



Australian Government  
AusAID



# Joint Adviser Review Report

February 2011



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Published by the Australian Agency for International Development (AusAID), Canberra, February 2011

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# 1 Overview

The Australian Government is committed to achieving better results from the aid program. It is important that these results are delivered effectively, and clearly demonstrate value for money. The demand for information on aid program decision making and expenditure—from the public and from partners—is increasing as the aid budget continues to grow. Access to this information is a reasonable expectation, and has been highlighted by scrutiny of the aid program's use of advisers. As part of the Government's commitment to aid effectiveness, in 2010, Australia and partner countries undertook a review of adviser positions funded directly by the Australian aid program.

## The Review

- 1.** Confirmed the priority of the majority of adviser positions in the aid program and partner government commitment to these positions:
  - > this provides a clear assurance that the bulk of adviser positions represent an effective and appropriate use of Australian aid.
- 2.** Identified over one quarter—257 out of 952—adviser positions that will be phased out because:
  - > these advisers have met—or will meet—their agreed objectives and do not need to be continued
  - > or the priorities of the aid program in partner countries have changed
  - > or the objectives of these positions can be more effectively met through another form of aid.

These positions will be phased out over the next two years and funds reassigned to higher-priority programs, such as basic education and health service delivery, training, or other forms of skills development.
- 3.** Confirmed the importance of reforms underway within AusAID to ensure that advisers are not a default response, and when they are used:
  - > they represent the best response to an identified development need/priority
  - > their salaries are in line with international standards and represent value for money.

4. Strengthened processes and systems to ensure that Australia and partner governments:
  - > regularly review and discuss the use of advisers
  - > have a more consistent approach to considering requests for adviser positions.
5. Identified key areas to improve aid effectiveness and value for money, including:
  - > having a clear case for when it is appropriate to use advisers and when it is not, based on consideration of a full range of suitable options and the costs of these options
  - > setting clearer, more realistic objectives for adviser positions: identifying expected results
  - > recognising that adviser support is most effective where partner country organisations are responsible for setting the priorities, and the management of advisers.

AusAID can expect to continue to get requests for advisers, because Australian advice is highly sought after. However Australia will continue to improve the effectiveness of advisers and ensure that using advisers achieves results, and value for money.

## 2 Background

Historically, a large part of Australia's aid program has been delivered through advisers. This is primarily because the program is concentrated on the fragile and conflict-affected countries of our region where government systems and capacity are weak and relevant expertise is not available locally. Two of the three largest recipients of Australian-funded advisers are fragile states. Used appropriately, advisers are an effective and flexible way of addressing a number of objectives and can perform a variety of functions, including contributing to the delivery of essential services, such as health, and education.

### Definitions:

**Advisers** are experts who support the strategic direction, and/or the implementation, of Australian aid, and whose professional fee or salary is paid from within the official development assistance (ODA) budget. The use of advisers is an important way of providing technical assistance.

**Technical assistance** involves the transfer of knowledge and skills. This transfer of knowledge occurs not only through advisers, but also through volunteers, training, institution-to-institution linkages, and scholarships.

**Fragile states**—thirty of the countries that currently receive Australian aid are considered to be fragile. These countries received around 57 per cent of Australia's regional and bilateral aid program in the last financial year (2009–10). In these countries, the use of advisers will continue to be an appropriate means of providing aid and is likely to remain a key contributor to capacity development in the short to medium term.

The use of advisers has been the subject of considerable recent international aid research. It has been noted that 'while a shift in thinking and practice with regard to the provision and use of advisers is needed, this does not mean that it is to be condemned outright, given the real value it can bring to development processes'.<sup>1</sup>

However the use of advisers has also been criticised as being high cost and supply driven, with weak or unsustainable impacts. There has been a long term growth in the use of advisers to deliver Australia's aid program, however this approach has not been based on clear evidence of its effectiveness, nor underpinned by robust management systems to ensure value for money.

The Australian Government is committed to improving the effectiveness of the Australian aid program and reform of the way AusAID delivers technical assistance is a priority in this effort. Advisers are only one part of a broader mix of responses available to strengthen the capacity of developing countries. The Joint Review of Adviser Positions, which has now been completed, sets the foundation for further reforms.

<sup>1</sup> T Land, V Hauck & H Baser, *Aid Effectiveness and the Provision of TA Personnel: Improving Practice (Policy Management Brief No. 20)*, Maastricht, European Centre for Development Policy Management (ECDPM), 2007.

