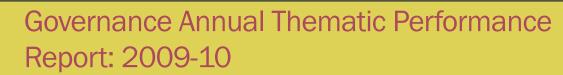
Australian Government AusAID



January 2011

Ŋ▓ॵॳ॒۩♀₹₿©℁ॵॳ۩♀₹₿₺₱℁ॵॳ۩♀₹₿₺®₭ॵॳ∩ ₹₿₱₿%ॵॳ۩♀₹₿₺₱₭ॵॳ॥♀₹₿₺₱₭ॵॳ॥₽₹₿

## **Overview of Australia's Governance Development Assistance**

### **Overview of Governance**

In the 2007-08 Governance Annual Thematic Performance Report governance was characterised as 'the manner in which the state acquires and exercises its authority to provide public goods and services'. In 2009-10 AusID began a process to consider a broader and more inclusive framework for our governance support. There was also a commitment to work at all levels of society in partner countries to support improvements in government capability, responsiveness to citizen needs and accountability<sup>1</sup>.

As a sector spending on governance constituted the largest proportion of the aid program in 2009-10. This is a reflection of the importance of effective governance to improved service delivery, economic growth and social stability. In 2009-10 the aid program invested around \$1.07 billion on governance activities, some 28% of the aid program<sup>2</sup>, down from 33% in 2006-07.

Expenditure occurred in five main areas considered as sub-sectors of governance: public sector reform (30%); economic management (21%); law & justice (24%); civil society (22%); and democratic institutions (3%). (See Figure 1.) The majority of these activities classified as governance focus on govern<u>ment:</u> that is, the various organisations of the state, particularly those of the national or central government.

Importantly, governance activities also account for a major part of expenditure in other sectors, for example 40% of education spending in 2009/2010 was governance related<sup>3</sup>.

While AusAID is responsible for the bulk of governance expenditure, other government departments (such as the Australian Federal Police, Attorney-General's Department, and Treasury) have significant involvement in the delivery of governance programs (around \$285

<sup>&</sup>lt;sup>1</sup> Budget: Australia's International Development Assistance Program, Statement by the Honourable Stephen Smith MP, Minister for Foreign Affairs, 12 May 2009.

<sup>&</sup>lt;sup>2</sup> AusAID Annual Report 2009-2010 (2010), p. 144.

<sup>&</sup>lt;sup>3</sup> AusAID Annual Report 2009-2010 (2010), p. 23.



million, or 27% of the total governance program in 2009/10) either directly delivering programs, or as part of broader whole-of-government interventions led by AusAID.

Governance expenditure is concentrated in the countries of the Asia-Pacific region that form the priority focus for the Australian aid program, including Papua New Guinea, Solomon Islands, Indonesia, Timor-Leste and the Philippines.<sup>4</sup> Increasingly governance expenditure is also occurring in a range of emerging areas of priority, such as Afghanistan and Africa<sup>5</sup>.

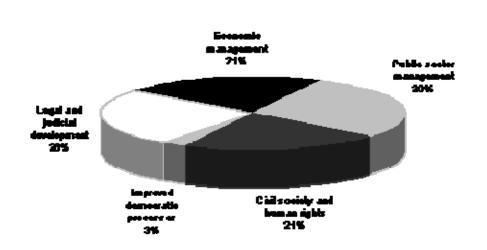


Figure 1: Governance: estimated ODA by sub-sector 2009-10

In 2009-10 AusAID continued a process of reconsidering governance as a fundamental crosscutting issue central to all development processes. A major component of this work is an increased emphasis on supporting effective leadership, improving social accountability and strengthening civil society participation in decision-making.

While this Annual Thematic snapshot will focus primarily on governance as an aid 'sector', it will also demonstrate some limitations in this approach and provide possible directions for future reporting.

<sup>&</sup>lt;sup>4</sup> Statistical Summary 2005-2006, 2006-2007 & 2007-2008, pp. 50-52.

<sup>&</sup>lt;sup>5</sup> Statistical Summary 2005-2006, 2006-2007 & 2007-2008, pp. 50-52.

