later this year.

IMPROVING PUBLIC SERVICES IN INDIA

Australia is to help increase the effectiveness of the Indian Government's public sector through a three year training program.

Twelve million dollars has been allocated to provide short-term "off-the-shelf" or customised training in Australia and India. The training is expected to include in-Australia work placements, study tours and short-term technical assistance by Australia advisers.

The new program, to be known as the India-Australia Training and Capacity Building Project (IATCB), is being developed in consultation with the Indian Government and focuses on health, the environment and human resource development.

Modelled on the highly successful capacity building program for South Africa, the IATCB will draw on Australia's expertise in training and education.

AUSTRALIAN SUPPORT FOR VANUATU REFORM PROGRAM

Australia has welcomed the Vanuatu Government's continued commitment to its Comprehensive Reform Program and stands ready to assist the Vanuatu Government to advance reform through our development assistance program.

Maintaining the momentum of the Comprehensive Reform Program (CRP) is critical and at the recent annual bilateral aid consultations the two Governments agreed that the needs identified in the CRP Action Plan would be the focus of Australian assistance.

At the High Level Consultations it was agreed that \$12.5 million available under the Australian aid program to Vanuatu will be used to support a range of CRP priorities including reforming the public sector and improving financial and economic management.

Also endorsed at the High Level Consultations was future Australian assistance for high priority CRP-related activities in the health, education and legal sectors.

HELPING PACIFIC ISLANDS TACKLE AIDS

Under a new \$2.8 million AusAID package of projects, Australia will support Pacific island governments, non-government organisations and communities in the challenge to deal with the spread of HIV/AIDS.

The program involves three integrated projects:

- Melbourne's internationally-respected Macfarlane Burnet Centre for Medical Research

will provide training and advice on analysis and strategic planning to strengthen national responses.

- The Australian Federation of AIDS Organisation will join with the AIDS Task Force of Fiji to share their experience in community AIDS education with NGOs from across the Pacific.
- The South Pacific Commission will be supported to provide a new three-year support program helping island countries to develop and implement prevention and control strategies.

This year AusAID will provide about \$18 million for health projects in the Pacific islands, excluding Papua New Guinea where substantial additional funds are allocated.

AUSTRALIA ASSISTS WITH LAOS UNEXPLODED ORDNANCE

Laos has been allocated an additional \$500 000 towards the safe removal of unexploded ordnance (UXO).

From 1965 to 1974 more than three million tonnes of bombs were dropped on Laos. UXO still affects more than half the country's total area each year killing and injuring hundreds of people, many of whom are children.

A \$12 million Australian initiative has been operating since May last year to rid the lower Mekong basin from landmines and UXO. Of this amount, \$900 000 has been allocated to Laos for UXO

awareness and marking, and the rehabilitation of people injured in explosions.

This latest funding builds on a two year national survey dealing with the location of unexploded ordnance, the training of Laotian personnel, community awareness and the clearance of UXO from high priority areas.

NETWORK MANAGEMENT SYSTEM HANDED OVER TO INDIAN DEPARTMENT OF TELECOMMUNICATIONS

Telstra has handed over the first network management centre in India to the Indian Department of Telecommunications.

The network management system (NMS) will manage long-distance telephone traffic flowing in and out of the southern Indian states of Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Pondicherry. NMS monitors and controls telephone traffic and redirects traffic-flow to achieve optimal capacity use at the different exchanges in the network. The network managers at the centre can take corrective action to decongest the network by re-routing calls in clusters through less congested routes, using controls with different preset control strategies.

Telstra took 30 months to complete the NMS project. AusAID provided \$13.8 million of the \$19.2 million total project cost under the India-Australia Development Cooperation Program.

NEWS BRIEFS

BETTER STATISTICAL REPORTING IN FIJI

Australia will provide \$4 million to help Fiji improve the effectiveness of its statistical gathering and reporting.

The five-year Fiji-Australia Bureau of Statistics Institutional Strengthening Project will assist the Fiji Bureau of Statistics provide more reliable and timely statistics to the Government, the private sector and international agencies.

Such information is vital in meeting the challenges posed by trade liberalisation and to help open up foreign investment. Better statistical reporting will also assist Fiji meet its World Trade Organisation obligations through improved assistance to importers and exporters.

SOUTH AFRICA COMMUNITY HOUSING PROJECT

Deputy Prime Minister Tim Fischer made time during a recent visit to South Africa to check-out an AusAID community housing project.

Mr Fischer was leading the Australian delegation to the inaugural Australia-South Africa Joint Ministerial Council. He rose very early one morning to squeeze in a visit to the Durban self-help housing project where demonstration mud-brick houses are under construction.

"It is sobering to note that part of the legacy of apartheid has left over one quarter of South Africa's black population homeless, and living without water and sanitation," Mr Fischer said.

Housing has been earmarked as one of the highest priorities of the South African Government. Most black South Africans do not have access to conventional home finance and are not able to manage rental commitments. Millions of houses are needed in poor black communities, presenting an enormous challenge for the Government.

The Durban housing project, which is being managed for AusAID by the Overseas Project Corporation of Victoria, is designed to demonstrate cheap and effective housing technology for low income communities.

Mr Fischer said that the technology being demonstrated could save the South African Government tens of millions of dollars.

"A mud brick, which will last for decades and provides high quality housing, costs eight cents," Mr Fischer noted. "A cement brick costs ten times this amount.

"I am proud to be able to demonstrate Australian support for South African political reform through a down-to-earth Australian housing project."

AUSTRALIA TO ASSIST LAOS WITH ASEAN MEMBERSHIP

Australia is to contribute \$250 000 to support Laos as one of ASEAN'S newest members. The latest Australian support will focus on helping Laos introduce economic reforms and manage an English language training strategy for Government officials.

This new contribution builds on grants of \$200 000 already provided by Australia to help Laos in its transition to ASEAN membership.

Laos remains one of the region's poorest countries and to meet its goal of moving beyond least developed country status by 2020, the Lao Government will need to more than quadruple average incomes which currently stand at one dollar per person per day.

Integration into the ASEAN Free Trade Area will allow Laos to become more closely linked with some of the world's fastest growing economies.





Bringing Ha'apai into the Tongan mainstream

Bill Pennington, AusAID

Walking through a village in Ha'apai, you get the impression that this is what an idyllic South Pacific island should be like. Sandy beaches, coconut palm trees and the sound of church bells are a reminder that very little has changed for the islanders in the last hundred years. Unfortunately, these casual impressions hide a reality that the modern world is rapidly catching up with the relaxed Ha'apai way of life. The people are determined that their islands do not become an economic backwater. While the islands are home, many Ha'apai

people travel widely for work and education, to the capital of Nuku'alofa as well as overseas. The quality of education, good health services, reliable transport, a future for their children - these are all concerns for the residents.

Ha'apai consists of 17 inhabited islands located in the centre of the Tongan archipelago, just south of the Equator in the central Pacific. The population of approximately 10 000 live on a mixture of sandy atolls and volcanic islands and most make their living from the land or the sea. The sea, in fact, dominates

the lives of the islanders, as it provides a living for many through fishing. Boats are still the main form of transport and communication with the outside world. There are few roads in Ha'apai and most families need access to a boat for transport to school, market, town or church.

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AUSTRALIA AND HA'APAI - A GROWING RELATIONSHIP

The Government of Tonga has requested Australia be the core donor for the Ha'apai group of islands. Within an overall development cooperation program with Tonga of over \$10 million annually, Australia has agreed to allocate a significant proportion of this to Ha'apai. In practice, this has usually consisted of one large

multi-year project together with an allocation for smaller, community-based and village level activities.

These smaller activities are aimed at small scale economic development, funding for basic needs such as water supplies, assistance for education, rural roads, funding for women's groups and NGO activities. These smaller activities are funded mainly

through the Ha'apai Development Fund, a Government of Tonga initiative overseen by a committee of Ministers, parliamentarians and senior civil servants. Australia is also a full member of this committee.

In recent years, Australia has funded the construction of a new \$2.5 million passenger and cargo wharf for the main town of Pangai, and work on a major upgrading of the Ha'apai airport is now underway. The Ha'apai Development Fund has been used to provide rainwater tanks for houses in both large villages and smaller settlements on the outer islands, accommodation for primary school teachers, agricultural roads to improve access to small holders' allotments, support for the tourist sector and NGO projects.

Current activities include a small wharf project, further water tanks and feasibility studies into electricity supply for outer islands, a new market facility and a handicraft centre for women's groups in Pangai.





WOMEN IN DEVELOPMENT - HA'APAI

Langilangi Vi and Hola Telefoni are very busy women, and also proud residents of Ha'apai.. Both are successful businesswomen and owner-operators of guest houses in Pangai and, while this keeps them occupied, it is not their only business development activity. Both ensure that they have time in their busy schedules to help other women through the Ha'apai Women in Development (WID) Group. The WID Group consist of several hundred members with a network of organisations in most islands of Ha'apai.