# 3 Review objectives and scope

## Objective

The aim of the Review was to:

- > ensure that each adviser position is providing the most effective, value for money response to meeting agreed development needs and priorities
- > determine an agreed process for regularly reviewing the use of advisers, and for considering new requests for advisers.

The Review, which was carried out jointly with partner governments, considered the role that advisers play within each country program, and the contribution of these positions to development results. The value and effectiveness of *adviser positions* were assessed, rather than the *performance of individuals* in those positions.

## Scope

The Review assessed a total of 952 long-term adviser positions which are (or will be) in place during the 2010–11 financial year, in 20 country programs<sup>2</sup>. This included:

- > commercially contracted advisers and Australian Government officials deployed overseas as advisers
- > both international (expatriate) and national (local) advisers.

The Review did not include:

- > short-term advisers (those providing less than six months input annually)
- > advisers engaged through multilateral organisations or partner governments using their own recruitment and procurement processes
- > advisers provided under multi-country initiatives such as the Regional Assistance Mission to the Solomon Islands (RAMSI), as the Review was a focused on bilateral aid programs<sup>3</sup>.

<sup>2</sup> Some of the countries that AusAID provides development assistance to were not included in the Review process, as these programs do not include any adviser positions that fall within the definition used in the Review. Note: the Africa program provides assistance to over 40 African countries; however for the purpose of this report it is referred to as one country program.

<sup>3</sup> RAMSI advisers will be considered as part of the broader ongoing RAMSI transitional arrangements being developed by all contributing countries.

## Methodology

The terms of reference for the Review are at Attachment 2. In each country, the Review was conducted by teams of senior representatives from partner countries and AusAID, who tailored the terms of reference to ensure they were appropriate for the specific country context. Other Australian Government agencies were involved in the assessment of positions occupied by Australian Government officials deployed as advisers.

The Review process involved:

- > Initial data collection to provide key facts and statistics on Australian-funded advisers in each country
- > A review of the terms of reference for individual adviser positions and program documentation—in particular monitoring and evaluation data—to make an initial assessment of the position
- > Interviews with partner government ministries and other relevant organisations
- > The Review teams then made an assessment of each adviser position against the agreed objectives of the position, and assigned a priority rating to the position of high, medium or low. Low-priority positions—27 per cent of the total—will be phased out over time. Medium-priority positions—13 per cent of the total—will require some amendment or refocusing in order to ensure that the position is aligned with agreed development needs. High-priority positions will retain the agreed position focus and timeframes
- > Country-specific reports with findings and recommendations from the Review were prepared by Review teams for official endorsement by both governments.



## 4 Key findings

Overall, the Review has confirmed partner government commitment to the majority of adviser positions across the Australian aid program. The largest number of low-priority positions were identified in Papua New Guinea and East Timor. One-third of adviser positions in these country programs are recommended to be phased out within the next two years. The Review found that Australia and partner governments had been over-relying on the use of advisers in these countries and that a refocusing of support is required.

However the Review also found that where the capacity of governments is higher, such as in Indonesia and Vietnam, there were more robust processes in place for making decisions on the way aid is delivered, including the use of advisers. In these situations, there is also a larger proportion of advisers who are nationals of that country, reflecting the greater availability of local expertise.

### Use of national advisers

As illustrated in Table 1, the Review found that in some programs, up to 75 percent of advisers engaged under the aid program are nationals of the countries in which they are working. In addition to their technical expertise, national advisers bring established networks, language skills and knowledge of local systems and procedures

Table 1 provides a profile of adviser numbers across the countries that took part in the Review, including the proportion of advisers who are nationals of that country.

There were no strong sectoral trends in the adviser positions which were identified to be phased out across various programs. However in Papua New Guinea, with the largest number of positions reviewed, reductions will occur primarily in rural development, education, health and HIV, which reflects a move by the aid program to increase funding for direct service delivery in these sectors, such as textbooks, school infrastructure, medical supplies and drugs.

Positions that are to be phased out do not reflect inappropriate use of aid funds. Indeed in some cases, they represent situations where the objectives of the position have been achieved and the position is no longer required. In Cambodia and Philippines the numbers of positions to be phased out in part reflect the end of particular projects. In other cases, priorities and needs have changed over time—and this often reflects the impact of organisational or political conditions, and highlights the need for the aid program to remain responsive to these changes. Attachment 1 provides further detail of country specific findings.