## Box 1: Where's Anti-Corruption?

As outlined in the 2008-09 ATPR, corruption is a symptom of poor governance; it thrives in environments where bureaucratic processes are opaque, oversight of executive and administrative action is limited, and the rule of law is weakly embedded. It is considered as a crosscutting issue, and efforts to combat corruption are integrated within other governance and other sectoral programs. The Australian government also supports targeted anti-corruption efforts: for example, at the May 2009 Transparency International (TI) Asia-Pacific Regional Conference in Canberra, a Strategic Partnership was launched by then Parliamentary Secretary for International Development, Mr McMullen, between AusAID and TI.

## **Major Achievements**

Achievements in the governance sector for this snapshot are drawn from analysis of 135 initiatives, 20 country and regional strategies, including multiple partners and stakeholders. While it is possible to select examples of successes and where lessons can be learnt (and this has been done at the sub-sector level, see below) this will only go so far in providing an overview of achievement.

The five initiatives listed in Table 1 are amongst the highest performers in the AusAID governance portfolio, according to their Quality at Implementation reviews. In analysing the review documents, the similarities across the initiatives leading to their success can be summarised as:

- Incorporating a deeper understanding of the nature of local leadership and local ownership, particularly from partner governments, into design and implementation;
- Ensuring an understanding of the local political, social and cultural context, whether gained from formal analytical activities or from the knowledge of advisers and staff, is embedded in the initiative; and
- Devoting more time and resources to addressing issues relating to monitoring and evaluation and greater gender equality up front.

| Initiative Name   | Country          | Funding<br>(AUD millions) | Period    | Average QAI score<br>(across all criteria;<br>maximum score: 6) |
|---|------------------|---------------------------|-----------|---|
| Australian<br>Community<br>Development and<br>Civil Society<br>Strengthening<br>Scheme (ACCESS) -<br>Phase 2 (ING429) | Indonesia        | 26.9                      | 2006-2013 | 5.0   |
| Advisory Support<br>Facility - Phase 2<br>(INF409)  | Papua New Guinea | 89.7                      | 2002-2009 | 5.3   |
| Australia Indonesia<br>Partnership for  | Indonesia        | 31.3                      | 2008-2016 | 5.0   |

## Table 1: Sample of Highly Rated Governance Initiatives\*



| Economic<br>Governance<br>(INH848)                     |             |      |           |     |
|--|-------------|------|-----------|-----|
| Governance for Growth (INH523)                         | Vanuatu     | 33.2 | 2007-2012 | 5.2 |
| Philippines Anti-<br>Corruption Initiative<br>(INH757) | Philippines | 0.9  | 2008-2011 | 4.8 |

\*Based on 2009/2010 QAI ratings.

In some cases, the Australian aid program is supporting governance in a more cross-cutting way, with broad objectives and a correspondingly broad-ranging set of achievements. Most notably, in 2009-10 the Australian Government initiated investment of \$138.6 million over four years to improve the effectiveness of government and its accountability to citizens under the *Improving Responsiveness and Accountability in Government* initiative.

This initiative is supporting activities across the Pacific and East Timor, including increased participation by women as active citizens and elected representatives. This initiative aims to strengthen engagement between citizens and government; support anti-corruption efforts (including systems strengthening at sub-national and local levels); and improve the effectiveness of public sector agencies in delivering basic services<sup>6</sup>.

In 2009-10 the focus of the initiative was on strengthening regional approaches to governance in the Pacific, including continuing the work of the Pacific Leadership Program, support to United Nations Development Fund for Women (UNIFEM) for its Gender Equality in Political Governance program, and foundational work for strengthening statistical capacity in the Pacific. As an example, this included supporting a commitment of \$10 million over four years to the Secretariat of the Pacific Community (SPC) to strengthen the capacity of statistical services in the Pacific. This work is important to enable more evidence-based decisions about development priorities and progress.

In June 2009 AusAID established the second phase of a multi-stakeholder Leadership Program, supported by UK (DFID), USAID, AusAID and the Dutch. The Leadership Program is a policy and operational initiative, with the primary objective to identify and communicate evidence and advice to the international community about the importance of local leadership in driving the development agenda. The focus is on the role of leadership in security, stability, growth and state building.

