

PACIFIC HORTICULTURAL AND AGRICULTURAL MARKET ACCESS (PHAMA) PLUS

Investment Design Document

Prepared for

DFAT

Department of Foreign Affairs and Trade
Australian High Commission
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4 May 2018

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Investment summary

| Investment Design Title | Pacific Horticulture and Agriculture Market Access (PHAMA) Plus | | |
|---|---|------------------|---------------|
| Commencement date: | October 1, 2018 | Completion date: | June 30, 2022 |
| Total proposed DFAT funding allocation | AUD16 million from DFAT Pacific Regional program and AUD10 million from DFAT bilateral programs | | |
| Total proposed MFAT (NZ) funding allocation | NZD10 million from New Zealand MFAT | | |
| Investment Concept (IC) approved by | | | |
| IC Endorsed by AIC: | N/A | | |
| Quality Assurance (QA) Completed | | | |

Acknowledgments

The design team thanks the 122 women and 155 men who shared their time, ideas and experiences to inform the design. Their hard work, enthusiasm and creative approach to overcoming constraints to accessing export markets is motivating and gives confidence for implementation of PHAMA Plus. The design team also acknowledges the considerable contribution made by country managers and national coordinators in Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu as well as the Pacific Economic Growth team in Canberra and the DFAT and MFAT Post staff in Fiji, PNG, Samoa, Tonga and Vanuatu. Sincere thanks to you all – without your support in arranging local meetings, the team could not have conducted such efficient field work in the very tight time frame. We also thank the DFAT Pacific Regional Team in Suva for their support.

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Disclaimer

The views expressed in the design document report are those of the authors and do not represent the views of partner governments in the Pacific or the governments of Australia or New Zealand.

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Executive summary

Summary

Since 2011 Australia and New Zealand have invested AUD41 million in the Pacific Horticultural and Agricultural Market Access (PHAMA) program. Delivered in Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu, a 2016 review demonstrated a positive impact on the livelihoods of more than 140,000 Pacific people, creation of 5,600 jobs and economic impact exceeding AUD78 million. Based on these results, a new phase of the program is proposed – targeting positive impact on 200,000 Pacific households in the 6 PHAMA economies as well as small island state signatories of PACER Plus. Building on lessons from PHAMA, and consultation with 122 women and 155 men in 8 countries, an investment design document for the new phase was prepared between November 2017 and February 2018. Key features of the proposed investment include: a multi-country, private sector-led approach; discrete, multi-year, export market interventions; increased emphasis on export commodity quality and productivity to enhance Pacific supply chain reliability; a purposeful blend of market systems facilitation and direct engagement; modest market access related interventions for small island state signatories of PACER Plus as they emerge; and program monitoring and results measurement to inform economic diplomacy and policy dialogue by DFAT. The new program commences in late 2018 and is characterised by three investment themes: it is *commercial*, *export-oriented* and *inclusive*.

Analysis and strategic context

Like other small island countries, Pacific Island economies are impacted, to differing extents, by their small size, remoteness from major markets, internal population dispersion and weak governance. These barriers to growth push up the costs of private production and public administration and limit job growth. As a result, the economies of the Pacific Island countries have not been able to provide sufficient employment or economic opportunities for their people. Part of the solution to these problems is labour mobility – for example as supported by the Australian Pacific Seasonal Workers program and the New Zealand Recognised Seasonal Employer program. Another part of the solution is to increase the quantity and quality of products exported from the Pacific – a solution that includes tourism (cultural), mercantile and commodity exports.

Many countries continue to rely heavily on a narrow range of traditional export commodities with limited diversification and value addition. Many Pacific businesses face significant, ongoing challenges to increase export revenue across supply chains and to maintain a reliable supply for existing export markets. There are often gaps in knowledge on production, compliance, post-harvest and voluntary standards. Enterprises frequently lack adequate processing infrastructure and lack access to finance, and encounter difficulties in meeting the technical requirements for market access, such as sanitary and phytosanitary (SPS) standards. Many exporters or potential exporters have limited business planning, market research and risk management skills. They must also cope with increasing severity and extreme vulnerability to disasters and climate change, which regularly disrupt agricultural productivity, supply chains and critical transport infrastructure – with subsequent long and costly recovery lags. In several countries, successive severe tropical cyclones are a major disruptor to rural and export businesses. These challenges mean that many Pacific businesses with export potential fail to thrive.

Rationale for investment

A 2016 program review demonstrated that current PHAMA interventions successfully gain new, and maintain existing, market access as well as contribute to improved quality in commodities important to local economies, such as cocoa, taro, coconut, kava, and watermelons as well as pelagic fish, handicrafts and sawn timber. The 2017 PHAMA Impact Report demonstrated a positive impact on the livelihoods of more than 140,000 Pacific people, creation of 5,600 jobs and a total economic impact of more than AUD78 million. As a result a new phase of the program, PHAMA Plus, is proposed, financed by DFAT Pacific Regional, DFAT PNG bilateral, DFAT Solomon Islands bilateral and New Zealand as well as private sector business partners.

Pacific ODA investments from Australia and New Zealand aim to promote national interests by contributing to economic growth, effective regional institutions, healthy and resilient communities, as well as empowering women and girls. Supporting Agriculture, Water and Fisheries is one of six priority areas under the Australian aid policy. The DFAT White Paper and the DFAT Aid for Trade Strategy emphasise Australia's commitment to helping Pacific producers improve the quality of their produce and meet the biosecurity requirements of importing countries. The Pacific Regional Aid Investment Plan emphasises the need to extract greater income streams from fisheries and agriculture by improving market access and supply chain development. In June 2017, Pacific countries signed PACER Plus to increase intra-regional trade.

PHAMA Plus is anticipated to contribute to the 20% investment target DFAT has set in its commitment to aid-for-trade and to complement delivery of PACER Plus. Results from the program are intended to contribute to SDGs 8, 9 and 17 in targeted countries. PHAMA Plus is designed to support four of the seven primary drivers of women's economic empowerment. The new program is designed to deliver directly against economic growth outcomes in the Regional Pacific Aid Investment Plan and contribute results linked to effective regional institutions as well as healthy and resilient communities. The program is also designed to align with outcome areas in bilateral aid investment plans in each of the target countries. PHAMA Plus complements other DFAT and MFAT investments in the Pacific including: the Market

Development Facility (Fiji and PNG); *Strongim Bisnis* and Rural Development Program (Solomon Islands); Pacific Financial Inclusion Program, Pacific RISE and Private Sector Development Program (regional).