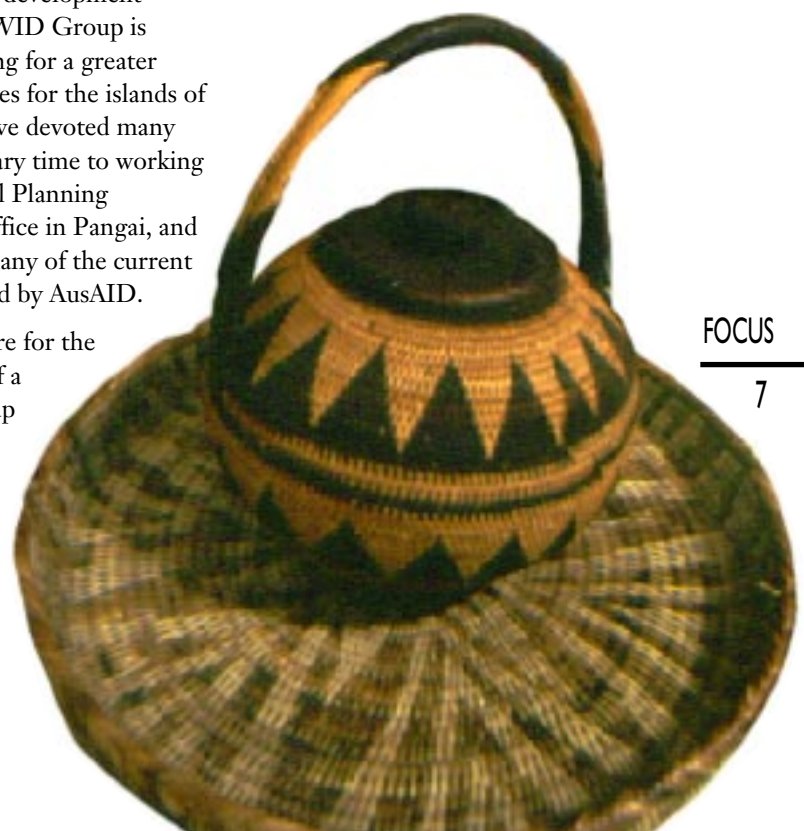
One of the main aims of the network is to assist in the economic development of Ha'apai through an approach involving women and business. For example, the WID Groups are working on the manufacture of handicrafts as the key to bringing more money to the region. Langilangi and Hola see it also as away of preserving traditional Tongan skills. It is also a social activity, where women can come together to meet, and to share news and information.

The results are evident in the products, and in the women's determination to succeed in selling and marketing . Ha'apai baskets and mats are highly regarded by collectors overseas and are frequently in demand by other businesses in the capital and sell well to tourists and other visitors.

The WID network in Ha'apai is the driving force for a number of other economic development activities. The WID Group is active in lobbying for a greater share of resources for the islands of Ha'apai, and have devoted many hours of voluntary time to working with the Central Planning Department's office in Pangai, and in supporting many of the current projects financed by AusAID.

Current plans are for the establishment of a new WID Group headquarters in Pangai which will incorporate meeting rooms, a handicraft

workshop and a retail shop. Naturally, the WID Group has turned to AusAID for support - which is currently being considered. If AusAID assistance is forthcoming, Langilangi and Hola's dreams could soon be realised, and the planned headquarters will be a permanent reminder of the contribution made to the Ha'apai islands by both the women's groups and the core donor, Australia.





FISHERIES MANAGEMENT IN SAMOA

Mary Anne Plummer

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AusAID Team Leader, Mike King, wipes his forehead, concentrating on what he can pick up of the proceedings before him. Fifteen or twenty men - garlanded with floral necklaces - sit on the woven mat floor of an open platform. The cross-legged posture of these village chiefs appears casual by Western standards, but the shouted dialogue is clearly not! Kava is prepared and consumed, and the talk goes on.

In the hut next door, women look on, listening with stakeholder interest to the discussion. When the business is done, it's time for food. It's 11am, but everyone is sweating - sweating on the humid,

post-monsoonal air, and sweating on the significance of what is taking place. This is decision-making Samoa style!

And today's result has been a good one. By the time the meeting breaks, the coastal village of Fausaga has chosen to develop a management plan for its fishing resources - with assistance from the AusAID Fisheries Management Project.

"Hopefully at the end of that process the groups themselves will have analysed their problems, come up with solutions, and they'll incorporate those into a Fisheries Management Plan for that village" says Mike King.

About half the island's population lives in rural areas - mostly on the coast.

Overfishing, and the use of dynamite and bleach, have severely stressed the shallow lagoons. Traditional boats aren't equipped for fishing in more dangerous water outside the lagoons.

There are already by-laws restricting the catch of undersized fish and certain species, but Apulu Fonoti - a Project officer and himself a "Matai", or chief, says civil law enforcement is unlikely to succeed.



AusAID teamleader Mike King (left).



Checking on giant clams—new aquaculture industry developed under AusAID Fisheries Management Project.

“The idea is to solve this through the Mattais, through the leaders of Samoa” he says. “They are the only ones who can help to solve the problems in Samoa”.

Part of Apulu’s role is to make the initial contact with villages and request permission to discuss fisheries management at a meeting.

If there is agreement, a series of meetings will ensue. Samoan culture is such that not only the chiefs, but the untitled men, and the women all have a say in village decisions.

The role of the AusAID project is to facilitate the process; to help local Fisheries officers with scientific advice, training, and management skills.

The villagers themselves must come up with strategies for their fishing areas, and then enact and monitor them.

For Laumatia Lino, a chief of Fausaga village, it’s a commitment worth making.

“Before we got plenty of fish. But now the coral is dead and the fish

are diminished or very little in our village. We can’t get the same quantity as before. We would like to have this program of yours for helping us to make the fish plenty”.

Programs to restock coastal lagoons, and develop aquaculture are working. More than 20 villages have adopted management plans, and there are more listed on the whiteboard in Mike Kings’ office.

“Once the Mattai make a decision that something should be done, it gets done” says Mike. “They’ve even gone so far as to set up reserves where no fishing is allowed, and I didn’t think that was possible - nobody did. Even the Samoans thought that was an impossible goal!”

Best of all, the fish are coming back, and with them, a renewed pride and involvement from the fishers of Samoa.



Deciding whether or not to accept the management plan for fishing.



PAY DIRT

MARY ANNE PLUMMER

PHOTOS: TIM ACKER

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The Australian farmer with a low-yielding paddock will call in an agricultural consultant for a soil test and some advice on fertiliser.

Another grower might assess the nutritional requirements of a new crop - and make a decision to crop - or not to crop - on whether those requirements are met by the soil types on their property.

“You’ve really got to know what you’ve got, where your problems are, and where your opportunities lie” says John Riches.

John is not an agronomist working in rural Australia—he’s the Team Leader for a cooperative agricultural development project in Fiji.

Knowing what is in the soil, what it is good for, and what it is short of gives a farmer a decision making yardstick. It takes out some of the ‘what ifs’ from an enterprise



notorious for unpredictability. The AusAID Soil and Crop Evaluation Project (SCEP) conducted with Fiji's Ministry of Agriculture is giving Fijian farmers that management tool.

With it will come the potential for improved productivity, self-sufficiency in food crops, and an increase in export earnings.

TREADING GINGERLY

Fiji stands out among its Pacific neighbours as perhaps the nation with the greatest development and self-reliance potential.

Much of that potential lies dormant in agriculture—in the fast-declining fertility of Fiji's soils.

Heavily subsidised rice grew on the islands until four or five years ago. When the government withdrew subsidies, rice proved too expensive for most farmers—but the fallow beds of arable land which can still be seen around the islands lend themselves to production of quite a different crop—ginger.

GINGER - CROP PROFILE

Introduced to Fiji in the 1960s by immigrant Chinese

Valuable export commodity by mid 1980s

Peak earnings in 1989/90, when it became Fiji's third most valuable agricultural export

High yielding root crop requiring small acreage

Vulnerable to fungal disease in wet conditions

Potential: In 1989/90 Fiji earned \$6 million from ginger plantings of just 100 hectares. AusAID Soil Crop Evaluation Project tests show that with small fertiliser inputs, yields from existing plantings can be doubled. By turning flat, fallow ground over to ginger crops, Fiji could double export earnings from ginger—from a mere 200 hectares of land.

Elisapethi Talica is the Executive Director of the Ginger Council of Fiji. She has seen ginger rise to the status of third most valuable agricultural export crop in 1989/90, then decline in value because of fungal disease, and a shortage of workers willing to do the backbreaking work of planting and

harvesting ginger in the mountainous districts where it's traditionally grown.

"We are very grateful for the SCEP Program in initiating flat land trials" she says.



The trials are measuring the nutritional aspects, soil conditions and fertiliser requirements of growing ginger on the flat land formerly taken up by rice.

“We’ve always grown ginger on steep slopes, and we have a package of practices for that. Now we have a package of practices for the flat land, and the first step is doing all these trials”, says Talitha.

HUMAN ‘SEEDS’

Nand Rohid flashes a smile as he pulls up a gnarled, pink fleshed ginger root from the Department of Agriculture field plot. Nand is one of the Fijian Department of Agriculture research officers running fertiliser trials with ginger and a number of other common Fijian crops.

He’s a beneficiary of in-service training and the broader institutional development platform of the AusAID project, and takes a personal pride in the research results.

“We have completed our immature harvests and preliminary data shows that where farmers can grow 25 tonnes per hectare of ginger, we have had an average of 39 tonnes per hectare, and as high as 54 tonnes per hectare”, he beams.

Part of Nand’s job as an extension officer, is to take those research results to Fijian farmers, and help them apply the new-found knowledge.

A RICH HARVEST

John Riches, the Australian team leader of SCEP, describes the three broad aims of the project. “One is to map the soils of Fiji and identify those which have major nutrient deficiencies. The second is to work with Ministry of Agriculture personnel to identify cropping opportunities - not only for new crops, but with new systems for some of the existing crops. The third aspect is staff development within the Ministry”.

John estimates there are four or five types of agricultural produce which have benefitted substantially from the soil and crop analysis work.

The prospects for ginger, he says, are particularly impressive. So too are those for pawpaw and coconut.

But John sees the investment in human resources as perhaps the highest yielding part of the project. “You’ve got to have a shared vision” he says.

“If you have a truly shared vision, at the end of this project the Ministry staff will continue to work on developing these opportunities”.

Elisabethi Talica is optimistic about ginger in Fiji. It is a valuable crop for the nation’s farmers because it needs little space and returns good profit.

There are currently about 100 hectares of ginger planted on the islands.