In 2009-10 in collaboration with the PNG government and Leadership PNG, the Program developed a 'road-map' to apply this work in PNG. Priority components focus on: the rehabilitation of the National High Schools; support for higher education including the University of PNG; the Scholarships program; support for the Institute of Public Administration; women's leadership; and building links with Australian organisations.

<sup>6</sup> Scope of Initiative: Improving Responsiveness and Accountability in Government, 2009-10 Budget

## **Portfolio Review**

Determining the success or otherwise of governance-related expenditure at a portfolio level, and thus identifying major sector-wide achievements, is extremely challenging – a challenge shared by all donors. This is in part due to the highly contextual nature of governance activities and as such country level analysis and reporting provides greater value for assessing achievements<sup>7</sup>. There is also the difficulty due to the sheer breadth of what are considered governance activities.

Assessments in this report are based on AusAID quality-at-implementation (QAI) reports, annual program performance reports (APPRs), and other evaluations, including those from the Office of Development Effectiveness (ODE). Information about the performance of aid program activities administered by other government departments has not been included in this report.

Overall, performance reporting for AusAID governance initiatives shows mixed results, with performance against some criteria exhibiting consistently stronger results than others, and with some programs performing better against their governance objectives than other programs.

#### **Quality-at-Implementation Results**

As Table 1 shows, the QAI ratings demonstrate that the great majority of governance initiatives were considered *at least* satisfactory, with strong ratings in the categories of 'effectiveness' and 'efficiency', and slightly lower ratings in the areas of 'sustainability' and 'gender equality'. Initiatives showed particularly high ratings against the criterion of 'relevance'. Only a very small proportion of governance initiatives were considered 'very poor quality' or 'very high quality' overall.

The average QAI score across all criteria is 4.14 out of 6.0 (earning an average rating of 'good quality'). This average rating has been roughly the same since the introduction of QAIs in 2007/2008. Similarly, ratings for 'effectiveness' and 'efficiency' have been consistently higher across AusAID than those for 'M&E' and 'sustainability'. The criteria of 'relevance' and 'gender equality' were introduced in 2009/2010 so it is not possible to comment on performance over time.

Ratings against the criteria 'M&E', 'gender equality' and 'sustainability' indicated weaker performance relative to the other criteria. The relative performance of governance initiatives against these criteria largely mirrored performance across the entire agency against the same criteria. For example, performance in 'M&E' left room for improvement across *all* AusAID initiatives irrespective of sector. The relatively low ratings against M&E also highlight the difficulty in tracking progress and success against what are often unclear objectives and goals.

<sup>&</sup>lt;sup>7</sup> Results from country Annual Program Performance Reports are summarised in Annex A, which provides a snapshot of achievement against stated objectives.



|                             | Relevance | Effectiveness | Efficiency | M&E | Sustainability | Gender<br>Equality |
|-----------------------------|-----------|---------------|------------|-----|----------------|--------------------|
|                             | %         | %             | %          | %   | %              | %                  |
| Very high<br>quality        | 23        | NIL           | 2          | NIL | NIL            | 3                  |
| Good quality                | 47        | 42            | 36         | 28  | 24             | 27                 |
| Adequate                    | 24        | 39            | 44         | 35  | 52             | 47                 |
| Sub-total<br>Satisfactory   | 94        | 81            | 82         | 63  | 76             | 77                 |
| Less than adequate          | 4         | 15            | 13         | 26  | 16             | 13                 |
| Poor quality                | 1         | 3             | 4          | 10  | 7              | 6                  |
| Very poor<br>quality        | 1         | 1             | 1          | 1   | 1              | 4                  |
| Sub-total<br>Unsatisfactory | 6         | 19            | 18         | 37  | 24             | 23                 |

#### Table 2: 2009-2010 Quality at Implementation Reports - Rating of Objectives \*

\*Data drawn from QAI reports for non-exempt initiatives with total approved funds greater than AUD 3 million – this totals 135 initiatives.

#### Annual Program Performance Reports Results

The APPRs showed varied performance: about a third of the programs' governance objectives were determined to be on track to be *fully* completed, more than half of their objectives were on target to be *partly* completed, and a small proportion (approximately 10 per cent) were *not likely* to be met (see Annex A).