**Table 1: Summary of positions assessed**

Country	Bilateral Program 2010-11 (million \$)	Number of adviser positions reviewed	Percentage of national adviser positions	Number of positions identified to be phased out, or not replaced at completion of incumbent input	Percentage reduction in total adviser numbers
Afghanistan	106	6	--	0	--
Africa	139.2	4	--	0	--
Cambodia	50.1	43	70%	14	33%
East Timor	69	82	32%	29	35%
Fiji	18	11	--	0	--
Indonesia	402.2	156	52%	5	3%
Kiribati	16.9	10	--	1	10%
Laos	32.5	3	--	0	--
Nauru	17.4	10	--	1	10%
Niue	2.2	3	--	0	--
North Pacific	8.6	11	--	1	9%
Pakistan	55.4	3	--	0	--
Papua New Guinea	415	487	27%	181	37%
Philippines	105	40	75%	13	33%
Samoa	26.4	2	--	0	--
Solomon Islands	51	24*	31%	0	--
Tonga	17	10	--	5	50%
Tuvalu	6.1	4	--	0	--
Vanuatu	49.3	38	38%	5	13%
Vietnam	96	5	40%	2	40%
<b>TOTAL</b>		<b>952</b>		<b>257</b>	<b>27%</b>

\*Eleven positions considered in Solomon Islands lapsed during the period of the Review

## 5 Recommendations

In each country, the Review process was used to agree on specific recommendations to improve the effectiveness of advisers. Snapshots of findings in the various country programs are included in Attachment 1. A number of issues and themes were common across programs, and allow some clear, overarching recommendations to be made.

1. The aid program should have a clearer position on the use of advisers, and there is a need to improve current processes for identifying, contracting, managing and remunerating advisers:
  - there is considerable variation in decision-making processes and practices in the use, management and remuneration of advisers
  - in some country programs there has been no centralised coordination, by AusAID or partner governments, of the use of advisers across that program.

### Recommendation 1

A clear policy position and minimum standards are needed, to guide the use and remuneration of advisers in the Australian aid program.

2. The Review highlighted the importance of robust and transparent analysis when considering the use of advisers and possible alternatives
  - information on the costs of various ways of delivering aid is not always provided to partner governments, limiting the discussion of alternatives and reinforcing the “default” to using advisers
  - where there is limited analysis or discussion of the opportunity cost of using advisers, there is a tendency for advisers to be considered a “free good” by partner governments.

### Recommendation 2

Australia and partner governments should ensure that:

- when agreeing on development results, the different ways of achieving this result are considered
- information on the costs of various approaches is available to inform these discussions, including the contribution that will be made by the partner government (financial and/or non-financial).

3. The Review process illustrated that there is a range of approaches to using advisers. Lessons can be shared about good practice and successful approaches in different countries. However the Review also found that expected results were at times poorly defined and unrealistic about what could be achieved in given timeframes.
- it is critical to understand the institutional, organisational and political environments in which advisers are expected to work, as these will impact on the results that can be achieved
  - in programs where the organisations in which advisers work are reasonably large, such as in Papua New Guinea, approaches where advisers provide support to teams and organisations are preferred. However in smaller contexts or where capacity is extremely weak, the need to develop individual counterpart skills was identified as an important element in developing the capacity of the partner government
  - in larger, more developed programs—eg. Indonesia—the Review found strong government support for using a mix of national and international advisers, with international advisers providing access to international best practice and national advisers bringing strong local knowledge and networks.

### **Recommendation 3**

AusAID should strengthen the link between the social, economic and political analysis it undertakes, and the justification for using advisers to achieve development results

- More careful design of adviser assignments is needed, which clearly identifies the objectives of the assignment and the skills and attributes required of advisers.

### **Recommendation 4**

In East Timor and Papua New Guinea, the Review:

- supports a move away from the traditional ‘adviser-counterpart’ model (where an adviser aims to build the capacity of an individual), towards approaches where advisers provide broader support to teams and organisations
- recommends using advisers to fill in-line positions (where advisers occupy an established government position) where appropriate.