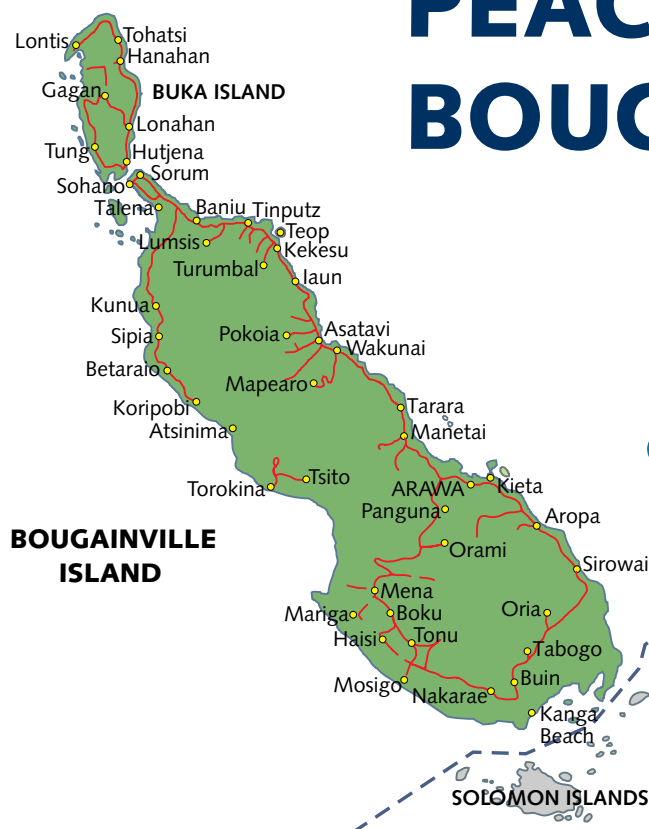
“We probably need just 200 hectares growing on flat land” she says. “If we get our package of practices right, I think we can double exports!”



SUPPORTING PEACE ON BOUGAINVILLE—

REHABILITATING BASIC SERVICES

Geoff Adlide, AusAID



all photos:
Geoff Adlide, AusAID



Foreign Affairs Minister, Alexander Downer, announced in late August that Australia will provide \$100 million from the bilateral aid program to Papua New Guinea over the next five years for a reconstruction and rehabilitation program on Bougainville. "The assistance will help in reopening schools and health centres and repairing basic infrastructure such as roads," Mr Downer said.

The massive boost to AusAID's Bougainville program follows the recent adoption of a new peace strategy by the PNG Government and the success of intra-Bougainvillean peace talks. The chances of a lasting settlement to the nine-year-old conflict again

look positive and the Australian Government is encouraging the peace process with the offer to rehabilitate the island.

"The people of Bougainville need to understand that there is a peace dividend," Mr Downer told Parliament. "If they choose the path of peace then their island will be assisted with reconstruction."

Mr Downer said that the restoration of basic services to ordinary Bougainvilleans was an essential element of a lasting settlement. The new program will build on current and planned aid projects, worth an estimated \$32 million, already underway in Bougainville.



Buka Hospital

The first concrete was poured at the Buka Hospital site in July, starting a nine month construction period for the new 84-bed district hospital. When Focus visited the site the enthusiasm of the local labourers was palpable. The project provides the opportunity for several months employment and there will be the lasting benefit of a new district hospital. The Buka Hospital will relieve the strain on Sobano Hospital on a small island at the end of the narrow channel that separates Buka Island from the main island of Bougainville. Sobano is the only hospital in the province that kept functioning through the years of conflict. An earlier AusAID program helped re-equip Sobano Hospital and improved the water supply and landing facilities. Although the fertile soils and natural bounty of Bougainville has meant the local people remain healthy and well-fed, access to western medicines and health services has been severely curtailed. The current Red Cross relief program is distributing basic medical kits throughout the island and the new Interim Rehabilitation Program will see damaged and run-down community health centres restored and restocked to basic functional capacity.



Copra being loaded at Buka wharf. Copra and cocoa are important cash crops for the village people of Bougainville. As shipping services return to the island with the coming of peace, there will again be opportunities for villagers to earn money. AusAID plans to repair Bougainville's transport infrastructure include the building of new wharves on the south and west coasts of the main island which will assist the villagers to market their produce.



The runway at Buka airport is being upgraded and sealed for the first time. With heavy machinery in short supply on the island, the equipment is shared between the runway site and the new Buka Hospital construction site, half a kilometre up the road.

AusAID has been working in the province since 1993—before then, only limited relief programs were operating—but was forced to review planned reconstruction projects when fighting erupted again in September 1994 leaving vast areas of the main island too insecure for major building programs. Architectural and engineering plans were complete to rehabilitate four health centres and build two new wharves on the south and west coasts of the island before the project had to be suspended.

It was agreed with the PNG Government to refocus the

restoration program on the peaceful areas in the north of the province including the island of Buka and small controlled areas in the far north of the island. While major projects have so far been restricted to the safe areas of the north, equipment and supplies such as water tanks, fridges and class materials have been provided to schools and health centres across the main island. At one stage 40 000 mosquito nets were provided to the Health Department and AusAID also contributed to a number of Red Cross relief missions, including the current operation which is

providing a family pack of household and garden supplies to almost every family on the main island (see following story).

Today, AusAID projects include:

- constructing and equipping a 84 bed hospital at Buka;
- rehabilitating and upgrading the Bishop Wade High School and the Specialised Training Centre at Talena
- rehabilitating and upgrading of Nissan High School upgrading the runway at Buka airport; and
- rehabilitating and decentralising the College of Distance Education.

In addition, a special NGO program has supported a range of local community organisations with various projects from reconciliation workshops to small enterprise development training and Australian volunteer medical workers have been working at Shoon Hospital.

In an effort to extend assistance to the mainland, and provide direct and practical support to the peace process, a new Interim Rehabilitation Program has been organised with the PNG Government-backed Bougainville Transitional Government. It is designed to be flexible and responsive to local priorities, and will support the rebuilding and equipping of a range of rural health centres, schools and district administrative offices across the island.

The interim program is based on supporting the priorities of local Councils of Elders which are being established in each district. Rather than using outside contractors to build a limited number of high-quality key facilities, the program will construct more buildings to a lower standard using local labour and a mix of permanent and local building materials. This approach will maximise the opportunities for the Councils of Elders to set priorities, provide more opportunities for local people to be employed and will not bring strangers into areas that are still adjusting to peace. AusAID projects usually include the training of local counterparts and the sustainability of the transfer of technology. In this case, the program is aimed at getting facilities on the ground and operating.

A recent AusAID mission to Bougainville reported that all rural social and economic infrastructure has been damaged or degraded—including most of the schools, health centres and district administration offices. As shipping becomes available, people are opening small shops and farmers are beginning to export copra and cocoa again. Communities are giving a high priority to rehabilitation but are short of building supplies, equipment and cash. At all of the places visited by the mission, including the main administrative centres across the island, local people expressed their development priorities as ‘health, education, economics’.

John Dall, a medical technologist from Perth has been working at the Sobano Hospital under a volunteer scheme administered by the Australian NGO, the Overseas Services Bureau. Here Dall is assisting at a temporary blood collection centre set up in a village across the strait from Sobano Island.



Sister Ludwina Nabi attending a patient at Sobano Hospital—the only hospital in the province to keep functioning throughout the conflict. Re-establishing health facilities across the island will be a major focus of AusAID work over the coming years.



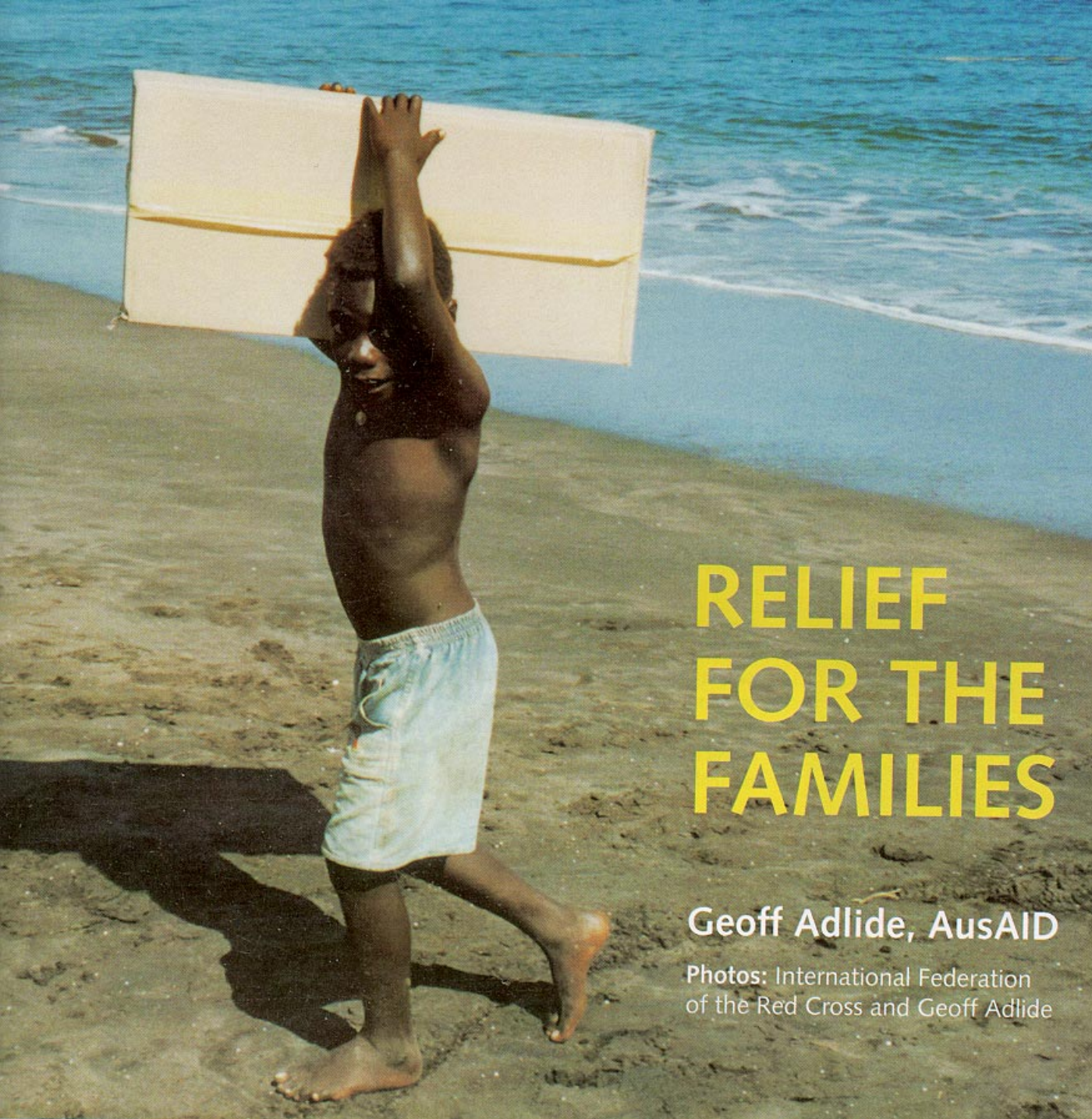
As a result of the upheaval caused by the conflict, a whole generation of Bougainville children have missed out on basic schooling. Only a handful of schools have been able to keep operating, such as Sobano Community School (pictured above), and they have had to cope with an influx of students fleeing the unstable areas of mainland Bougainville. Children in six classrooms at Sobano School now sit three to a desk. In 1993, there were 145 students enrolled. When fighting erupted in 1994, many more sought enrolment and today the school has 240 students.