For many programs there are no previous APPRs against which to compare current performance against governance objectives. For those programs with objectives for which previous reporting exists, performance against the various governance objectives was largely unchanged.

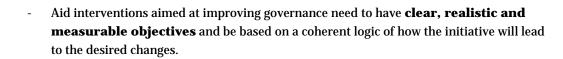
While some programs seemed to perform better against their governance objectives, the major bilateral aid programs all exhibited mixed results against their governance objectives.

#### Beneath the scores: trends, issues & themes

Looking deeper than the overall ratings and numerical scores, there are a number of observations that can be made about performance based on the written comments in the QAIs, APPRs for governance initiatives and other available independent and/or AusAID-commissioned reviews of Australian aid performance. The following points have been gathered from across the range of reports, and are considered as some of the key "lessons-learnt" from 2009-10.

#### How can governance interventions be made more effective?

- Better **understanding of the local context** is fundamental to improving aid effectiveness, particularly to ensure there is a clear rationale for why governance assistance is important to the achievement of broader development outcomes.



 Good local leadership can greatly improve the performance of Australian aid initiatives. Similarly, local ownership and domestic commitment to reform (usually from government) is vital for aid effectiveness. Described in performance reporting as 'political space' or 'appetite for real reform', this observation recognises that development is an inherently political process.

> Perhaps the single most significant variable that determines aid effectiveness in the Philippines is the quality of leadership. From the national level through to the village level and across the bureaucracy, the nature of, and prospects for, Australian aid interventions hinges on the quality of leaders. - Philippines Development Cooperation Report 2009.

- **Individual champions for reform** can enable effective aid initiatives, but there is a danger that these initiatives will be unsustainable and less successful when these key change agents cease to be involved. Further, some performance reporting found that those with vested interests who benefit from perpetuating the status quo can act as 'blockers' of proposed reforms which threaten their privilege.
- Greater focus is required on the social and political dimension of the environments in which AusAID operates, the impact this will have on programming decisions (and the potential impact programming will have in turn). This relates to the decisions made at a strategic level, as well as for individual program design. Expertise in formulating appropriate strategies, concept and designs by incorporating these social and political considerations is lacking, indicating a possible deficiency in AusAID's workforce. Combining this with a greater emphasis on leadership will also assist in reducing the reliance on overly technical approaches to governance.

#### How should we support governance?

- A **reliance on technical advisers** in some areas of the aid program may not necessarily be the most effective and sustainable approach to building partner government. In particular, personal relationships between AusAID officers and local stakeholders matter. To be effective, advisers must build mutual trust and confidence.
- A number of governance initiatives need to devote more effort and time to incorporating and addressing issues of **gender equality** and ensuring that progress and results can be measured.
- **Safeguards** need to be effectively incorporated into programs that have the potential to negatively impact on women, the young, people with a disability, those being resettled or relocated, and other vulnerable groups.
- Improving a country's governance institutions is a difficult and long-term undertaking. A number of reports suggested that some modalities for delivering Australia's governance assistance, such as brief, one-off training programs or workshops, are less likely to bring about genuine change than others.



#### What should be the focus of our governance assistance?

- A decrease in the reliance on technical approaches that treat governance as a sector, and an increase in an understanding of and support to the **political economy of public administration** is required.
- Effective **public administration**, particularly a competent and impartial public service, is an integral element of good governance. Problems in the public service such as high staff turnover and the accompanying 'brain drain', low morale, and lack of performance management mechanisms were identified as significant contributors to poor public administration.
- The fair and equitable distribution of the **benefits of natural resources** pose a particularly difficult and visible challenge to governance systems in many of the countries in which Australia gives aid.
- There is a need to **focus on improving service delivery at the local and district levels** of administration in countries operating a decentralised system of government.
- The increase in approaches that include **non-state actors** (including civil society and the private sector) in governance approaches should continue. Continued efforts are required to ensure gender considerations are adequately addressed.

### Successes, issues and challenges – Governance sub-sectors

### Improving Economic Management, and Public Sector Management

In the 2007-08 Governance ATPR, economic management and public sector management were considered separately, with economic management mainly concerned with public financial management, economic policy development, and small and medium enterprise development. Public Sector Management was, and still is, the largest area of AusAID's governance work, dealing with central and line agencies, local governance, and public sector linkages.