Strategic intent, logic and approach

The purpose of PHAMA Plus is to contribute to *improved economic growth and improved rural livelihoods for Pacific peoples*. PHAMA Plus builds on the successes of PHAMA to support selected Pacific Island countries to increase the quantity and quality of their agricultural, horticultural and cultural exports in ways that benefit producers, exporters and importers. PHAMA Plus is designed to prepare, implement and monitor a portfolio of country-led, market interventions focused on growing primary produce and cultural exports. The resourcing suggests 2-3 such interventions in each target country as well as technical assistance and SPS support for small island state signatories to PACER Plus. Where bilateral programs are willing to invest more, additional interventions could be added as lessons are learned, opportunities for innovation are identified, and additional opportunities emerge. PHAMA Plus has three end-of-program outcomes:

- Producers and exporters use *maintained and new export market access* for Pacific export products
- Women and men exporters, processors and producers adopt *quality and productivity enhancing innovations* for their export products
- Women and men staff of *Pacific biosecurity* authorities perform their *market access facilitation* functions better.

In summary the logic is that PHAMA Plus facilitates changes on the supply side, demand side and business enabling environment through: (1) export market interventions; (2) enabling export business environment; (3) supply-side partner co-investment; (4) supply-side intermediate service provider business changes; (5) demand-side changes in producer and processor practices; and (6) changes to the broader business enabling environment.

PHAMA Plus does not have the resources or mandate to work directly with farming households. Instead, the Program will work with export market system actors and facilitate them to work with farming households where this is needed to improve the quantity and quality or export compliance for targeted commodities. This is different from PHAMA. Given the purpose of PHAMA Plus and the diverse country contexts in the Pacific, a pure market systems development approach is not proposed. PHAMA Plus is designed to purposefully invest directly in business environment change (the biosecurity, commodity and market access regulations) and the market system (supply quality and productivity as well as export and processing pathways). Accordingly, PHAMA Plus will use a purposefully selected blend of direct delivery and market systems development approaches.

Implementation arrangements

PHAMA Plus will build on the existing stakeholder relationships and social capital developed by PHAMA – in particular the *Program Coordinating Committee*, *Market Access Working Groups* and *Industry Working Groups*. PHAMA Plus will work with private sector business partners in different ways – in particular facilitating delivery of innovations and institutional changes through partners rather than directly to beneficiaries. Public sector stakeholders, especially those regulating commodities and compliance with targeted export pathways, will also be engaged differently – with a focus on mutual accountability and performance in regulatory functions, rather than capacity building and substitution of national functions. Relationships between whole-of-government partners, particularly at an operational level between DFAT and DAWR, will be facilitated by DFAT and supported by the program. Systematic communication with complementary programs in target countries (e.g. MDF in Fiji and PNG; PPAP in PNG and RDP and *Strongim Bisnis* in Solomon Islands) and the region (e.g. PFIP, PSDP and Pacific RISE) will be led by each country team and particularly emphasised during analysis for, and preparation of, interventions. There will also be modest annual budget provision to scope possible market access related interventions for small SIS signatories of PACER Plus as they emerge. In addition, if the intervention is considered beyond the scope and or budget of PHAMA Plus other funding mechanisms and or intervention facilitators will be identified.

A contractor will be engaged through a competitive tender to coordinate and support regional and national activities and facilitate and manage PHAMA Plus partnerships and interventions. The contractor will deliver the Program from a central program management office in Suva, Fiji. The implementation team will include locally engaged professionals to facilitate export market systems development and coordinate program activities in at least six Pacific Island countries: Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu. The social capital created in the MAWG and IWGs in each country, evidenced in the sustainability road maps and preparation for their implementation, suggests there is an opportunity for PHAMA Plus to be more country led. This requires functional assignment between: (1) Central PMO – where economies of scale and regional collation of data is cost effective; and (2) Country facilitation and coordination – where local relationships and response to market system opportunities is cost effective.

New interventions will be country-led and responsive to market demand and the priorities of private sector business partners and participating country governments. Building on the relationships, social capital and experience developed in PHAMA activities, the MAWG will oversee transition to a small number (typically 2-3 in each country) of multi-year interventions targeting specific export pathways suitable for development as “managed pathways” and demonstrating opportunities for inclusive, climate informed and resilient, economic growth. Where bilateral programs or other partners are willing to invest more, additional interventions could be added as lessons are learned, opportunities for export innovation are identified, and other opportunities emerge. Preparation of interventions will follow the same process in each country: (1) opportunity *diagnostic and root cause analyses*; (2) preparation of an *intervention concept note*; (3)

assessment of concepts against *standard criteria* to rank opportunities and identify the first 2-3 interventions for more detailed preparation; (4) preparation of an *intervention plan*; (5) negotiation with private sector business partners leading to a *contract* setting out roles, responsibilities, co-financing and benefit sharing as well as safeguards and performance targets for the intervention; and (5) recording of all agreements and targets in an *intervention steering document*.

PHAMA currently supports short-term activities relating to 12 export pathways. This design anticipates that these core export commodities will continue to be the focus of a portfolio of longer-term, export market interventions prepared and implemented under PHAMA Plus. Indicative interventions developed for this design highlight the importance of an integrated, multi-year results chain that describes the many activities, and related partners, that together form an intervention and in sequence deliver the anticipated outcome over the life of the program.

Monitoring and results measurement

The results measurement standard of the Donor Committee for Enterprise Development (DCED) will be the foundation for monitoring and results measurement (MRM) in PHAMA Plus. This supports consistent use of a common set of performance and management indicators across all interventions. For monitoring functions, the contractor managing implementation of PHAMA Plus will systematically conduct:

- **Performance monitoring** – *periodic* monitoring of changes in knowledge, attitudes and practices in targeted individuals, groups and agencies in each participating country as well as changes in performance that can be quantified either directly (e.g. net attributable income change) or indirectly (e.g. perceptions of biosecurity and commodity regulator performance and capacity using tools such as goal attainment scaling).
- **Progress monitoring** – *semi-annual* measurement of actual delivery of *outputs* (e.g. deliverables and other program products) and *intermediate outcomes* (e.g. adoption of new practices and early behaviour changes) actually delivered against each intervention.
- **Management monitoring** – systematic measurement as a normal part of good project management.

The MRM system will also measure *qualitative, contextual and unexpected change*. Evaluative studies, contextual meta-analyses and case studies will be systematically and purposefully prepared to inform semi-annual strategic reviews of export market contexts. The information will be collated into a semi-annual *Pacific Horticultural and Agricultural Export Context Analysis* for use by DFAT Pacific Regional and country posts, the Pacific Desks in their economic diplomacy and policy dialogue with partner governments and regional organisations.