Berlinda Higai, a year 10 student, in the girl's dormitory at the Bishop Wade High School at Talena. AusAID is undertaking a major construction and refurbishment of the school and included in the early package were 100 new bunk beds for the girl's dormitory. Before the bunks arrived in July, forty per cent of the girls were sleeping on the floor and had to roll up their bedding to move in and out of the room. At Talena, new classrooms, science rooms, a library and teacher's houses are being built and a new ground water supply is being installed. Talena, on the northern tip of the main island, is the site of the 450 student residential high school and a 160 student residential specialised training centre. Another high school on Nissan Island in the north of the province, is also being upgraded.

Andrew Tanaban on air at Radio Bougainville, part of PNG's National Broadcasting Commission network. AusAID has helped to re-equip the broadcasting facilities recognising that the station provides a vital public communication link to isolated villages.





RELIEF FOR THE FAMILIES

Geoff Adlide, AusAID

Photos: International Federation
of the Red Cross and Geoff Adlide

With AusAID support, the Red Cross is delivering much-needed relief supplies to isolated families across the conflict-ravaged main island of Bougainville. The PNG Red Cross Society, assisted by the International Federation of the Red Cross, is distributing a family pack of basic household and garden items to 30 000 individual families, the vast majority of the population. In addition, medical kits are being delivered to the few still-functioning health centres as well as to trained health workers in the bush. The focus of the operation is the most

vulnerable—those living in the centre and south of the island.

In accord with the Red Cross Movement's basic principles of humanitarian service and neutrality, the packs are for everyone in need whatever their political affiliation and wherever they live—whether deep inside rebel-controlled territory or in the crowded care centres in the government-controlled areas.

Not only are people getting much-needed supplies, but the operation is also reinforcing the

tentative peace by encouraging them to come out from the bush, many for the first time in years.

AusAID's Geoff Adlide, travelled to Buin—a PNG Government controlled township in the midst of rebel territory in the far south of the island—to see the relief operation in action.

The legacy of the nine-year conflict can be seen from the air as we helicopter down the 180-kilometre length of the main island. Abandoned grass airstrips have a cover of bushes and disused



The Red Cross team travelled into the mountains of southern Bougainville to meet Sam Kauona, the BRA military commander (in singlet, pictured with Joseph Kabui (with beard and staff), and other rebel leaders with the Red Cross team. The June meeting secured safe passage for the relief operation as it moved into rebel-controlled areas.

International Federation of the Red Cross

tracks are overgrown. The resettlement centres—grass huts clustered tightly together in clearings hewn from the thick

jungle—are further evidence of the toll the conflict has inflicted on the people of Bougainville. Occasionally we spot new garden areas—signs that life for the ordinary folk of the island may at last be returning to normal.

Although signs of peace are increasingly more hopeful, many thousands remain displaced from their homes in the care centres.

Many more are isolated in the villages of the rebel-held interior. Across much of the island, community stores and markets have not opened for years and only in recent months has movement around the countryside become more free.

At Buin, crowds of people are gathered along the sides of the old school gymnasium—a large tin-



Local coordinator for the distribution, Matthew Moa, calls for a village representative to come forward and check the registration paper and collect their quota of family packs. Iain Logan, the International Federation Head of Delegation for this operation, is on Moa's right.

Geoff Adlidge, AusAID



Buin, in far south of Bougainville, hasn't seen so much action in many years, especially involving white people.

Geoff Adlidge, AusAID

roofed, open-sided hall on the edge of what is now a care centre housing hundreds of families. Several hundred kits, individually packaged in suitcase-size cardboard boxes, are stacked in the centre of the hall. Wet clothes and towels from damaged kits are drying on temporary clotheslines in front of the Red Cross team's camp beds and mosquito nets. A High Frequency radio sits next to a simple table, piled high with folders of papers.

It is day five of what was planned as a two week distribution. Against expectations and despite torrential rain, most of the 5000 packs have gone.

"It's happened incredibly fast," says Iain Logan, a Canadian International Federation delegate who is in charge of the field operation. "And that's mainly because the military has maintained a very low profile. We've had really good cooperation from both sides.

"Little kids, everybody, they poured in, loaded the boxes on their heads and they were off again into the bush.

"It's what they need," says Logan. They don't need food; basically,

they're fit and healthy. They do need tools to dig their gardens. And they've got no cooking pots. One old lady brought her cooking pot with her and said it was the one she'd been using for the last two years. It was so thin you could almost see through it."

Outside the hall, family groups are organising themselves to return home. A few small trucks are being loaded, but most of the cartons disappear along the walking trails, carried on heads and shoulders into the bush. Other people are waiting for their turn. Others are just watching—this part of Bougainville hasn't seen so many visitors for a long time.

Says Logan: "For a lot of these people it's the first time they've been down from mountain villages for eight years. Even our guys (volunteers) here, were seeing people they went to school with, and haven't seen since the crisis started. And there have been kids as old as twelve who haven't seen white people before."

Logan and another Federation delegate, Tage Mikkelsen from Denmark, work closely with their PNG Red Cross partners. The PNG National Society field team of three Bougainvilleans is headed by an energetic and tireless woman named Pauline Onsa.



Pauline Onsa's efforts coordinating relief operations and promoting the principles and mandate of the Red Cross were recognised with the award of an MBE. She is the PNG Red Cross field coordinator for Bougainville and has been based at Ararua since an office was re-established there in 1993.

Geoff Adlidge, AusAID

"When the Red Cross re-established its operations on Bougainville in 1993, they appointed me as field coordinator," Onsa explains. "And since then I haven't had a break." Her enormous efforts for the PNG Red Cross have been rewarded with an MBE.

Onsa's local knowledge has proved to be indispensable, but the linchpin of the action today is Buin community leader, Matthew Moa.



Local BRA Commander, Paul Bobby, checks a notebook while his men look through a Red Cross magazine. Bobby commands the BRA forces in control of the area between the landing beach and the distribution centre. Regular liaison with both PNG and rebel military commanders ensured free movement of the villagers and Red Cross workers and helped spread the message of the Red Cross' fundamental principles.

International Federation of the Red Cross

An elderly man, Moa wanders the hall supervising local volunteers and coordinating the crowd outside to ensure an ordered approach. He directs proceedings with his megaphone, calling for representatives of individual villages and groups to come inside.

At Moa's invitation, Paul Koneana steps over the rope barrier running down the side of the hall. With Moa and Logan, he checks the registration paper listing the families in his village and signed by a village leader. Koneana comes from deep within BRA territory, 40 kilometres from here, on the other side of the mountain. He explains that most of his people won't leave the village as they're concerned for their safety. They have sent him to bring the goods home.

"We really need this stuff, the knives, spades, cooking pots, new clothes," Koneana tells me. "For seven years we've been living with just what we've got in the bush."

A pastor from the local Marist Fathers has brought his old utility truck to lend support. "There are hardly any vehicles around so I've helped a few villages," Father Francis says. "The road's in very bad shape." He says it will take the best part of two hours to drive the 30 kilometres before the road becomes impassable. From there on, the villagers are on foot.

Buin is the centre for the third distribution phase of the operation. The family packs were landed from a front-loading barge at Kangu

Beach on the southern tip of the island. A team of local volunteers loaded the goods onto five dilapidated four-wheel drive flat-top trucks hired for the operation—their fuel also had to be brought on the barge. Twice a day for three days the vehicles slowly climbed the muddy 15 kilometre track to Buin town.

This is BRA territory. Only a few kilometres away from Buin is the village where five security force hostages have spent much of the past nine months (coincidentally, they were released the day after our visit). While the security forces maintain a small outpost at Kangu Beach and a command post at Buin, the track in-between and all of the surrounding area is controlled by the rebels.

Logan, Mikkelsen and Onsa had laid the groundwork for the operation in a series of meetings with both security force and rebel

HOW IT'S DONE

It is no easy task to distribute relief supplies to 30 000 families on a remote jungle-covered, mountainous Pacific island which for much of the past nine years has been cut off from the outside world.

There is the logistical challenge of organising thousands of cardboard boxes to be packed and shipped 1200 kilometres from the mainland port of Lae, cleared through security checkpoints, landed on remote beaches and carted inland along decrepit bush tracks. As well, there's the task of negotiating safe passage with both the security forces and the rebels, and all against a backdrop of an unresolved conflict.

"It's been complex, sensitive and logistically and climatically demanding," says Logan, a veteran of Red Cross relief operations in Ethiopia, Liberia and Somalia, and more recently, Rwandan refugee operations.