These two sub-sectors are still appropriately considered as separate; however the approaches used by AusAID programs across the two are very similar. As highlighted in the 2007-08 ATPR, the focus in 2009/10 continued to be on technical advice through facilities, and sourced from private contractors or Australian government agencies.

Public financial management (PFM) is considered as a component of improving economic management; however it is also clearly strongly related to the management and administration of the public sector.

A number of ODE reviews have been undertaken around public sector reform and public financial management, highlighting that the common approach has been to provide technical assistance, typically involving recruiting large numbers of advisers to work within partner government institutions, mostly in the national capital. This is also reflected in analysis undertaken for this report. ODE found that such an approach was not achieving the expected impact because it lacked a strategy for providing support and clear criteria for assessing its effectiveness. Further, the *Annual Review of Development Effectiveness* for 2009 states that:

Developing links (for people, information and strategies) between central government issues and sector-specific issues will significantly increase the quality and relevance of assistance. In the absence of such links, it cannot be assumed that giving support to central agencies to improve economic governance and public financial management will result in better service delivery. Unless reforms explicitly address service delivery right down to the facility level, even well-engineered and implemented central agency reforms are unlikely to result in improvements to service delivery or better human development outcomes. ...

Australia's assistance to East Timor's capacity in public financial management highlights the challenges in ensuring coherence between central agency reform and service delivery objectives. This initiative focuses on the Ministry of Finance and, at the time of review, had given relatively less attention or support to line ministries and districts. Links to technical assistance projects in line ministries were weak and the support not on the scale required to build significant financial management capacity. The advisory support at the Ministry of Finance level focused on macroeconomic stability. By contrast, predictability of funding to line agencies was seen as a key constraint to providing and maintaining essential services, and was called on to be an area of greater focus.

An example of where Australian technical assistance is leading to some success in improving public financial management is the PNG Advisory Support Facility support to the PNG National and Economic Fiscal Commission.

### **Box 2: PNG National and Economic Fiscal Commission**

In a 2009 case study, ODE found that Australia's support to the PNG National Economic and Fiscal Commission (NEFC) has been effective and is worthy of emulation. The assistance was long-term, flexible and supportive of PNG Government ownership, with the reforms clearly linked to the objective of improving service delivery in PNG. The ODE study found that several interrelated factors drove the NEFC success: the combination of a strong, well-led agency, targeted donor support based on analysis, local ownership and a participative reform process that struck a balance between technical and political concerns<sup>8.</sup>

#### Law and Justice

The 2008-09 governance Thematic Performance Report focussed on law and justice. It found that the quality of the law and justice portfolio remains variable. Monitoring the contribution that Australian assistance is making to development outcomes remains a challenge, particularly where Australia is providing relatively small scale and specialised assistance.

In 2010 the Office of Development Effectiveness began an evaluation of Australian aid program support for law and justice, which is due for completion by mid 2011.

<sup>&</sup>lt;sup>8</sup> Linking central reform to service delivery in PNG: A Case Study, http://www.ode.ausaid.gov.au/publications/pdf/servicedeliverycasestudy.pdf

Australia's contribution to the Regional Assistance Mission to Solomon Islands (RAMSI) Law and Justice Program and the RAMSI Participating Police Force (PPF) has helped to improve security and community confidence, with the 2009 RAMSI People's Survey finding that 84 per cent of respondents felt law and order had improved or remained the same in the last year.

#### **Civil Society & Human Rights**

In 2009 ODE begun an evaluation of AusAID's engagement with civil society in our partner countries. The evaluation assesses how well AusAID is helping civil society contribute to the development of effective states. The evaluation is in its final phase, and is due to report in 2010-11.