Interventions will be identified and prepared using information from diagnostic studies and market analyses. Their performance and underlying market system assumptions will be tested using evaluative studies. Performance and lessons learned will be collected with case studies and evaluations that are communicated to stakeholders and used by DFAT and MFAT country posts and DFAT Regional Pacific teams to inform economic diplomacy and policy dialogue with partners and regional organisations. Lessons learned will be used to refine the new approaches and practices introduced in each intervention and expand their adoption by other agencies and firms. In addition, DFAT will commission a normative mid-term review (independent progress review) around mid-term to assess adequacy of progress towards end-of-program outcomes, relevance of the portfolio of interventions and the efficiency of implementation.

Information from the monitoring and results measurement system and use of analysis, measurement and portfolio management tools are integral to overall risk management and mitigation for implementation of PHAMA Plus.

Sustainability and safeguards

The PHAMA Plus approach to sustainability is designed to operate at three levels: (1) sustainability of innovations and investment stimulated by the Program; (2) building on initial innovations to strengthen resilience; and (3) strengthening the export business enabling environment in the Pacific.

The contractor engaged to manage implementation of PHAMA Plus will use the 2018 DFAT Safeguards Policy and related guidelines to assess and manage five safeguards: (1) Environmental protection; (2) Children, vulnerable and disadvantaged groups; (3) Displacement and resettlement; (4) Indigenous peoples; and (5) Health and safety. Climate change impacts (both mitigation and adaptation for resilience) will also be assessed and managed by the contractor. During identification and preparation all interventions will be screened for environmental and social risks and impacts assessed and managed for those that carry a medium-very high risk. As a minimum, DFAT requires assessment of, and integration of mitigation actions for, risks associated with:

- Policy and regulatory setting
- Key safeguard issues (Environment Protection, Children, vulnerable and disadvantaged groups; Displacement and resettlement; Indigenous peoples; and Health and safety)
- Safeguard arrangements (processes/mechanisms, responsibilities, timeframes).

Comment

PHAMA Plus is designed to maintain the export market access secured during PHAMA and add new access to a wider range of export markets (including North Asia, SE Asia, the USA and Europe) for a wider range of Pacific export products (including horticultural, agricultural, fisheries, timber and cultural exports). Larger, longer-term, export market interventions provide opportunities for local collaboration with private sector business partners (*e.g.* traders, processors and exporters); researchers (*e.g.* Fiji MASLR Research Division, PNG NARI or Samoa SROS, ACIAR/CRI and SPC/LRD); and complementary regional or bilateral programs (*e.g.* MDF, PSDI, PFIP, PPAP, PGF, RDP, *Strongim Bisnis* and Pacific RISE).

The program retains the convening power and public-private dialogue forums established by PHAMA and demonstrated to be so effective in supporting export market performance and reform of the business enabling environment. PHAMA Plus is designed to generate information that DFAT and MFAT can use for policy dialogue and economic diplomacy. The program deliberately focuses on the technical expertise and understanding needed to facilitate export market access and improved reliability in the quality and productivity of Pacific exports – so complementing more general rural development programs (*e.g.* PPAP in PNG or RDP in Solomon Islands) or market systems development programs (*e.g.* MDF in Fiji and PNG or *Strongim Bisnis* in Solomon Islands). Past performance, the designed focus and approach, and the conducive regional settings and export market conditions, give confidence to co-financiers from MFAT, DFAT PNG bilateral program; and DFAT Solomon Islands bilateral program. PHAMA Plus is designed to be scaleable – additional funds from private sector business partners, bilateral programs and other investors will be used for additional export market interventions, supported by the operational resources provided for in this design.

Key risks, including assumptions in the program logic, that could impact progress of PHAMA Plus include:

- Retention of key personnel and maintaining momentum of delivery during transition to PHAMA Plus
- Insufficient funds to effectively deliver PHAMA Plus resulting in ineffective program and damage to Australian reputation in the region (*e.g.* budget constraints reduce the number of designed interventions)
- PHAMA Plus partner government agencies seek to incorporate PHAMA Plus office and staff into trade or agriculture ministries, weakening private sector engagement and resulting in reduced program effectiveness
- Partner ministries with responsibilities for export pathway management and commodity certification are under-resourced and do not provide required services – resulting in non-compliance with export protocols
- Improved market access and supply chain arrangements fail to result in increased household income
- Interventions lead to environmental damage or have negative impacts
- Crop failure or productivity constraints due to adverse and extreme weather events and biosecurity threats.

Next steps

The next steps are anticipated to include:

- February 15, 2018 – draft investment design document submitted to DFAT/MFAT
- March 30, 2018 – final investment design document submitted to DFAT/MFAT
- Mid May, 2018 – approach to market for detailed proposal to manage implementation of PHAMA Plus
- September 1, 2018 – start of transition period between PHAMA and PHAMA Plus
- October 1, 2018 – commence implementation of PHAMA Plus.

Acronyms

| | |
|---------|--|
| ACIAR | Australian Centre for International Agricultural Research |
| ADB | Asian Development Bank |
| APCCAP | Australia Pacific Climate Change Action Program |
| AUD | Australian Dollar |
| BATS | Biosecurity and Trade Support |
| BIF | Pacific Business Investment Facility (ADB Managed, DFAT Funded) |
| CAVAC | Cambodia Agricultural Value Chain program |
| COC | Chain of Custody |
| COSPPac | Climate and Oceans Support Program in the Pacific |
| CPIA | Country Policy and Institutions Analysis |
| CRI | Crown Research Institutes (New Zealand) |
| CSIRO | Commonwealth Scientific and Industrial Research Organisation |
| DAWR | Department of Agriculture and Water Resources |
| DCED | Donor Committee for Enterprise Development |
| DFAT | Australian Department of Foreign Affairs and Trade |
| EU | European Union |
| GAP | Good Agricultural Practice |
| GDP | Gross Domestic Product |
| GESI | Gender Equality and Social Inclusion |
| GoA | Government of Australia |
| GoF | Government of Fiji |
| HACCP | Hazard Analysis and Critical Control Point |
| HTFA | High Temperature Forced Air |
| ISP | Intermediate Service Providers |
| IWG | Industry Working Group |
| KPI | Key Performance Indicators |
| LRD | Land Resources Division |
| MAWG | Market Access Working Group |
| MDF | Market Development Facility |
| MFAT | Ministry of Foreign Affairs and Trade, NZ |
| MPI | Ministry of Primary Industries, NZ |
| MRM | Monitoring Results Measurement |
| MSD | Market Systems Development |
| NZ | New Zealand |
| ODA | Official Development Assistance |
| PACER | Pacific Agreement on Closer Economic Relations |
| PARDI | Pacific Agribusiness Research for Development Initiative (ACIAR) |
| PHAMA | Pacific Horticultural and Agricultural Market Access (Program) |
| PICs | Pacific Island Countries |
| PIC11 | 11 smaller Pacific Island Countries [the Cook Islands, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu] |
| PIF | Pacific Islands Forum |
| PIFS | Pacific Islands Forum Secretariat |
| PMO | Program Management Office |
| PPAP | Productive Partnerships in Agriculture Program (PNG) |
| PRISMA | Promoting Rural Incomes through Support for Markets in Agriculture (Indonesia) |
| R&D | Research and Development |
| RDP | Rural Development Program (Solomon Islands) |
| SPC | Secretariat of the Pacific Community |
| SPS | Sanitary and Phyto-Sanitary |
| SWOT | Strengths, Weaknesses, Opportunities and Threats |
| TEQM | Tonga Export Quality Management Ltd |
| ToR | Terms of Reference |
| VfM | Value for Money |
| WEE | Women's Economic Empowerment |