Several times plans have had to be changed since distributions started in February. The Red Cross team caught the last helicopter off the island when it was closed off for several weeks during the *Sandline* mercenary affair; and at the height

of the election period, the Red Cross temporarily suspended operations to ensure the humanitarian effort did not become embroiled in politics. Packages drenched in high seas or torrential rains have had to be dried and repacked on-site.

The operation started with a detailed survey involving local authorities, elders and chiefs, resulting in the target area—over three-quarters of the island—being divided into four phases, each consisting of about 6000 families.

- The team visit the phase area three to four weeks ahead of the planned start and explain the mandate and objectives to all parties: the PNG Defence Forces, the Bougainville Revolutionary Army (BRA), local administrations and village chiefs.
- Registration forms are given to a local coordinator, selected by the people, who then has the responsibility to ensure they are distributed to all villages and care centres in the area.
- Two weeks before the start, the team returns to collect completed forms and review the process.

- The goods are procured in PNG and packed into individual family cartons in Lae, loaded onto a chartered Red Cross ship and taken via the military forward command to pre-selected beaches. They are landed and carted inland to a pre-determined distribution centre.

- Advance meetings with BRA officials and PNG military commanders ensures the free passage of villagers who walk or drive to the centre. Where security is deemed reasonable, the Red Cross team trucks the packs into remote BRA areas for direct distribution.

- Local volunteers act as loaders, centre security and help the team distribute packs according to the registration lists.

- The local coordinators and village chiefs are solely responsible for the management of the registration lists. Any disputes have to be resolved by them and *not* the team.

- Where there is safe access to the villages, the team monitors delivery to ensure fairness.

leaders and their local commanders. Both sides guaranteed freedom of movement to the Red Cross and agreed not to hinder villager's movement to and from the distribution centre.

From a small compound on the edge of Buin township, Major Bagme commands a PNG military company scattered in isolated secured outposts across the

southern part of the island. He is enthusiastic about the Red Cross operation. "It's magic," Bagme says, adding emphasis by kissing his lips against his flicking fingers. "They have my total support. People here really need it and the Red Cross has played its role well."

Major Bagme apologises for not accompanying us to the distribution centre, less than a kilometre across

town. "I know that BRA people are also coming in to get their family packs and if my men were there it might cause some friction, so I've ordered them to stay away," he explains.

"Both sides, the rebels and the security forces are now working cooperatively with us," says Onsa, who has spent the last four years promoting the International Red



Cross Movement's Fundamental Principles of humanity, impartiality and neutrality.

"They're not stopping anybody (from getting through).

"Like here at Buin today, we've got a mixture of people, not only the people from the care centre here but also from the rebel-controlled areas. On Friday, the local BRA officials and village chiefs were here themselves to see how the operation was going.

"And the security forces have also come to understand the work of the Red Cross.

"This is very, very important and I feel relaxed that both sides are giving us the mandate to move around without any fear."

The Red Cross is the only humanitarian organisation able to operate across the whole of Bougainville. In September, the family relief operation will be complete with the final distribution covering the southwest region of the island, around Tonu. By then, almost 30 000 families, covering 90 per cent of the people, will have received a relief pack and 120 medical supplies will have been

distributed. Already, planning is underway for the next Red Cross mission and there is no shortage of suggestions.

"The standard of education in this part of Papua New Guinea has been very high," says Logan. "So we've got people who are used to putting together assessments because they'd done it in their jobs, before the conflict erupted. They come in with a very well thought-through plan of what it is they need for their area.

"We'll come back to donors and say 'OK, here's what we think might be the next step.' But a lot depends on the peace process because what we can do against what they want is directly related to our ability to function. If we can't get in because of security problems, then our job becomes more difficult and dangerous," says Logan.

As the helicopter climbs above Buin and we start heading home, we spot a small group of people making their way along a bush track a few kilometres from town. Two of the adults carry the familiar

cardboard cartons on their shoulders while the kids playfully dart ahead. I imagine it is a scene repeated thousands of times over during the past few days around this area and recall what the man with the megaphone, Matthew Moa, had said to me: "This Red Cross operation has really helped to open things up."

FAMILY PACK CONTENTS

1 grass knife	2 towels
1 bush knife	2 cooking pots
1 spade	2 blankets
6 T-shirts	2 soap
3 shorts	6 plates
3 lap laps	6 spoons
6 nappies	

In addition, 120 medical kits containing supplies for 2000 people for three months are being distributed to functioning health centres and to trained health workers, where they are identified.

Iain Logan checks a village family registration paper
Geoff Adlidge, AusAID



ECONOMICS FOR PACIFIC ENVIRONMENTS

Research in Progress

*Colin Hunt,
National Centre for Development Studies,
Australian National University*

Natural resource depletion, and hazards to human health resulting from waste generation, are major issues facing Pacific island countries.

The exploitation of forests, fish and minerals is producing much-needed export income, which can also contribute significantly to local development. However, concerns remain over the social and environmental sustainability of such projects and the distribution of the benefits from them. The environmental and social impacts of resource exploitation are also in the spotlight.

The need to introduce new initiatives in resource and urban management comes at a time when public sector reform and budgetary restraint are high on the agendas of many Pacific island governments. Nevertheless, I suggest here that the greater application of economic instruments in policy

implementation will complement the thrust to develop human resources, enabling public sectors to be more efficient. Incentives are often more effective and less costly than regulation.

The current research has three objectives:

1. Identify and analyse cases where economic instruments are already being employed in environmental and resources management in the Pacific.
2. Identify characteristics of these instruments that make them applicable in Pacific countries, bearing in mind legal frameworks and cultural factors.
3. Examine the potential for their further employment in the Pacific region, the reinforcement of traditional management regimes included.

TWIN BENEFITS OF ECONOMIC TOOLS

Experience already gained suggests that economic tools can deliver two types of benefits:

- changing the behaviour of producers and consumers; and
- increasing the flow of revenue to government.

Sometimes these two benefits can result simultaneously, by charging for access to resources for example.

However, these instruments are much broader than charges. They encompass tax measures to control natural resource use and waste production, financial incentives for resource and biodiversity conservation, fees to encourage mine rehabilitation and facilitation of conservation through the strengthening of resource rights.

Type Application	Rights Property	Creation Market	Fiscal	Charges	Finacial	Liability Systems	Bonds and Deposit Refund Systems
Ocean and Sea Resources	EEZs; customary marine tenure	individual transferable quotas (ITQs)	export tax; licensing	access fees by value	differential pricing		
Forests	customary tenure		royalties; taxes				
Minerals	customary tenure		royalties; taxes			compensation	
Biodiversity				access fees	GEF; trust funds; carbon offsets; co-financing; self-financing		
Water Supply				charges by volume			
Solid Waste			goods and services tax; littering fines	collection charges			deposit- refund systems
Global Climate					GEF; carbon offsets		

The research has so far documented more than 30 cases around the Pacific where Governments are applying instruments in environmental management and other cases where there are strong indications that they could apply them. The focus has been on both urban and natural environments.

The Table shows some of the main instruments under investigation. The column headings in the Table show the instrument type, while the rows show the subject of the application.

ECONOMIC INSTRUMENTS FOR ENVIRONMENTAL AND RESOURCE MANAGEMENT IN THE PACIFIC

The research is already providing pointers to the further application of economic instruments in the Pacific. This is particularly so in resource conservation and waste minimisation, disposal and recycling. However, research is also generating doubts about the effectiveness of some conservation strategies already being tried or proposed.

One area of concern arising out of the research is the future of financial incentives for biodiversity and resource conservation when no one has documented property

rights. The ownership of natural resources must be beyond dispute if the financial flows for their conservation are to act effectively as conservation instruments.

We expect that the research will provide aid donors and Pacific island administrators with pointers to practical economic policy to address some of the region's pressing management and conservation problems.

CASE STUDIES

Summaries of four case studies follow, selected from the areas of both resources management and urban management, and are part of the research.

Case Study 1: Taxes in the crocodile skin export industry of Papua New Guinea

Export income earned from the export of crocodile skins is between K3 and K5m annually. To comply with its obligations under CITES, and its own directives concerning sustainable resource use, the Department of Environment and Conservation (DEC) has set up the Crocodile Monitoring Unit (CMU).

The CMU cost K211 000 to run in 1994 and K431 000 in 1995. Charges for entry into the industry to farm crocodiles, to trade, to buy and to export skins, raised some K8000 in 1994. More important were taxes on exports that raised K170 000, one third of which was captured by the DEC as a “management levy”, the balance - an export tax under the Customs Act - returning to consolidated revenue.

There are two proposals:

1. That they levy a single export tax and that it is increased by 12 per cent per annum until they achieve full cost recovery.
2. They establish a trust fund so that funds generated by the industry through taxes can be earmarked for expenditure in the industry.

Comment:

- Full cost recovery in this instance appears to be an appropriate policy given that external benefits are few. However, it can be argued that the ‘global public’ should contribute to conservation costs.
- A crocodile trust fund should perhaps be part of a national trust fund set up to finance biodiversity conservation in Papua New Guinea in general.



The Arnavons Marine Conservation Area in the Solomons is an example of co-financing by 10 different donors, including AusAID

Case Study 2: Co-financing marine conservation in the Solomon Islands

The uninhabited Arnavon Islands are one of the most important rookeries in the Western Pacific for the endangered Hawksbill turtle. There is also a high diversity in terrestrial fauna for a small island group, with 41 species of birds, eight of which are endemic to the area.

The three villages situated on Choiseul and Isabel were subjecting the marine resources of the Arnavons to considerable pressure. The Nature Conservancy and the Solomons government established a

participatory management regime. A management committee represents the communities and hires conservation officers from each village. The project generates external benefits in extending conservation initiatives through training Conservation Officers and enhancing cooperation between villages.

The economic pressures that had led to the over-exploitation of the marine resources of the island remain. A more recent phase of the project has been to provide

compensatory development for the villages in the form of fishing enterprises that serve the Honiara market.