In 2009-10 Australia continued providing support to the UN Democracy Fund (UNDEF) which has, since its inception in 2005, provided support to 271 civil society projects around the world that strengthen the voice of civil society, promote human rights, and encourage the participation of all groups in democratic processes. The initiative itself is reporting success with, for example, recent reviews of projects supported by UNDEF that aim to advance gender equality and democratic governance finding that "all the projects achieved some initial results toward fulfilling their objectives", and among lessons learnt that:

[T]he most effective projects had multiple partners working on different issues, but these efforts were also sufficiently connected and orchestrated to produce significant impacts. ... Successful projects were closely aligned with electoral processes, and built on opportunities provided through decentralization reforms, changes in laws, genderresponsive policies, and constitutional revisions. Another factor enhancing project outreach was the willingness to work across the political spectrum, presenting gender equality as an objective consistent with multiple political ideologies<sup>9</sup>.

#### **Box 4: PNG Church Partnership Program**

The Church Partnerships Program (CPP) in PNG is strengthening faith-based organisations that play a critical local role in the delivery of health and education services across PNG. The program supports partnerships between seven Australian church-based organisations and their counterparts in PNG, to strengthen church leadership in society, improve the quality and reach of basic services, and improve churches' institutional capacity to deliver development programs. The CPP has contributed to the successful establishment of church-run school and hospital boards of management, and training for board members.

In the 2007-08 Governance ATPR, difficulties were found in relating activity and program impacts (which are often well captured) to higher level objectives. In 2009-10, a broader range of monitoring and evaluation methods have allowed for improvements, resulting in a rating of 5, Good Quality, at the most recent QAI evaluation. However, the evaluation also found that M&E has not had the sustained and structured attention that it deserves, and called on Phase 2 design to further strengthen M&E.

<sup>9</sup> Democracy: With Women, For Women, UNIFEM and UNDEF, http://www.unhcr.org/refworld/pdfid/4c0f34882.pdf



Improved Democratic Processes

In 2009 an independent high-level<sup>10</sup> review of AusAID's political governance assistance, *Power to the People*, was released which confirmed the importance to political governance of robust parliamentary and electoral processes, as well as other elements such as civil society, the media and leadership, in building inclusive, responsive and accountable government. The review found that political governance has a significant influence on outcomes in sectors such as education and health and recognised its importance for the achievement of broader development objectives.

While positive about AusAID's approach, the review found that there was scope to improve Australia's political governance support. Key findings and recommendations included: the need for a political governance strategic framework to guide the aid program's work; and the need for better coordination and information sharing between organisations engaged in political governance strengthening.

The review also highlighted the need to incorporate a sound understanding of the political, social and cultural context of the partner country into political governance aid, and aid more broadly, and recommended that AusAID's leading work on understanding and supporting developmental leaderships should continue.

Australia supports a range of democratic governance processes in a variety of countries. Reporting indicates that these are often based on sound analysis and are well contextually grounded, however the aid program overall could benefit from clearer strategic guidance on the relationship between democratic governance, political governance, governance in general, and development overall.

## **Conclusions and Recommendations**

The results of reviews, evaluations and quality reporting from 2009-10 highlight a range of recurring themes and issues that need further and ongoing attention, in order to improve the effectiveness of Australia's current governance assistance:

- Greater emphasis needs to be placed on understanding and tailoring approaches to the local political and social context, and tools for strengthening our analysis of these issues should be explored.
- Evidence emerging from AusAID's increased focus on leadership, as well as from other governance activities outlined above, highlight the importance of networks and coalitions for positive developmental change, and points to the need for more emphasis on how these might be supported.

<sup>10</sup> The members of the review team were: the Hon Neil Andrew AO; the Hon Michael Beahan; Ms Vicki Bourne; and Mr Peter Callan.



- The use of advisers should continue to be closely monitored. Performance monitoring shows mixed results, and highlights the importance of local ownership, taking a targeted approach, and operating in a politically aware manner. Too often an overly 'technical' approach to governance is relied upon.
- The importance of public administration, including an increased focus on the use of partner country systems, should continue to be a priority of the aid program. A deeper analysis of the political dimensions of public administration will support more appropriate and effective interventions.
- Gender considerations should be considered as central to the design and objectives of governance programs, and particularly to those that attempt to support increased access to government services, accountability arrangements, and citizen/state engagement.
- Monitoring and evaluation efforts continue to be problematic and need to be given more focused attention by aid program managers. Ensuring governance initiatives have clear, realistic and measurable objectives and are based on a coherent logic of how the initiative will lead to the changes envisaged is also required.