4. The Review found that partner country involvement in adviser management, and shared accountability for results, is a key factor influencing the effectiveness of advisers. Progress is being made in this regard, particularly in the Pacific region<sup>4</sup>, however in most countries the Review recommended increased partner government involvement in identifying and recruiting for adviser positions, and in managing advisers.
- it is important to clearly set out and agree with partners on what results advisers are expected to achieve, and how to jointly monitor performance, and progress towards these

<sup>4</sup> The Cairns Compact and Partnerships for Development are key to Australia’s efforts in ensuring partner country ownership and coordination for effective delivery of aid.

- in several countries the Review recommended that cost-sharing arrangements for adviser positions be considered where feasible, to ensure strong partner government ownership and alignment with priorities. Examples where this is already occurring include Samoa and Tuvalu, where partner governments provide the equivalent of a local salary to advisers, with some supplementation by AusAID
- the Government of Vanuatu is starting to contract and manage advisers directly, supported by direct grants from AusAID as well as procurement support where necessary.

### **Recommendation 5**

AusAID and partner governments should continue efforts to

- increase direct engagement of adviser positions by partner governments
- maximise partner government involvement in the management, including performance management, and monitoring of adviser assignments towards agreed results
- identify opportunities for cost-sharing.

## 6 Conclusion

Advisers have an ongoing and important role to play in delivery of the Australian aid program, particularly in the context of working with fragile states. AusAID can expect to continue to get requests for advisers, because Australian advice is highly sought after. However Australia will continue to improve the effectiveness of advisers and ensure that using advisers achieves results, and value for money.

AusAID has begun working with partner governments to implement the Review's findings.

In programs where positions have been identified as low priority, **exit strategies** are being developed and these positions will be phased out within the agreed timeframes. Savings from these positions are being redirected to higher aid program priorities in these countries including basic service delivery.

A key outcome of the Review in each country was to agree with partner governments on a process for regularly reviewing the use of advisers and for assessing requests for new adviser positions. This will go some way to addressing the issue of consistency and centralised oversight of the use of advisers within country programs.

- > In most countries, established processes will be used to fulfil this function. In Papua New Guinea, an advisory committee with members from the Australian Government and the Government of Papua New Guinea will be established for this purpose. In countries where reliance on advisers is high, the use and performance of advisers will become a standing issue for high-level bilateral discussions, such as the annual Partnership for Development talks with eleven Pacific partner governments.

### Adviser Remuneration Framework

In conjunction with the release of this report, AusAID has published an **Adviser Remuneration Framework**, which specifies salary ranges and allowances for long- and short-term advisers. These will apply to all commercially contracted adviser positions to ensure consistency and equity in adviser remuneration. The Framework will form part of a strengthened focus on ensuring value for money across the aid program.

### Policy position

AusAID has developed an **internal policy and guidance on the use of advisers**, which sets out the circumstances in which the Australian aid program supports the use of advisers and requirements for planning, managing and reporting on adviser use. This will provide an important building block for bringing about more substantive changes to the way aid is delivered.

## Systems and processes

Existing systems, guidance, tools and contract templates are being updated to implement the recommendations of the Review, in particular in relation to:

- the design of aid activities to ensure that alternative delivery modalities are considered and costed during design processes
- the Remuneration Framework
- ensuring that systems and contracts allow AusAID to capture and report on adviser use and costs
- ensuring appropriate partner government involvement in adviser selection, procurement and management.

AusAID has also established a system to track the use and remuneration of advisers in the aid program. AusAID will report on the use of advisers and technical assistance more broadly through the annual program performance reporting process—a core resource, which informs the Annual Review of Development Effectiveness.

## Appendix

# A Country-specific findings

## Afghanistan

The goal of Australia's development assistance program in Afghanistan is to strengthen the capacity of Afghan institutions to govern effectively and provide basic services and economic development. Currently there are a large number of international and national advisers, provided by a range of donors, working within Afghan Government Ministries. The Australian aid program funds six adviser positions deployed across the Ministries responsible for agriculture, rural development, education and public health. The Government of Afghanistan has recently created the Civilian Technical Assistance Programme (CTAP) which focuses on building the capacity of civil servants in strategic parts of government.

The Review recommends that while the six adviser positions were considered high priority that in future AusAID should use CTAP to provide advisory support in Afghanistan. AusAID will also retain some flexibility to deploy short to medium term adviser positions outside of CTAP, provided the position can be shown to be clearly demand driven, partner led and justified as being an effective and value for money response.