While the conservation project is very much in the hands of the villagers, external finance is still required for the purposes of management. Ten different donors, including AusAID meet annual running costs of some US\$10 000. The feasibility of the establishment of a trust fund of some US\$200 000 is under investigation (see Comment in Case Study 1).

Case Study 3: Property rights and environmental management on Pacific atolls



Economic instruments can be help to tackle serious waste disposal problems in the Pacific.

There are two main economic factors contributing to the unsustainability of present resource use on Kiribati and Tuvalu. The first is the lack of designated rights over the use of resources, resulting in 'open access'. The second is the lack of enforcement of rights, both of government-created rights, for example on lands leased by government from traditional owners, and of traditional rights, for example concerning local fish resources.

The regulations that have been put in place by governments to cope with the environmental abuse are not being enforced. The full costs of mismanagement are passed on to the public. These costs include an increase in disease incidence and a reduction in aesthetic values.

In the case of the fresh water lenses vesting all rights to water in the

Government or local councils is probably administratively most efficient, and to compensate any private owners. Governments would need to enforce bans on all unofficial wells. For bans on wells to be successful, however, there would need to be provision of adequate reticulated supply or rainwater tanks to those now reliant on wells.

In the case of the reef and lagoon fisheries of outer atolls and islands, the logical entity for the vesting of fishing rights is the local community which exploits the resource. It is argued that, even though there are collective action problems associated with community management, this arrangement would be superior to the holding of rights by a central government, which faces prohibitive costs of enforcement.

Case Study 4: Deposit refunds for reuse and recycling in Port Moresby



Recycling companies respond to economic incentives in Port Moresby.

The high consumption of bottled and canned drinks generates a large volume of solid waste. The market demand for used containers enables industry to pay bottle and can refunds. The result is a high level of reuse and recycling.

The refund offered by collecting companies for used drink bottles of between K1.20 and K1.70 per carton of 24 bottles is an incentive for collectors in the informal sector. The bottler offers an additional K0.10 to K0.20 per carton to the collecting company.

After allowing for the cost of handling, transport and cleaning,

the use of returnable bottles is cheaper than nonreturnable bottles or cans. The cost of importing one new bottle is K0.27, whereas a washed returned bottle costs the bottling company K0.10.

The average returnable rate for bottles is about 85 per cent within the country, while in Port Moresby it can be as high as 90 per cent, that is a bottle is used, on average, about nine times.

The generation of employment and income for substantial numbers of people in the informal sector are important features of the recycling industry in Port Moresby.

FARMING SYSTEMS PROJECT: SAMOA

Mary Anne Plummer

NATURAL DISASTER

There's a graph which plots the fortunes of Samoa's taro exports. It shows a solid yearly increase in volume and value—a peak of 20 tonnes a month in mid-1993—then a freakish plummet. Zero tonnes, zero dollars.

It took just six months for a fungal disease to completely obliterate Samoa's staple food crop and most important agricultural export.

It was with disbelief, then despair, that Samoans watched the unstoppable spread of taro blight from Upolo—the most populous of the country's two main islands, to Savaii—the largest.

"First of all, taro is the major staple food for Samoa" says Tuisuga Aveau, Director of the Ministry of Agriculture.

"And because of that it's entrenched in the culture, and it's part of the total tradition and part of the culture altogether."

There was no easy way to quantify the impact of the loss of taro from the islands, no way to measure an economic and social disaster. An AusAID cooperative development project to improve farming systems in Samoa was just getting off the ground when the taro blight struck. It couldn't have begun at a better time.

STARTING OVER

Like most agricultural development projects, the Farming Systems Project works with and through existing institutions, the Samoan Ministry of Fisheries, Farming and Forestry in this case.

The first step was to help the Ministry search for an alternative

taro variety which would suit local conditions and show resistance to the deadly blight. Tissue culture from potential candidates was imported under strict quarantine, and then painstakingly reproduced and grown out. They were all screened out for their resistance to the blight, and three or four varieties short-listed from about 40 screened.

One variety each from the Philippines and the Federated States of Micronesia made it to the final selection.

"So far, to good!" says Kirifi Povono, from the Nu'u Research Station just outside Apia, Samoa's capital. "The taste of the two varieties has been quite satisfactory. Of course it's a little bit different from our usual variety, but we are hoping to improve on the resistance to the blight, which is our first criteria."

The AusAID project has substantially enhanced the capability of researchers like Kirifi. It has facilitated the introduction of equipment and materials which will help plant breeders improve the yields and disease resistance of existing crops - and perhaps introduce new ones.

But the research component is only the beginning. After all, what's a Farming System Project without farmers? And farming technology transfer—whether it's in Samoa, Western Australia, or the United States—seems to work best when farmers teach farmers!

So the project has chosen a couple of farmers to 'road test' the blight-resistant taro varieties, with the help of extension officers from the Ministry. If things go well, the farmers will take cuttings for wider distribution.



It only takes about five months to grow a taro crop to full harvest, and there are plenty of cuttings to be had from each plant—so with the cooperation of farmers the spread of the new varieties should be swift.

THE MOST IMPORTANT FOR SAMOA

To the unknowing eye, the produce markets in the centre of Apia belie the fact that this is a country with a food problem—there are wonderful bananas, papaya, chillies, breadfruit and coconut. But to the local people, there's one commodity which is conspicuous by its absence, and what there is of taro is outrageously expensive.

The traditional diet is high in starch and protein. Bereft of taro, Samoa has been spending scarce foreign currency on imports of rice, and high-fat, low-nutritional value foodstuffs.

They're poor alternatives in many ways. The people miss the beloved foodstuff which played a role in almost every family meal—every social occasion.

"It's the best for our people", says a trader from another island who has shipped across a small pile of the precious vegetable, "also yams and bananas, but this—taro—this is the most important plant here in Samoa."

THE SOUTH PACIFIC COMMISSION

An Historical Look



The South Pacific Commission (SPC) today is an important organisation in the Pacific region whose role is to help meet the development needs of the region by providing technical advice, assistance and training, and applied research to Island member countries and territories throughout the Pacific region. Its work is highly regarded and it is characterised as being a dynamic organisation that adapts to the changing needs of the region.

Towards the end of the Second World War, Australia began exploring areas in which it could be involved once the conflict ceased in the Pacific. There was sound reasoning behind this. At this time the Pacific Islands were divided by six different administrations with little communication or coordination between them. For

the sake of the future security of the region, Australia decided that greater coordination between the colonial administrations was imperative.

The signing of the ANZAC agreement between Australia and New Zealand was an important milestone for the SPC. Clause 31 of the agreement called for the formation of a South Seas Commission that would eventually become the South Pacific Commission. Australia continued to lobby administrations involved in the Pacific region throughout 1946 and leading up to the South Seas conference in Canberra in early 1947. At this conference Australia, New Zealand, France, Great Britain, Netherlands and the United States met and signed the *Canberra Agreement*, which led to the formation of the SPC.

The first two years of the SPC saw the administrative and legal work necessary to establish the secretariat and the organisation. This happened under the leadership of the late Sir John Kerr who was the interim Secretary General during this period. A major task at this time was the ratification of the *Canberra Agreement* by the metropolitan powers.

November 1948 saw the architect of the SPC, William Forsythe, become its first Secretary General. His first task was to find a home for the SPC. It had been located temporarily at Mosman on Sydney's middle harbour, which today is the site of AusAID's Centre for Pacific Development. After some haggling the SPC was eventually located in New Caledonia in a building called the

‘Pentagon’, originally built by the US Army during the Second World War. With some renovations, the building was transformed into the SPC headquarters. In 1949 the staff moved in.

Forsythe also had the task of arranging the inaugural South Pacific Conference. This was duly held in Nasinu Fiji in 1950. It was to be the first high level conference at which Pacific Islanders would participate.

One of the great triumphs of the SPC during those early years was the literacy program. SPC reader books are fondly remembered by many Pacific Islanders and are still printed today for use in schools. This project provided many Islanders with writing and reading skills.

World events of 1951 influenced the region when the US, under the trustee arrangement with the UN, brought the northern Pacific Islands of Micronesia under the SPC’s umbrella.

The Research Council of the SPC was established in 1948 to help draw up the work program of the Commission. The main priorities which had been established in the *Canberra Agreement* were in the areas of agriculture, economics, fisheries, health, labour conditions, literacy and education. A review of the work program in 1957 wanted to see the SPC shift away from research into more practical work, applied research and technical assistance in the Pacific Islands.

A major achievement of the 1957 review was to realign the organisation with what it could realistically achieve with the level of funding it received. With its small operating budget, and by working in collaboration with UN Agencies who could provide further funding, the SPC was able to fulfill its mandate. This began a

period of collaboration which is still an important part of the work of the SPC today.

In the 1960s and 1970s, when many island territories were moving towards independence, the conference developed considerably, to become the voice for the region and the expression of the aspirations of its people.

By the early 1990s, the headquarters of the SPC also came under review. It was still housed in the old wooden buildings of the ‘Pentagon’, but had outlived this space. A new headquarters was needed. Through the late 1980s and early 1990s one of the agenda items at conference was the construction of a new building. After much discussion among members, it was agreed that the new building would be built in New Caledonia. Construction was completed in 1995, with the official opening taking place at the 35th South Pacific Conference.

The 35th conference saw a new executive elected. For the first time in almost 30 years Australia and New Zealand fielded candidates for the top post of Secretary General. Consensus was reached with Australia’s candidate, Dr Bob Dun (former Director General of AIDAB) being appointed Secretary General. This brought on a period of reform for the SPC, which is focussed on putting in place structures and programs to support the Commission’s role as the key technical development organisation in the Pacific.

There is no doubt that the SPC has been extremely successful over the past 50 years. Its philosophy of regional cooperation has flourished. The SPC can now look ahead to its next 50 years and the challenges of the future.

50TH ANNIVERSARY OF SOUTH PACIFIC COMMISSION.

This year marks the 50th anniversary of the founding of the oldest regional organisation in the Pacific, the South Pacific Commission (SPC). It was established following the signing of the *Canberra Agreement* in 1947.