1 Analysis and strategic context

The analysis and strategic context informing the design of PHAMA Plus is presented in two broad parts. It starts with a brief exploration of changing views about development in small island economies and the Pacific Region; then explores the *supply side* context. It then explores the *demand side* including a brief review of global trends driving economic growth and social change. The analyses of the supply side and demand side then lead to a section presenting analysis of the Development Problem/Issue targeted by PHAMA Plus.

1.1 Country/regional and sector issues

Development in small island economies and the Pacific Region

Like other small island countries, Pacific Island economies are impacted, to differing extents, by their small size, remoteness from major markets, internal population dispersion and weak governance. These barriers to growth push up the costs of private production and public administration and limit job growth. As a result, the economies of the Pacific Island countries have not been able to provide sufficient employment or economic opportunities for their people. For example, employment rates are estimated to be less than 50% of the working age population in most countries.¹ Part of the solution to these problems is labour mobility – for example as supported by the Australian Pacific Seasonal Workers program and the Recognised Seasonal Employer program in New Zealand. Another part of the solution is to increase the quantity and quality of exports produced in the Pacific – a solution that includes tourism (cultural), mercantile and commodity exports.

Recent World Bank analysis completed with DFAT support and inputs from the Australian National University highlight that economic growth in most Pacific Island countries was low during the past two decades and has lagged behind other developing countries, especially those in ASEAN. The root cause of this low growth generates ongoing debate – and often also frustration – among Pacific policy makers, citizens, and development partners. One frequently held view is that low growth is due to a poor policy and institutional environment and that, with greater reform efforts, greater economic growth would be possible. This view often comes with long lists of reforms that targeted Pacific countries should pursue – covering broad areas such as governance, the business environment, and infrastructure, but also very specific issues such as land reform.²

An alternative view is that the unique geographic situation of Pacific Island countries explains much of the observed low growth. The combination of extreme remoteness from major markets, small size, dispersion across the vast Pacific Ocean, environmental fragility as well as climatic challenges and disruptions results in high costs for production of goods and services by both the private and public sector. As a consequence, Pacific Island countries tend to be competitive only in areas where natural resource rents outweigh the high costs of production. This view is generally more pessimistic about the potential of Pacific Island countries to achieve faster economic growth. A more extreme geographic context (*e.g.* size and isolation of the country as well as the nature of the islands) generally leads to more severe constraints on economic growth. Papua New Guinea and Fiji, the largest PIC11 economies, have larger and more complex growth opportunities than the smaller Pacific Island countries.²

Other analyses take a broader perspective and suggest “sustainable development” or “resilience” in small island economies need not mean either strong trading performance or large-scale industrial development in the islands, but can be secured by other forms of economic activity (*e.g.* labour mobility and associated remittances, in-bound tourism, other official flows associated with international relationships). Many of these alternatives point towards an informal process of regional economic and social integration that transcends the narrow categories of national sovereignty and domestic product.³ In most small Pacific Island economies, the fastest growing sector of the economy has been imports rather than merchandise exports.⁴

¹ Curtin, R. *et al.* (2016) *Pacific Possible - Labour mobility: the ten billion dollar prize*. World Bank, Sydney Australia. [p1]

² World Bank (2017) *Pacific Possible: Long-term Economic Opportunities and Challenges for Pacific Island Countries*. World Bank, Washington, DC USA.

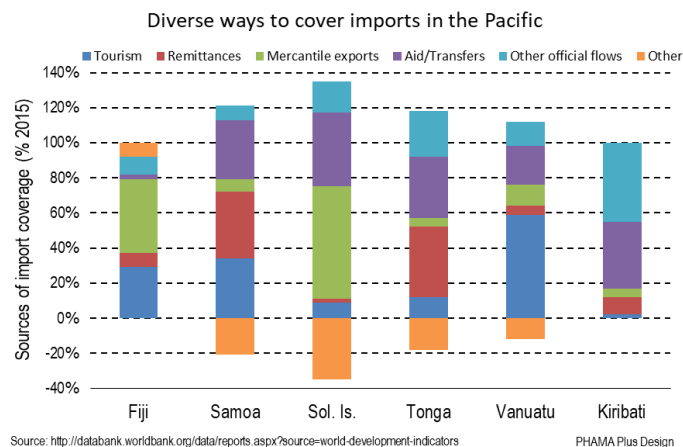
³ See for example: Bertram, G. (2011) *Pacific Islands Development in Long-Run Perspective*. Slides for Institute of Policy Studies conference “Resilience in the Pacific: Addressing the Critical Issues”, February 2011.

⁴ Baldacchino, G. and Bertram, G. (2009) The beak of the finch: insights into the economic development of small, often island, economies. *The Round Table* 98 (401), 141-160.

To maintain balance of payments equilibrium in the absence of high borrowing, Pacific economies secure external resources from other sources including (Chart 1):³

- Migrant or seasonal worker remittances (*e.g.* important in Samoa and Tonga)
- Tourism earnings (*e.g.* important in Fiji, Vanuatu and the Cook Islands)
- Licence fees from fisheries or mining (*e.g.* important in Solomon Is. & PNG)
- ODA and Other Official Flows (*e.g.* important in French Polynesia)
- Income from sovereign wealth funds (*e.g.* important in Kiribati).