## Africa

Thirty six (36) African countries received bilateral development and humanitarian assistance from Australia in 2009-10; when multilateral and regional support is included, Australia's support extends to over 40 countries. AusAID's current Africa program is largely in its early stages, with initiatives either in design or early stages of implementation. The program's use of advisers to date has been limited, however it is expected that as the aid program in Africa grows there is likely to be an increasing demand for advisers.

Four adviser positions were considered by the Review, with all positions determined to be of high priority. These positions are geographically dispersed and provide a variety of expertise ranging from financial reform to supporting peace-building efforts, reflecting the diversity of issues covered by the Australian aid program in Africa. The key mechanism for deploying technical assistance (including advisers) in the region is the newly established Australia Africa Partnerships Facility. The Facility will consider all technical assistance options including advisers before deciding on the most effective and value for money approach to achieve agreed outcomes.



## Cambodia

Forty three (43) adviser positions were considered, with the majority working under either the Cambodia Criminal Justice Support Program (CCJAP3), which aims to strengthen criminal justice systems and focuses particularly on juveniles and vulnerable groups; or the Cambodian Agriculture Value Chain (CAVAC) project which aims to increase the incomes of farmers in rice-based farming systems. A high proportion of the advisers funded under these two programs are Cambodian nationals. One position in CCJAP3 was assessed to be of low priority and will be phased out; and the CCJAP3 project will itself end in 2012, further reducing overall adviser numbers by 13.

All adviser positions adhere to the Royal Cambodian Government's Council for Development Cooperation's Guideline on the Provision and Management of Technical Cooperation. The Review process identified that a particular strength of Australian aid funded advisers in Cambodia is the Cambodian Government's involvement in the identification and management of positions.

## East Timor

The Review builds on efforts of the last 18 months to reduce Australia's dependence on advisers and to enhance value for money in the East Timor program. The Review assessed 82 positions and recommended around one third—29 positions—be phased out by June 2012. Savings from these positions will be redirected to rural development and other priority areas as part of the Australia Timor-Leste Country Strategy.

The Review made a number of recommendations, including more clearly defining and agreeing the purpose of adviser positions, greater consideration of alternative approaches, and supporting strengthened partner government involvement in the identification, recruitment and management of adviser positions. The Review also recommends a move away from the traditional adviser-counterpart model (where an adviser works closely with an individual to build his or her capacity) as this has demonstrated limited success in East Timor. AusAID will incorporate Review recommendations into existing processes of priority setting, program design and planning, and performance management. The Government of East Timor's soon-to-be-released 20 year Strategic Development Plan is expected to outline new arrangements for donor co-ordination in East Timor. AusAID will negotiate a mechanism to co-ordinate future requests for advisory support with East Timor's Government following the release of this plan.

## Fiji

Fiji faces an uncertain future and many challenges after the military takeover of the elected civilian government in December 2006. Australia's aid continues to support the welfare of the people of Fiji by maintaining programs to support the delivery of essential services, help vulnerable groups, and improve economic opportunity, but assistance has been suspended where the actions of the Interim Government render programs ineffective or compromised.

The 11 Australian-funded adviser positions in Fiji are focused on providing essential services in the areas of health and education to vulnerable communities and in building the capacity of the two Ministries responsible for delivering these services. Consultations with the education and health Ministries confirmed that these positions represent the most effective, value for money and appropriate mechanism for program delivery at this time.

## Indonesia

In Indonesia the 156 long term adviser positions reviewed represent only five per cent of total annual aid program expenditure. Over half of these positions are filled by Indonesians. This reflects both a relatively modest use of long-term advisers by the Indonesia program and high use of local capacity where it exists. Review consultations confirmed that 91 per cent of adviser positions are considered a high priority. The remaining nine per cent will either be phased out (three per cent), or reappraised and position descriptions revised (six per cent).

The Review confirmed that the Indonesian Government has a high level of involvement in setting program priorities and plays an active role in monitoring the performance of adviser positions. The Government of Indonesia has indicated that it considers the ability to provide internationally recognised specialist advice to be a comparative advantage of the Australian aid program. As an outcome of the Review Australia and Indonesia agreed to ensure continued emphasis on Indonesian leadership and/or participation in recruitment of adviser positions, and transparency on the costs of adviser positions.