In recognition of the historical connections, SPC members have accepted Australia’s offer to host the 50th anniversary conference from 19 to 21 October. This will see the SPC come full circle, returning to the place of its inception here in Canberra.

Up to 150 delegates are expected at the SPC, including Ministers and senior officials, from the 26 Governments and administrations that make up the SPC’s membership. There will also be many observer Governments and other organisations in attendance, including NGOs and academics.

Australia’s Department of Foreign Affairs and Trade will host the conference. Preceding the main conference will be a meeting of the Committee of Representative Governments and Administrations (CRGA) from 16 to 18 October.



TEN YEARS FOR TUVALU TRUST FUND

The Tuvalu Trust Fund recently celebrated its tenth anniversary, and has made a positive contribution to the development of this small Pacific island state.

After Tuvalu gained independence in 1978, it soon became obvious that this small Pacific state would require assistance to balance its budget. In order to overcome the restrictions of a chronic budget deficit Tuvalu initiated a trust fund as an innovative alternative to the budget support option adopted by Papua New Guinea.

The case for a trust fund was developed and refined and in June 1987, the International Trust Fund Agreement was signed by Tuvalu, New Zealand, Australia and the United Kingdom as the original parties. Japan and South Korea later also joined the Fund.

With careful management and prudent investment practices, the Fund has performed successfully, growing from \$27.1 million in 1987 to \$45 million in 1996.

Australia is a major donor, having contributed a total of \$9.3 million. Tuvalu's own contributions have been substantial totalling \$8.6 million in contributions over ten years, making it one of the largest contributors to the Fund. This is significant in a small state where the annual Government budget is around \$10 million.

The Fund was set up to enable Tuvalu to help finance budget deficits but also to underpin economic development. The Fund provides the means to maintain and improve government services and undertake high priority developments over and above that provided by donors. For example, in the 1997 Budget there is provision to replace the generators in the inter-island freighter, the Nivaga.

The Fund provides Tuvalu with the means to achieve increasing economic independence. At the same time the Fund provides safeguards and support mechanisms for Tuvalu through donor participation on the board and through the activities of the advisory committee.

"The Fund is well and truly established like a cornerstone in our struggle to improve the quality of our life in this tough environment, and as an incentive for other small island states", says Dr Alesana Kleis Seluka, the Minister for Finance and Economic Planning.

Tuvalu can face the future in the knowledge that it has a fund which is soundly based, and well managed, advised and structured. Indeed, other small island nations are looking closely at the positive contribution that the Trust Fund has made to Tuvalu's development.

DEVELOPMENT

STATISTICS

PACIFIC ISLAND POPULATIONS

From the Pacific Island Population wall chart, produced by the Population/Demography Programme.
South Pacific Commission, PO Box D5, Noumea, New Caledonia

	Last census	Population at last census	Land area (km ²)	Population density (people/km ²)	Population doubling time (years)	Sex ratio (males/100 females)	Median age	Infant mortality rate (c)	Life expectancy at birth males (d)	Life expectancy at birth females (d)
Fiji	1986 (a)	715 375	18 272	44	35	103	20.2	16 (1994)	72 (1995) (e)	75 (1995) (e)
PNG	1990 *	3 607 954 (b)	462 243	9	30	112	18.2	82 (1991)	52 (1991)	51 (1991)
Solomon Islands	1986	285 176	28 370	14	20	103	15.8	38 (1986)	60 (1986)	61 (1986)
Vanuatu	1989	142 419	12 190	14	25	106	17.6	45 (1989)	62 (1989)	64 (1989)
Kiribati	1995 *	77 658	811	97	50	98	19.9	65 (1990)	58 (1990)	63 (1990)
Tonga	1986 (a)	94 649	747	120	139	101	18.1	8 (1991-94)	70 (1996) (e)	74 (1996) (e)
Samoa	1991	161 298	2 935	56	139	110	18.2	22 (1991-94)	70 (1996) (e)	74 (1996) (e)

* Provisional results; census still in progress.

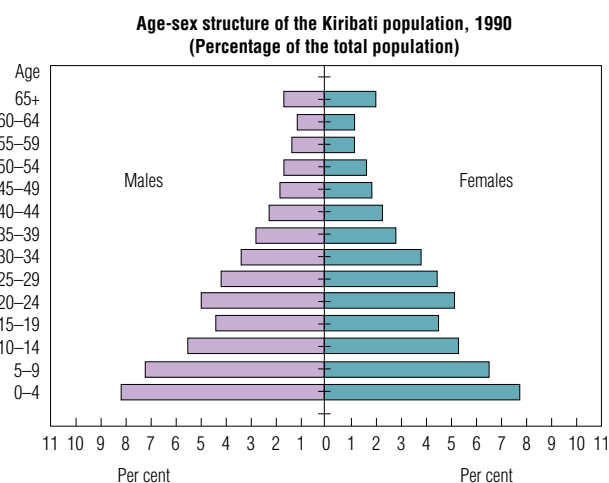
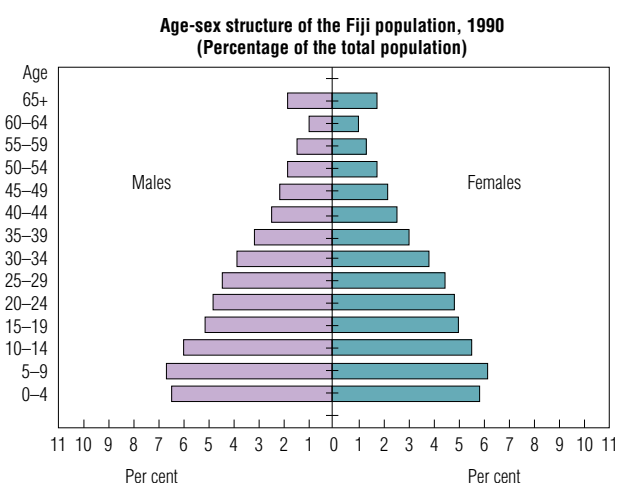
a These countries and territories conducted a census in 1996, for which the results are not yet available; Fiji (25/8), Tonga (30/11)

b This figure excludes the population of North Solomons Province (Bougainville), estimated by Hayes (1993) at 155 000 at the time of the 1990 census. If this figure was added to the census total, the PNG population would have been 3 762 954. A mid-year population estimate for 1996 on this basis would mean a PNG population of 4 319 800.

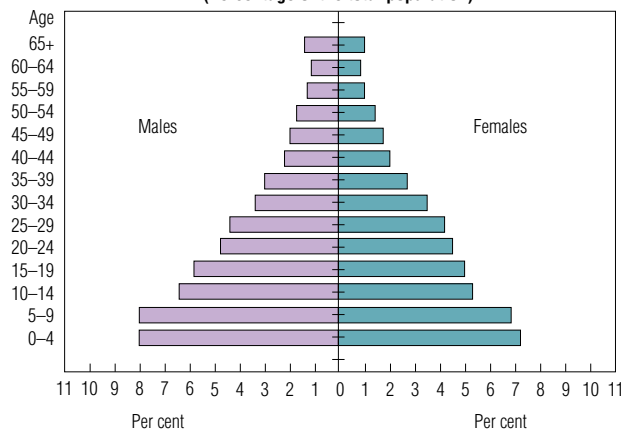
c Infant mortality rate (IMR): the number of deaths to infants under 1 year of age for each 1 000 live births.

d Life expectancy at birth: an estimate of the average number of years a person can expect to live.

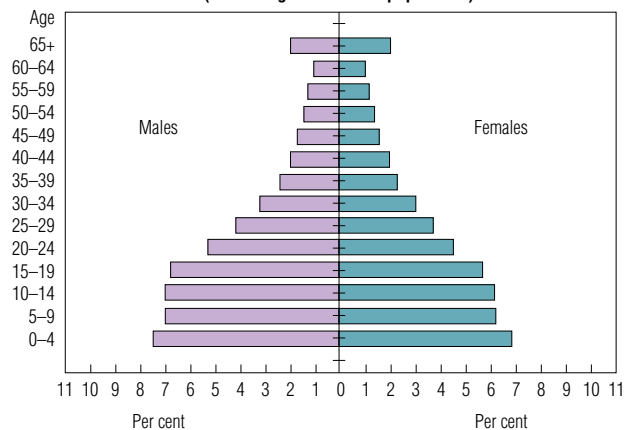
e These figures are based on recent estimates prepared by the SPC Population/Demography Programme.



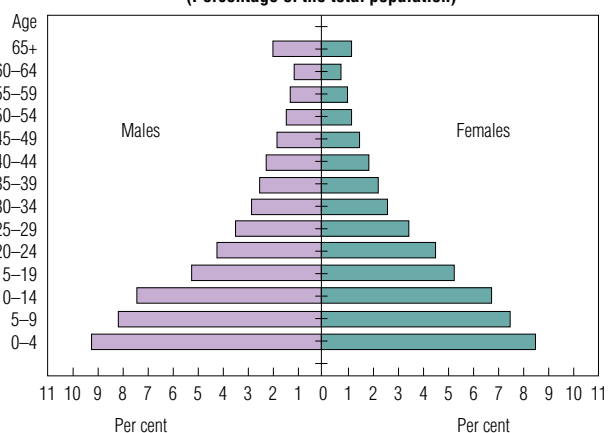
Age-sex structure of the Papua New Guinea population, 1990
(does not include the population of North Solomons Province)
(Percentage of the total population)



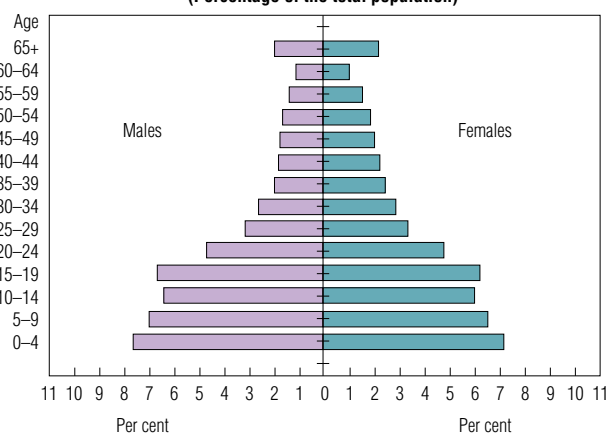
Age-sex structure of the Samoa population, 1991
(Percentage of the total population)