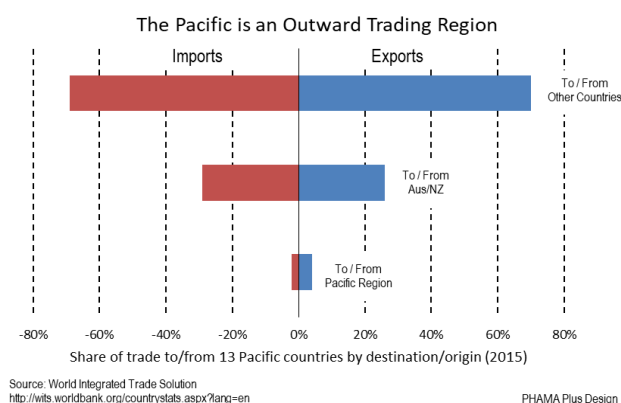
Chart 1 : Diverse Pacific economic strategies



The resource requirements and specialised skills needed for success in these non-trade activities are quite different from those needed to operate an export economy. Generally speaking, many small islands pay for their imports out of rents that flow from particular endowments they possess or have acquired. Tourism requires landscapes and climate; remittances require migration or seasonal work in other countries and human capital suitable for external labour markets; extractive industries require accessible natural resources; official transfers require political connections with metropolitan funders.⁵ Merchandise exports play a leading role in only a few island economies worldwide. In the Pacific, only American Samoa, Fiji, Marshall Islands and Solomon Islands fund more than 40% of their import requirements from this source.⁵

Pacific Island countries exhibit an outward-looking trading pattern (Chart 2).⁵ In this context, each country within the region relates more directly with countries outside the region than with its neighbours within the region. Regional dynamics are dominated by the trading and political relations of individual units with partners in the outside world. These collections of small entities scattered across oceans form “regions” only in the geographical sense of shared space, combined in the Pacific with strong ethnic and cultural affinities.⁵ The diverse economic strategies and country contexts suggest a **multi-country approach** is best for PHAMA Plus.

Chart 2 : Limited Pacific trade integration



Country/Regional and Sector Context

Many Pacific economies seek to use export trade to support economic growth. Because of their small population and limited foreign direct investment, exports can make an important contribution to economic growth in some Pacific Island countries. For example, 2017 World Bank data show that goods and services exports comprise around half of GDP in Fiji (52%); Vanuatu (49%) and Solomon Islands (46%). Food products are an important component of exports from many Pacific countries (Chart 3) – for example more than 80% in Tonga and Vanuatu, but even in countries with relatively advanced manufacturing sectors such as Fiji, food exports account for more than 60% of mercantile exports.⁶

⁵ Bertram, G. (2017) *Trade, regionalism and economic sustainability: how to pay for import needs*. Paper for LARJE UNC conference “Quelle économie pour la Nouvelle-Calédonie après 2018?” Noumea, 15-16 September 2017.

⁶ World Bank (2017) *World Development Indicators*. See: <http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators>
Accessed January 8, 2018.

Chart 3 : Food is an important Pacific export

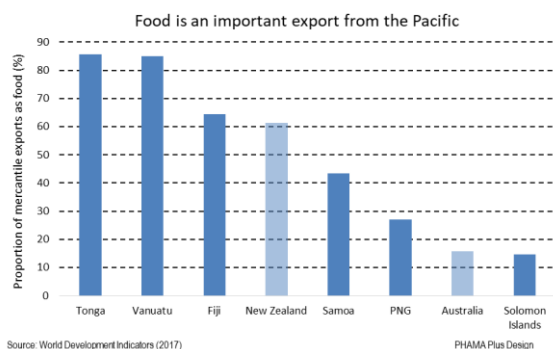
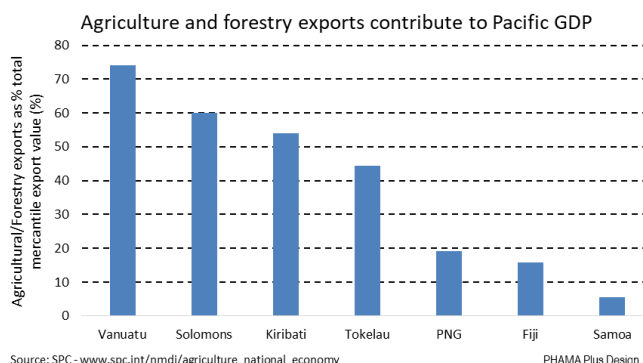
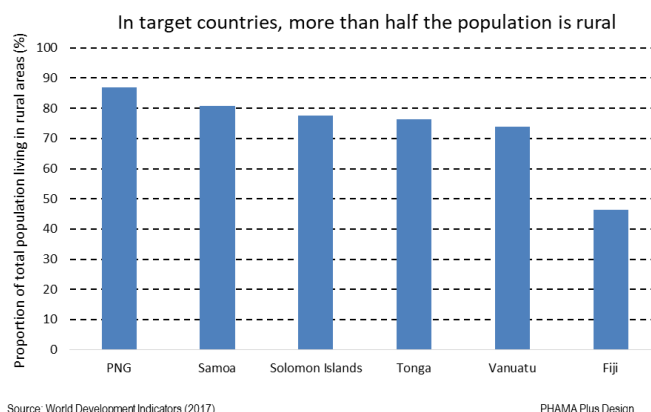


Chart 4 : Agriculture & forestry are important export sectors



Agriculture and fisheries are important sectors in the domestic and export economy of Pacific Island countries. Data from the Secretariat of the Pacific Community (SPC) for 2012-2015 shows that agriculture and forestry are important components of mercantile export values in countries such as Vanuatu and the Solomon Islands (Chart 4). This reflects livelihood options in these countries – most Pacific Island countries have significant **rural populations**. For example, more than half the population in countries targeted by PHAMA Plus live in rural areas (Chart 5). Whilst this creates challenges for service delivery, it represents an opportunity for economic growth relating to agriculture, fisheries and forestry products as well as cultural exports including handicrafts and medicinal botanical products. Almost all these rural people make their livelihood as private sector smallholders or entrepreneurs. They are an important part of the private sector in each country, which typically comprises two thirds or more of the total economy. For example, the share of **private sector activity** in the economy ranges from around 64% in Solomon Islands to around 78% in PNG.⁶

Chart 5 : Pacific people are still mostly rural



There are opportunities to improve the export business environment. Despite the importance of exports in Pacific economies the public sector systems required to facilitate trade, maintain access to existing markets and gain access to new markets remains constrained. The time required to obtain export and related permits is typically more than double that required in Australia or New Zealand (Chart 6). Although World Bank country policy and institutional assessments rate overall trade settings in Pacific Island countries better than the global average, they have recently declined (*e.g.* PNG) or stayed the same (*e.g.* Samoa, Tonga) (Chart 7).