# **Annex A: APPR Governance Ratings for 2009**

Ratings of the programs' progress in 2009 Annual Program Performance Reports towards the governance objectives

Note:

The objective will be fully achieved within the timeframe of the strategy.

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

The objective is unlikely to be achieved within the timeframe of the strategy.

| Program       | Objective   | Rating<br>in 2009 | Relative to previous rating |
|---------------|---|-------------------|-----------------------------|
| Africa        | To build relationships between Australia and Africa that will strengthen Africa's human resource capacity.  |                   | Not applicable              |
| Asia Regional | Strengthen capacities of key regional institutions to<br>enhance economic integration and trade<br>liberalisation   | •                 | Unchanged                   |
| Cambodia      | Improved capacity and commitment of courts,<br>prisons, police and provincial authorities to function<br>effectively and equitably  | •                 | Unchanged                   |
| China         | Support China's policy reform agenda in governance, environment and health  |                   | Unchanged                   |
|               | Build capacity in selected sectors in China, in<br>particular governance, environment and health  |                   | Unchanged                   |
|               | Enhance Australia-China relationship through<br>development cooperation   |                   | Unchanged                   |
| Indonesia     | Decentralisation: Improved linkage between planning and budgeting at province, district and village levels  |                   | Not applicable              |
|               | Decentralisation: More efficient and timely<br>disbursement and execution of budget   |                   | Not applicable              |
|               | Decentralisation: Province and district governments<br>more systematically finding and using evidence from<br>the field to inform policy setting/actions on<br>decentralisation | •                 | Not applicable              |
|               | Decentralisation: Stronger reflection by legislative institutions (local parliament) of community aspirations in planning and budgeting   | •                 | Not applicable              |
|               | Economic Governance: Improved capacity of core economic institutions for policy development, coordination and implementation  | •                 | Not applicable              |
|               | Economic Governance: Improved capacity for<br>development and supervision of financial institutions<br>and capital markets  | •                 | Not applicable              |
|               | Economic Governance: Improved capacity to develop<br>and implement trade policy   |                   | Not applicable              |
|               | Economic Governance: More efficient management<br>of public finances (needs to be read in conjunction<br>with decentralisation)   | •                 | Not applicable              |
|               | Economic Governance: Improved tax administration  |                   | Not applicable              |
|               | Law & Justice: Judicial reform  |                   | Not applicable              |
|               | Law & Justice: Anti-corruption  |                   | Not applicable              |

Ĩ



|  | Elections: Improved performance of electoral<br>management bodies in managing and delivering<br>quality elections (local and national)   | • | Not applicable |
|--|--|---|----------------|
|  | Elections: Increased public engagement in<br>Indonesia's elections and systems   |   | Not applicable |
|  | Elections: Increased transparency of parliament and ability of parliamentarians to fulfil their responsibilities   | • | Not applicable |
| Kiribati                               | Strengthen Economic Management in support of<br>mutually agreed Government of Kiribati-led<br>economic reforms   | • | Not applicable |
| Laos                                   | Policy and institutional impediments to trade and<br>investment addressed in sectors that contribute to<br>inclusive growth  | • | Declined       |
| Mekong Water<br>Resources              | Strengthening institutional framework to improve<br>Integrated Water Resources Management  |   | Not applicable |
|  | Supporting water resources development decision<br>making processes  |   | Not applicable |
| Nauru                                  | Improved public sector management  |   | Unchanged      |
| Pacific Regional                       | More effective, accountable and democratic government  |   | Not applicable |
|  | Improved law and justice and security  |   | Not applicable |
| Papua New Guinea                       | Partnership for Development Objective: An efficient and effective public service (National level)  |   | Unchanged      |
|  | Partnership for Development Objective: An efficient and effective public service (Sub-national level)  |   | Unchanged      |
|  | Partnership for Development Objective: Development policy and program formulation based on sound statistics and performance reporting  | • | Not applicable |
|  | Development Cooperation Strategy Objective:<br>Improved ability to provide Law & Justice services  |   | Unchanged      |
|  | Development Cooperation Strategy Objective: Men<br>and women, civil society, and the state working<br>together on issues of common (public) interest,<br>shaping policy, allocating resources, and enabling the<br>exercise of rights                  | • | Unchanged      |
|  | Development Cooperation Strategy Objective: A<br>conducive environment for enhanced private sector<br>development  |   | Improved       |
| Philippines                            | Government institutions are better able to implement transparent and efficient budgets   |   | Unchanged      |
|  | Mindanao peace processes reinforced by more<br>effective participation by communities and<br>institutions  | • | Improved       |
|  | Enhanced basic services and livelihoods in conflict-<br>affected communities   |   | Unchanged      |
|  | Improved capability of law and justice institutions,<br>particularly to counter threats from transnational<br>crime including terrorism  | • | Unchanged      |
| Samoa                                  | Improved private sector development  |   | Unchanged      |
|  | Improved Law and Justice   |   | Improved       |
|  | Improved public sector governance  |   | Declined       |
| Solomon Islands<br>(bilateral program) | Assist Solomon Islands to manage expected<br>economic and fiscal challenges and to improve the<br>environment for long term fiscal certainty, more<br>effective public expenditure and broad-based<br>economic growth towards the MDG targets of 2015. |   | Not applicable |