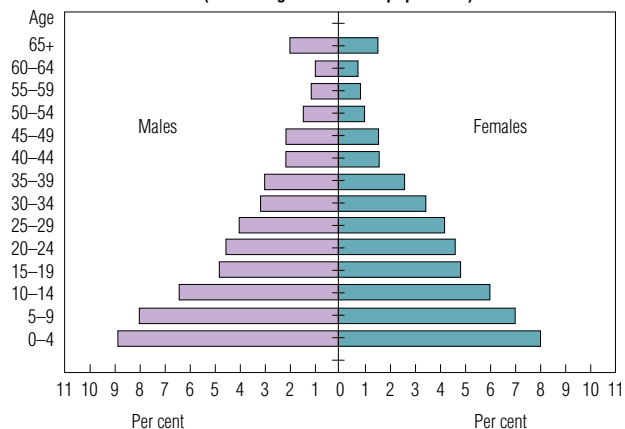
Age-sex structure of the Solomon Islands population, 1986
(Percentage of the total population)



Age-sex structure of the Tonga population, 1986
(Percentage of the total population)



Age-sex structure of the Vanuatu population, 1989
(Percentage of the total population)



DEVELOPMENT

ISSUES BRIEF

DEVELOPMENT STRATEGIES FOR PACIFIC ISLAND COUNTRIES

*Bruce Davis, Deputy Director
General, AusAID*

DEVELOPMENT CHALLENGES FOR THE PACIFIC

Geography and natural resources

Pacific island countries are generally small economies, distant from major markets and with limited natural resource endowments. They produce a narrow range of products, mostly agricultural. This makes them vulnerable to fluctuations in prices and demand, and susceptible to damage from pests. They are exposed frequently to climatic shocks such as cyclones, earthquakes and drought, and vulnerable to man-made environmental threats such as coastal erosion and pollution.

Social indicators

Many Pacific island countries have relatively good social indicators, such as literacy, infant mortality and life expectancy. However, these achievements are now posing a number of problems. Improvements in health services have led to high population growth rates, but employment opportunities have not matched increases in labour supply. So there is a growing problem of unemployment, especially in rapidly-expanding urban areas. Also, many of the better educated Pacific islanders have emigrated to economies which offer more opportunities, depleting the local supply of technical, managerial and professional workers.

Increasing urbanisation is putting pressure on urban services in all island countries, creating new health and environmental risks. The incidence of lifestyle diseases is increasing, while infectious and parasitic diseases are still a serious problem in some areas. Across the region, the incidence of HIV infection is increasing — the mobile, youthful populations in island countries make HIV/AIDS a serious threat, yet there are significant cultural barriers to effective public awareness and treatment programs.

Economic growth

Most Pacific island countries have per capita income levels in the lower middle-income range. However, economic growth tends to be volatile and not high enough consistently to outstrip population growth. Consequently, per capita incomes in many countries are either static or declining.

Global economic change

Changes in the global economy, particularly in the volume and distribution of international aid flows and in the global trading system, are a major challenge for Pacific island countries. The United Kingdom is reducing aid to the region and now plays a very limited role; the role of the United States will diminish also as its special agreements ('compact settlements') with former US territories in Micronesia come to an end early next century. Island countries are uncertain about what will replace the aid and trade benefits they receive from the European Union once their current arrangements with the EU expire in 2000.

With increasing liberalisation in world trade, the benefits which island countries previously enjoyed under trading agreements with Australia, New Zealand and the European Union are eroding. The challenge for island economies is to make more liberal international trade work in their favour by carving niches for their export products, including tourism, in the rapidly growing markets of the Asia Pacific.

PACIFIC ISLANDS' RESPONSE

South Pacific Forum agenda

Pacific island leaders, meeting annually at the South Pacific Forum leaders' meetings, have focused since 1994 on strategies to meet their economic challenges. They have agreed that to achieve higher economic growth they need to: improve public sector efficiency and accountability, encourage private

sector development, institute open and transparent investment regimes, reduce barriers to trade, and introduce policies to ensure sustainable exploitation of natural resources. Many elements of this challenging program of reform were recently incorporated in an action plan at the meeting of Forum Economic Ministers in Cairns in July.

Individual country achievements

Many Pacific countries have made significant progress in addressing their development challenges, well in advance of the commitments made at the Forum Economic Ministers meeting. Within the last two years, Papua New Guinea, the Cook Islands, the Federated States of Micronesia, the Marshall Islands and Vanuatu have started programs of comprehensive reform, with the support of the World Bank, the Asian Development Bank and bilateral donors such as Australia. Other countries have introduced significant changes to their economies and government structures, notably Samoa, Fiji and Tonga, again with support from Australia and other donors.

AUSTRALIA'S AID PROGRAM IN THE PACIFIC

Australia maintains a comprehensive program of development co-operation with most Pacific island countries, and only Japan provides higher levels of assistance to the region (excluding PNG). The goal of Australia's assistance is to assist Pacific island countries to achieve the maximum possible degree of self-sufficiency. Australia takes a differentiated approach to development assistance in the region, taking account of each country's unique challenges. Our aid program focuses on four main areas: health and education; environment and natural resource management; policy and management reform; and private sector development.

Health and education

About half of Australia's assistance to the region supports Pacific island countries' efforts to continue to improve health and education standards, and strengthens training capacity in the region for technical, managerial and professional workers. Our education programs include scholarships to Australian and regional institutions, curriculum development, construction of cyclone-resistant classrooms, and teacher training in primary, secondary and vocational fields.

Australian development assistance in the health sector includes immunisation programs, and regional programs to control mosquito-borne diseases (mainly malaria). Australia is also giving substantial support to efforts to combat the growing incidence of HIV/AIDS in the region. We are soon to commence funding a regional AIDS initiative with three complementary components. One is training and technical assistance from the Macfarlane Burnett Centre for Medical Research to help island governments take effective action in AIDS prevention; the second is education and training for community-based groups in the region, involving the Australian Federation of AIDS Organisations; and the third component is funding for the South Pacific Commission's work in developing HIV/AIDS prevention and control strategies in the region.

Environment and natural resource management

Australia supports natural resource management in island countries, so that valuable timber, fisheries and mineral resources may be exploited sustainably. We provide strong support to regional fisheries programs, to encourage and assist island countries in the conservation and management of fish stocks, and to help them to maximise returns from their fisheries resources. The Forum Fisheries Agency, based in the Solomon Islands, is the regional organisation which represents the interests of island countries in negotiations over the size of catch and access fees with nations which have international fishing fleets. The Agency also monitors fishing fleets. Our development assistance supports the work of this agency, as well as that

of the South Pacific Commission, which helps with surveying and managing marine resources.

Australia funds a number of regional environment projects, including through our contribution to the South Pacific Regional Environment Program, which is based in Samoa. Through these projects we support conservation of biodiversity, monitoring of sea levels and climate change, waste management and pollution prevention, and environmental education and training.

Policy and management reform

Australia supports island countries' efforts to reform their economies in ways which will lead to higher rates of economic growth and increasing standards of living for their citizens. Australian aid assists in improving island governments' financial management and budgeting, particularly through funding advisers with appropriate professional and technical skills to treasury and finance departments. Australian-funded technical advisers also help in improving the delivery of government services, particularly in public works, health, and customs departments. Three years ago, Australia introduced a special fund, the Policy and Management Reform fund (PMR), which provides extra funding for the difficult task of developing and implementing economic reform policies. It is a measure of the commitment of island countries to such reform, and Australia's determination to assist their efforts, that this fund has already more than doubled in size.

But PMR is not only about efficiency and economic policy reform. It is also about strengthening democratic processes and developing community understanding of the adjustments which all countries must make to changes in the global economy. Earlier this year Australia provided PMR funds to assist with translating Vanuatu's Comprehensive Reform Programme into the local language in order to promote community consultation and involvement in the process. And we funded the broadcasting of a public forum on the Programme. While only a fraction of our total support for the program, these measures are essential for the development of a sense of community ownership, which can make or break such initiatives by governments.

Private sector development

Australian aid helps with the development of private sector activity, which in most Pacific island countries is small and narrowly based. We help to train company directors through our funding of the Australian Executive Service Overseas Program. We assist in strengthening the capacity of island entrepreneurs to develop business proposals, and gain access to the finance they need, through our support for the World Bank's South Pacific Project Facility. Australia also helps to promote exports from island countries through its funding of the South Pacific Trade Commission. For countries which want to attract foreign investors, the International Finance Corporation manages an investment advisory service to give advice on appropriate policies and procedures, including for investment promotion authorities. Australia is an important source of funding for this service.

Working with other donors

As donors reorient their programs towards the provision of advice and technical assistance for economic policy and public sector reform, Australia recognised the need to ensure that we were all giving consistent and informed advice. So AusAID took the initiative, in February this year, to organise a meeting of senior officials from key donors to the region. At that meeting, officials agreed that improved donor co-ordination and collaboration was important. Australia will continue to promote co-ordination in order to improve the effectiveness of aid in the Pacific. One initiative to come out of the meeting was a Pacific donors' home page on the internet, which AusAID is currently developing.

Many of the island countries which have already embarked on major programs of economic reform see value in having annual consultations with their donors as a group. This 'consultative group' mechanism, facilitated in the Pacific region by the Asian Development Bank, allows for open discussion of island countries' problems, progress and needs. Australia takes part in consultative group meetings for the Cook Islands, Vanuatu, the Federated States of Micronesia, and the Republic of the Marshall Islands, and we are ready to join others, as they develop, to improve the effectiveness of our development assistance to the region.