## Kiribati

Advisers are fulfilling a range of roles in Kiribati such as providing high-level strategic and policy advice to Ministry heads and senior managers, undertaking in-line roles in vocational education institutions, and supporting corporate functions such as human resource planning. Adviser positions in Kiribati are linked to the Australia-Kiribati Partnership for Development outcomes.

Ten adviser positions were reviewed; eight were confirmed as high priority. One was identified to be phased out and one will be redesigned and refocussed to ensure it is supporting development priorities. AusAID is exploring greater use of locally recruited advisers, who bring valuable networks and local knowledge, and will propose cost-sharing arrangements for adviser positions where appropriate. The use of national advisers will need to be part of a strategy to develop a larger pool of local expertise to strengthen and support partner government systems to ensure effective aid delivery. Regular monitoring discussions with the Government of Kiribati will continue to ensure effective oversight and management of adviser positions.

## Laos

The majority of the Australian aid program in Laos is implemented through multilateral partners. There are currently three Australian aid funded adviser positions in Laos, which were all assessed as high priority. Existing processes guiding the use of advisers were

confirmed by both countries to be appropriate and robust, with Government of Laos counterparts involved in the identification and selection of adviser positions. Moving forward, the Department of International Cooperation in the Ministry of Planning and Investment will play a more active role in the deployment and the evaluation of advisers in Laos.

## **Nauru**

Nauru faces a range of long-term challenges in developing the capacity of personnel within core functions of Government Department and State-owned Enterprise operations. The ten adviser positions identified in Nauru fill essential vacancies in management and technical areas, and are core contributors to the Government of Nauru's efforts to reform the public sector and improve efficiency in the delivery of essential services. AusAID will continue to work closely with Ministries to identify any potential gaps in the program and tailor any adviser support to these needs. Under the aid program, a Monitoring and Review group will be established to assess ongoing adviser effectiveness and development of management capacity within the various sectors. In addition, scholarships offered to Nauruans under the Australian Regional Development Scholarships program (ARDS) directly target the limited capacity of Nauru's public sector management and national development planning, and AusAID will use support for the scholarship program/s to equip Nauruans to take on (over the medium-term) some adviser roles.

## **Niue**

Niue is a small island state where human resource capacity is limited and constrained by outmigration of qualified and skilled staff. Australia is working to further align and harmonise its aid to Niue with the much larger New Zealand aid program. The three advisers funded by the Australian government in Niue fulfil valuable roles in the partner government and provide support to develop the capacity of counterparts. Adviser positions will be reviewed in 2011 to ensure they align with new development priorities being jointly developed by the Governments of Niue and New Zealand.

## **North Pacific**

### **Federated States of Micronesia (FSM), Marshall Islands and Palau**

The North Pacific countries are in a unique position in terms of donor support. The majority of their external assistance is provided under the US Compact of Free Association which does not allow for the provision of long-term advisers. Through the provision of advisers, Australia is therefore in a unique position to support the governments of the North Pacific to make more strategic use of Compact funds. Government officials in each North Pacific country commented on the professional approach and relevant experience of current advisers funded by the Australian aid program in their countries. Of the 11 advisers (five in FSM, three in Palau and three in the Marshall Islands) one will be phased out as the position does not align with the Partnership for Development outcomes agreed in August. Adviser positions will be assessed and reviewed during annual Partnership for Development discussions in each country.

## Pakistan

There are three adviser positions currently funded under the Australian aid program. These advisers primarily provide technical expertise and guidance to AusAID but also engage with the Government of Pakistan (GoP) in the delivery of programs in the health, education and agriculture and rural development sectors. The Review recommends the continuation of these adviser positions. The Review also recommends that the Annual Partnership Dialogue under the Australia-Pakistan Development Partnership (to be formalised in early 2011), and ongoing engagement with the Economic Affairs Division of the Ministry of Finance, form the mechanisms to engage with the GoP on future requests for adviser positions, and on the effectiveness of existing positions.

## Papua New Guinea

PNG, as the largest Pacific island country facing extreme development challenges, has the highest proportion of Australian aid funded advisers. The Adviser Review followed from, and supported the findings of, the recent Review of the Development Cooperation Treaty which identified the need to target advisory support more effectively in order to achieve PNG's development objectives.