Chart 6 : Pacific export efficiency

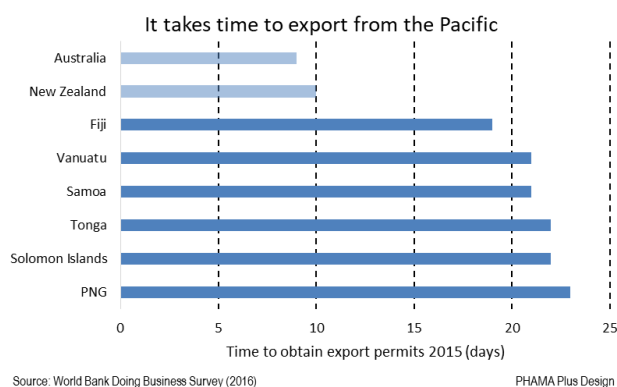
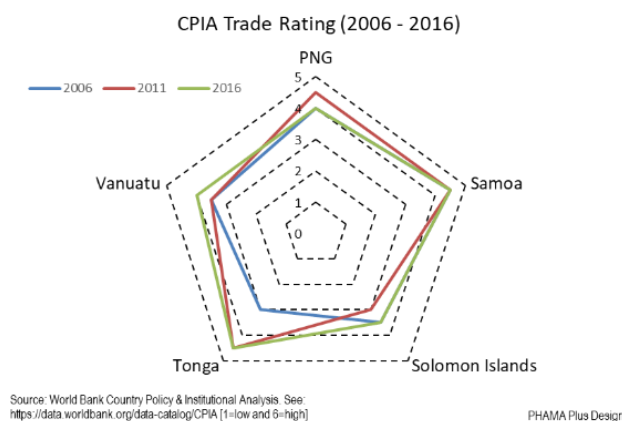


Chart 7 : Pacific trade environment

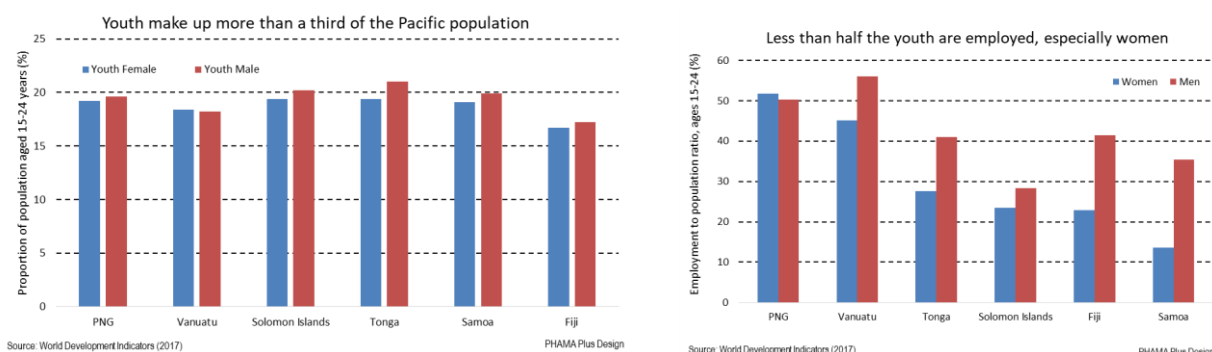


Seafood, especially from pelagic fisheries, are an important Pacific Island country resource, and an important source of export revenue in countries such as Solomon Islands, where they are the second largest export commodity and contribute about 15% of export revenue. This is a sector where Pacific Island countries have some comparative advantage. For example, in the 2000–2010 period more than half the global production from capture fisheries came from the Pacific Ocean.⁷

Tourism is an export sector because the demand side is external to the domestic economy. Tourism also adds an important people-to-people dimension to the bilateral relationship between Australia and Pacific Island countries and also increases awareness of source markets for exported products. In 2016/17 more than 480,000 Australians travelled to the six Pacific Island countries targeted by PHAMA Plus, including almost 330,000 to Fiji and 52,000 to Vanuatu directly from Australia.⁸ Other tourists arrive by cruise ship as part of a multi-country Pacific itinerary – in 2016 about 280,000 cruise ship passengers arrived in Vanuatu ports such as Port Vila and Luganville. There are also opportunities for agritourism – for example day visits to spice, coffee and cocoa farms; producing fresh food for tourist restaurants; growing products for tourists – which offer opportunities for women, youth and men. The rate of growth in Australian tourist visits over the past decade is around 14% for Fiji and 7% for Vanuatu.⁸

Youth (15–24 years of age) comprise more than a third of the population in target countries (Chart 8). However, less than half these youth are engaged in employment or paid work – especially young women, who are almost twice as likely to be unemployed as young men in Fiji, Samoa, Solomon Islands and Tonga (Chart 8). This context emphasises the importance of proactively identifying export products, commodities and sectors that provide enterprise opportunities for women and youth.⁶

Chart 8 : Over a third of Pacific people are youth, but they're underemployed



Women and girls remain economically disadvantaged in targeted Pacific Island countries (Annex 8). Pacific women are more likely than men to be in vulnerable work (84% versus 71%)⁹, while also balancing domestic work and caregiving, with lower average earnings where they have paid employment. Culturally, women usually perform a greater share of food growing and in-shore fishing activities, hence limiting their availability for formal employment. While performing the greater share of foundation work in many supply chains, women also dominate many small-scale market operations, where hours are long, margins are often low, and market conditions difficult – between 75% and 90% of all market vendors in the Pacific are women.¹⁰

Pacific women continue to be under-represented in national parliaments, comprising approximately 5% of elected representatives compared with the global average of 21.7 percent.¹¹ Rates of domestic violence are exceptionally high – with approximately two in three women in some Pacific countries experiencing physical and/or sexual abuse by their intimate partner.¹² Hence gender equality is critical to development in all aspects, for the Pacific region. More detailed snapshots of gender equality and women's economic empowerment in the Pacific are presented in Annex 8.