| Solomon Islands<br>(RAMSI) | A capable and independent justice system<br>A Correctional Service that is managed effectively   |   | Not applicable |
|----------------------------|--|---|----------------|
|                            | and independently of RAMSI   |   | Not applicable |
|                            | A Royal Solomon Islands Police Force that operates<br>effectively and independently<br>A Ministry of Eigenee and Tracsury that provides  |   | Not applicable |
|                            | A Ministry of Finance and Treasury that provides<br>leadership in financial matters and high quality<br>professional financial and economic services   | • | Not applicable |
|                            | A Government Administration that is strategic,<br>professional, transparent and accountable in the<br>delivery of services and priority programs   | • | Not applicable |
|                            | Public institutions and agencies with the capacity to  |   |                |
|                            | identify their own directions, to lead and manage<br>sustainable change, to reflect on strengths and<br>weaknesses and to continuously improve   | • | Not applicable |
|                            | performance<br>The establishment of an effective and cohesive  |   |                |
|                            | approach to address corruption   |   | Not applicable |
|                            | Solomon Islands Government policy commitments<br>on gender are advanced consistently across<br>government  |   | Not applicable |
| South Asia                 | To promote good governance and contribute to<br>improvements in basic service delivery (with a focus<br>on health, education and natural resource<br>management at the state and community level). | • | Unchanged      |
| Timor-Leste                | Improving Government Accountability, Transparency<br>and Integrity: Public Sector Governance   |   | Unchanged      |
|                            | Improving Government Accountability, Transparency<br>and Integrity: Public Financial Management  |   | Not applicable |
|                            | Improving Government Accountability, Transparency<br>and Integrity: Political Governance   |   | Declined       |
|                            | Building the Foundations of a Safer Community:<br>Community Safety   |   | Not applicable |
|                            | Building the Foundations of a Safer Community:<br>Policing Capacity  |   | Unchanged      |
| Tonga                      | An efficient and effective Public Sector   |   | Not applicable |
| Vanuatu                    | Economic Governance: progress reform on economic governance issues   |   | Unchanged      |
|                            | More effective legal institutions  |   | Unchanged      |
|                            | Improved police services   |   | Unchanged      |
|                            | Foster community engagement, media effectiveness and good leadership in Vanuatu  |   | Unchanged      |
|                            | Support the Government of Vanuatu's Land Reform Agenda   |   | Unchanged      |
| Vietnam                    | Government of Vietnam plans and effectively<br>manages the long-term opportunities and risks of<br>international economic integration to ensure pro-<br>poor growth                                | • | Unchanged      |
|                            | Government of Vietnam adopts better planning and<br>implementation approaches to assist in alleviating<br>poverty among ethnic minorities  | • | Unchanged      |

This table is a composite of all the performance ratings against those objectives from the 2009 APPRs considered as governance, including those relating to law and justice, policing, public administration, economic governance, political governance, and anticorruption.