Of the 487 adviser positions considered, 201 (41 per cent) were identified as high priority (for continued support), 105 (22 per cent) were identified as medium priority (requiring re-design or amendment) and 181 (37 per cent) were identified as low priority to be phased out over the next two years. Recommendations from the Adviser Review in PNG focused on the need to increase partner government ownership and management of adviser positions, to improve consistency and coherence across the program, to assess the requirement for an adviser as compared to alternatives, to clearly define the expectations of the adviser role and to maintain cost effectiveness. A new bilateral body, the Adviser Review Group, will be established in PNG to examine the use of adviser positions across the PNG aid program every six months and report to the Annual Partnership Dialogue. The review confirmed that, deployed in a targeted and cost effective way, advisers can be a valued and effective part of Australia's aid to PNG.

## Philippines

The bureaucracy in the Philippines is generally under-resourced and struggles to meet recurrent costs, provide learning and development opportunities for its staff and has little capacity to source external expertise. In this context, the Review process concluded that Australian-funded advisers are not considered to be displacing local capacity. With the new Philippine Government pursuing an ambitious reform agenda in Australia's core areas of engagement, such as education, social protection and local government, the Review foreshadows a probable increase in Philippine Government requests for Australian technical support, including advisers, during 2011-12.

Forty adviser positions were reviewed, accounting for approximately 5 per cent of program expenditure. Adviser recruitment (except for those working solely for AusAID) is done in partnership with the Philippine Government. At 75 per cent of the total, Filipino nationals

make up a very high proportion of Australian-funded advisers, ensuring that our advisory support is across local political and cultural dynamics and delivers value for money. Four positions were identified as medium priority, requiring reappraisal and/or updated position descriptions. Two current education programs will end by April 2011, reducing overall adviser numbers by 13. The Philippine Government confirmed that it values the current stock of long-term Australian funded advisers who, with strong technical expertise (and in some cases considerable international experience) serve to bring ideas and innovations to the public sector, coach and mentor officials through change processes and system and process improvements, and are considered to be good value for money. Adviser inputs are regularly subject to joint review (by AusAID and the Philippine government) through activity level review mechanisms.

## Samoa

The Samoan Government is firmly in control of its development agenda and rigorous in its application of external assistance, including the use of advisers, to development priorities. The majority of advisory support in Samoa is provided through Government of Samoa systems. There are only two long term advisers engaged externally to support Samoan Government systems. There is strong partner government support for the continuation of these still quite recent long term adviser deployments. Existing processes will continue to address the regular review of and new requests for advisers in the Samoa program.

## Solomon Islands

Australian aid to Solomon Islands is delivered through a bilateral program and by Australian Government support for the Regional Assistance Mission to the Solomon Islands (RAMSI). Advisers engaged under the multi-country RAMSI initiative were not included in the Review, and will be considered as part of the broader ongoing RAMSI transitional arrangements being developed by all contributing countries.

In 2010-11 the bilateral program will channel more than half of its funds through partner government systems, with a focus on supporting line ministries in service delivery. Adviser support has remained steady over a number of years. The Review assessed 24 positions, although 11 of these positions have since lapsed. The Review found that generally the 24 positions were meeting agreed needs and priorities. There were concerns that some positions had not aligned well with the relevant Ministry, however these concerns largely related to positions which have since lapsed. A key recommendation of the Review is that AusAID and Solomon Islands Government will jointly develop technical assistance plans to ensure long-term organisational priorities are met. Annual Partnership for Development discussions between the Australian and Solomon Islands Governments will provide a forum for further discussions around adviser use and effectiveness.

## Tonga

Of the ten adviser positions in Tonga it was agreed that five of these would continue, two be phased out on completion of individual contracts, as at this stage a different type of technical assistance would be more appropriate, and three would be phased out in coming years on completion of their projects. Since 2007 the Government of Tonga has increasingly taken on responsibility for international recruitment. However the Review found that greater clarity is required around whether the role of each adviser is to fill a capacity gap or to build the capacity of Tongan government staff. New mechanisms for management, monitoring and evaluation of advisers by the Government of Tonga's Aid Management Division (AMD) in the Ministry of Finance and National Planning have been proposed to support the Government of Tonga's ability to review all development activity in Tonga. These include six monthly progress review meetings attended by AMD and AusAID, which will also be used to review adviser placements. Partnership talks with the incoming Government of Tonga scheduled in February 2011 will provide the opportunity to discuss and agree a range of strategic approaches to the use of advisers funded by the Australian Government in Tonga.