⁷ FAO (2013) *Statistical Yearbook - World Food and Agriculture*. UN Food and Agriculture Organisation, Rome, Italy. [p146]

⁸ Department of Immigration and Border Protection (2017) *Overseas Departures and Arrivals data pivot tables*. See: <http://www.homeaffairs.gov.au/about/reports-publications/research-statistics/statistics/live-in-australia/overseas-arrivals-and-departures>

⁹ United Nations (2012) *World Millennium Development Goals Report*. United Nations, New York, USA.

¹⁰ http://www.forumsec.org/resources/uploads/attachments/documents/2013_Pac_Regional_MDGs_Tracking_Report_FINAL.pdf

¹¹ Inter-parliamentary Union (2014) *Women in National Parliaments – World Average*, viewed 28 April 2014 <http://www.ipu.org/wmn-e/world.htm>

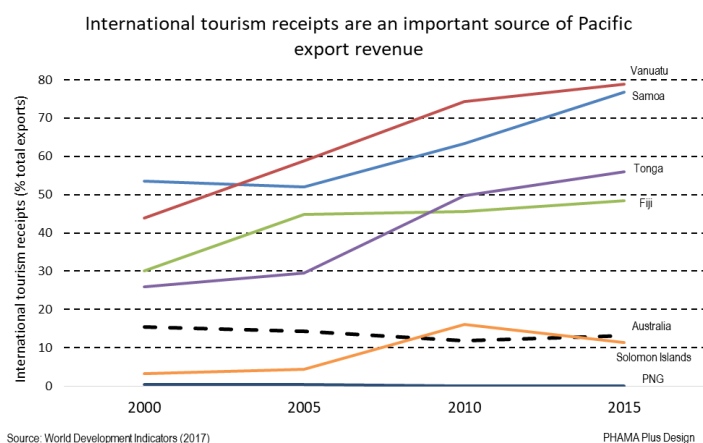
¹² Secretariat of the Pacific Community (2009) *Solomon Islands Family Health and Safety Study: A study on violence against women and children*. [p. iii] Viewed 28 April 2014 <https://www.spc.int/hdp/index.php?option>

Global trends and demand-side context

CSIRO identified a number of global mega-trends, of which several are relevant as drivers of demand for Pacific exports and help identify target markets. These include:^{13 14}

- **Great expectations** – in a world with many choices, consumers seek a personalised and meaningful experience. The story behind food, other products and tourist experiences differentiates exports and can increase their value by changing demand-side responses. Pacific Island countries are surrounded by third wave consumers wanting their consumption to make a positive difference.
- **Forever young** – an ageing population with longer lifespans as well as better healthcare and social protection or retirement funds are a consumer demographic worth specifically targeting, especially in Australia, China, Japan, New Zealand and Singapore. National statistics show around 14% of Australians are currently over 65 years old, increasing to more than 25% by 2050; while in Japan around 40% of the population will be over 70 years old by 2050. Pacific Island countries are surrounded by older consumers in neighbouring countries, many of whom are entering an experiential spending phase of their life.
- **Silk road** – the increasing economic power of China and South East-Asian nations have shifted the centre of global economic growth closer to the Pacific. For example, China's middle class is projected to increase from 54 million in 2005 to 1 billion by 2030. This growing centre of consumer demand combined with new technologies and demographic changes brings new opportunities for Pacific Island countries.
- **Digital immersion** – in the information era with new technology, connectivity, big data and digital natives on the rise there are opportunities to engage remote consumers directly or supply markets through on-line retail platforms as well as streamline export systems to enhance efficiency. The Pacific is much less isolated than it once was.
- **More from less** – the earth has limited resources essential for human survival and a quality life. Consumers, producers and governments seek new ways of ensuring quality of life for current and future generations within the confines of natural limits. Public-private partnerships are needed for Pacific Island countries to sustainably use their fish, forest and agricultural resources for the benefit of their people.

Chart 9 : Demand for Pacific tourism is growing



As predicted by the global trends above, tourism is a growing economic activity in Pacific countries (Chart 9). For example, between 2000 and 2015 international tourism receipts in Vanuatu and Samoa increased from around 50% to almost 80% of export receipts. Similarly, in Tonga and Fiji during the same period international tourism receipts increased from around 30% to around 50%.¹⁵ For these countries adding value to tourist experiences through quality food and souvenirs such as handicrafts and medicinal products is a growing export opportunity that is especially important for women and youth.

With a projected one million additional tourist arrivals in the Pacific region by 2040, tourism offers the main existing opportunity to accelerate growth and generate employment for many Pacific Island countries. Increasing the Chinese market, increasing the number of luxury resorts, capturing the retiree market, and basing cruise ships in the Pacific could increase the number of tourists visiting the Pacific by about 1 million, generate additional spending of more than AUD2 billion, and create more than 110,000 additional jobs by 2040. Fiji, Samoa and Vanuatu are well positioned to benefit from the projected increase in arrivals to the region. Over the period to 2040, this could yield an additional increase in per capita incomes of 20-30 percent for these countries – for example, World Bank analysis suggests Fiji and Tonga could earn an additional increase in per capita incomes of about 10% as a result of growth in tourism.

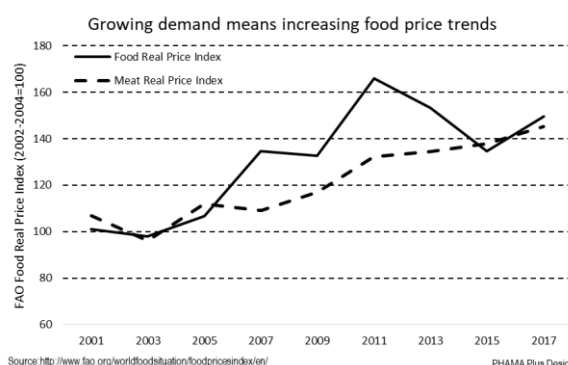
¹³ Hajkowicz S., Cook H, and Littleboy A. (2012) *Our Future World: Global megatrends that will change the way we live*. The 2014 Revision. CSIRO, Canberra, Australia.

¹⁴ World Bank (2017) *Pacific Possible: Long-term Economic Opportunities and Challenges for Pacific Island Countries*. World Bank, Washington, DC USA.

¹⁵ World Bank (2017) *World Development Indicators Series: ST.INT.RCPT.XP.ZS*. See: <http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators> Accessed November 19, 2017.