## Tuvalu

The three current advisers funded by the Australian aid program in Tuvalu report to and are evaluated by the partner government. A fourth adviser position is currently being advertised for recruitment and placement. The Review confirmed these are high priority placements, providing critical technical advice to core functions of the Government of Tuvalu. The Review identified the need to strengthen already robust processes around the use of advisers by integrating clear contributions to development needs into the expected outcomes for the positions. The effectiveness and performance of advisers will feature in the annual Partnership for Development discussions.

## Vanuatu

Well-targeted technical advice, with Vanuatu leadership, has an important role to play in Vanuatu's capacity to deliver basic services and will continue to be required over the medium term. Australia has agreed to support the development of a human resource development plan to assist Vanuatu in meeting long-term capacity needs for both the public and private sectors.

In Vanuatu, 38 adviser positions were considered by the Review process. The Review found that there is strong support for the work of Australian-funded advisers, with the Government of Vanuatu strongly commending Australian advisory inputs as being high performing and delivering important outcomes. The Review recommended that one position be phased out in the next six months, with possible further reductions in 2011-12. The effectiveness and performance of advisers will be regularly reviewed through Australia-Vanuatu Partnership for Development discussions.

## Vietnam

The use of advisers in the Vietnam program has decreased in recent years as an increasing proportion of the program has been delivered through activities implemented by the Government of Vietnam (GoV), multilateral organisations and delegated cooperation arrangements (where Australian aid is managed on our behalf by another donor). While all five current advisers are assessed to be of high priority, two of the positions will be phased out in 2011 as their development projects are completed. Improvements to existing bilaterally agreed processes relating to the use of Australian funded advisers will include a more explicit requirement to explore cost effective alternatives to advisory positions.

# B Terms of Reference

Australia's aid program focuses on building capacity in developing countries—the capacity of people, of organisations, of systems. Capacity—to participate in and contribute to economic growth, to perform the functions of government, to deliver services, to provide stable and secure communities—touches on virtually every aspect of development.

Capacity is built through transferring knowledge and skills. This can be done in many ways—through educational scholarships; through providing training courses and study tours for officials from developing countries; through research activities; and by using experts to advise and to work with counterparts in developing countries.

Historically, a large part of Australia's aid program has been delivered through advisers. This is primarily because Australia's aid program is concentrated in the fragile and conflict-affected countries of our region where government systems and capacity are weak and relevant expertise is not available locally. Thirty of the countries that currently receive Australian aid are considered to be fragile. This financial year (2009-10), these countries are expected to receive over 57 per cent of Australia's regional and bilateral aid program. However advisers are only one part of a broader mix of the responses available to strengthen partner country capacity.

Decisions about what the Australian aid program supports are made jointly with partner governments. This Review, to be conducted jointly with partner governments, will confirm that each adviser placement is meeting agreed needs and priorities.

### Objectives and scope

The review will examine the role that adviser positions make in meeting program objectives and outcomes. On the basis of this examination, the continued funding of adviser positions will be jointly considered with partner governments.

Informed decisions around the opportunity cost of, and therefore the priority attached to each position, will take into account a range of considerations including:

- a clear articulation of the intended outcomes of the position (results)
- whether there are alternative or more cost-effective ways of achieving these intended outcomes
- an assessment of the relative importance of the position to the broader country program and bilateral relationship.

The review will also result in an agreed process for regularly reviewing the use of advisers and new requests for adviser positions.



The review will provide a baseline for the aid program on adviser usage and contribute to more substantive changes to the way Australia's aid is delivered, aimed at increasing effectiveness and reducing any over-reliance on long-term advisers.

### Methodology and Timing

The review will be led by the senior AusAID officer in each country and involve representatives of partner government central and line agencies. Where possible, existing program processes will provide a framework for the review (such as the Partnerships for Development in Pacific countries).

The review will cover all adviser positions which will be in place during the 2010/11 financial year (and beyond, if known).

PNG, the Solomon Islands, Vanuatu and East Timor have the highest proportion of advisers in their development assistance programs—they will be reviewed first.

The review will be completed by the end of 2010. The initial four priority countries will be reviewed over the next 3-4 months.

### Definition of Advisers

For the purposes of the review, an adviser is defined as someone who provides advice on the strategic direction and/or implementation of Australian aid. Advisers might:

- provide technical expertise and advice to AusAID, partner governments, NGOs, or churches
- provide leadership and oversight and/or technical inputs in delivering an aid program.