On the demand side, target export markets have a growing need for agriculture and fish products. As a result, the medium-term scenario for food demand is positive. For example, the FAO Food Price Index shows steady increase in food prices, in part responding to growing demand (Chart 10).¹⁶ This includes prices for meat and commodities contributing to its production such as feed ingredients like coconut meal. Some commodities are in especially high demand – for example pelagic wild caught fish, specialty coffee, quality cocoa, spices, and cultural handicrafts (Annex 1).¹⁶

Chart 10 : Growing global demand for food



Recent World Bank analysis suggests that fisheries could generate AUD400 million in additional revenue by 2040 if participation in resource capture was better managed and opened to new, compliant, resource owners as well as having more cooperation and flexible access between Pacific Island countries (*e.g.* through easier trading of vessel days among countries and companies) and eventual pooling of access rights among countries to optimise production while ensuring compliance with robust catch limits to maintain valuable tuna fisheries stocks – including limits in the high seas – and making targeted investments to maintain food security.¹⁷

1.2 Development problem/issue analysis

For those countries with significant natural resources, large rural populations and agricultural, forestry or seafood products demanded by export markets or inbound tourism, horticultural and agricultural export expansion is likely to contribute to economic growth. Analysis over the past five years by PHAMA confirms constraints experienced by Pacific Island countries in gaining and maintaining export market access include:¹⁸

- responding to changing standards and requirements of importing countries
- capacity and enterprise challenges faced by producers, exporters and government agencies in meeting export standards and regulations
- maintaining a reliable scale of production to meet target market demand
- maintaining reliable quality of production to meet target market access protocols.

Another challenge related to geography and scale is the limited role of multi-national and larger private sector companies and intermediary service providers in the Pacific agriculture sector. For example, countries such as Indonesia have active involvement of multi-national companies such as Mondelez International, Mars, and Nestlé securing their agricultural supply chain. Similarly, multinational input suppliers such as Syngenta, Monsanto and BASF are active in that country along with their Indonesian competitors such as seed producer PT EWINDO and fertiliser and crop protection suppliers PT Nufarm (a subsidiary of an Australian-listed firm) and PT Rainbow Agrosiences. Such an active private sector provides an effective entry point for market systems development programs such as AIP-Rural, financed by DFAT.¹⁹ In the Pacific, however, there are fewer such partners outside the larger economies such as PNG and Fiji, and even in those countries the market is thin. The DFAT-financed Market Development Facility uses market systems development through private sector partners in Fiji and PNG²⁰, and *Strongim Bisnis* is starting to do the same in the Solomon Islands.

An additional geographic constraint is climate change and natural disasters. Pacific Island countries are unusually vulnerable to extreme weather and natural hazards, including tropical cyclones, volcanic activity, earthquakes, droughts, and flooding. For example, for the past four years, Vanuatu has been ranked the world's

¹⁶ See specific commodity trends at <http://www.fao.org/faostat/en/#data> and food price index and component trends at <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>. Accessed November 19, 2017.

¹⁷ World Bank (2017) *Pacific Possible: Long-term Economic Opportunities and Challenges for Pacific Island Countries*. World Bank, Washington, DC USA. [pp58-68]

¹⁸ AECOM (2017) PHAMA Impact Report. AECOM International Development, Adelaide, Australia.

¹⁹ See: <https://aip-rural.or.id/en/prisma>. Accessed November 20, 2017

²⁰ See: <http://marketdevelopmentfacility.org/>. Accessed November 20, 2017.

most disaster-prone country, followed in 2016 by Tonga in second place.²¹ Pacific enterprises and communities face disruptions to rainfall patterns²², with a projected increase in the frequency and intensity of tropical cyclones, flooding and storm surge during the next 50 years, and new threats, in particular in the form of changed distribution of pests and diseases, ocean acidification, sea level rise and more variable agricultural growing conditions. In several Pacific countries, including Vanuatu, Fiji and Samoa, tropical cyclones, flooding and drought in recent years have disrupted agricultural productivity, fisheries and tourism.

The relationship between geographic and economic constraints highlights the importance of alternative development strategies focused on:²

- the role of the public sector as the main source of formal sector employment and driver of economic activity
- the need for, and management of, development assistance to sustain public services and standards of living
- engagement with international supply chains using information technology and exceptional quality or backstory to justify the costs needed to trade in the geographic context
- labour mobility opportunities as a key source of employment and income.

1.3 Evidence-base/lessons learned

The 2016 program evaluation demonstrated that current PHAMA interventions successfully gain new, and maintain existing, market access as well as contribute to improved quality in commodities important to local economies, such as cocoa, taro, coconut, kava, and watermelons as well as pelagic fish, handicrafts and sawn timber. Lessons learned from the 2016 evaluation of PHAMA include²³:

- PHAMA is a multi-country program, not a regional one
- the program focus has changed over time in response to needs, shifting from a focus on bio-security and gaining new market access to a broader range of issues along the value chain including product quality for maintaining market access and processing to gain access to new markets
- PHAMA helps maintain export pathways that provide opportunities for producers to improve their livelihoods and exporters and processors to maintain or grow local jobs
- Public-Private Dialogue enabled through Market Access Working Groups (MAWGs) and Industry Working Groups (IWGs) has been successful, but represents direct program intervention rather than market system intervention
- as IWGs/MAWGs achieve greater independence, there will continue to be a requirement for in-country support through a coordinator role and for more technical, advisory support, but this role will need to change from PHAMA being an integral part of the IWGs/MAWGs, to being a facilitator only
- the MAWGs and IWGs need to continue to find practical solutions to gaining new and maintaining existing market access since it is this that motivates active participation by private sector members as well as government officials and agencies
- sustainability road maps should be used to handover control from PMO to local groups and eventually let them operate free of PHAMA
- in addition to targeting markets in New Zealand and Australia, there are opportunities in other countries – for example Singapore, the USA, Hong Kong and other markets in China, Japan and South Korea
- performance assessment needs to link program outputs and outcomes with higher level results including net attributable income change and better performance of public sector market access facilitation agencies
- PHAMA has impacted social inclusion in all interventions but gender equity has not been addressed in a systematic way – women's economic empowerment and social inclusion should be integrated and adequately resourced in any new phase of the program
- it is unlikely that any of the participating national government agencies could replace PHAMA in providing the support needed to sustain the function currently provided by the MAWGs/IWGs
- any new phase of the program should maintain flexibility to address issues along the value chain that constrain agriculture export development (including in forestry and fisheries)
- any new phase of the program should take a multi-country approach and maintain the regional PMO hub supporting the country programs by providing resources, technical skills, monitoring and results measurement, coordination, strategy and facilitate exchange of information among the six countries
- any new phase of the program should deliver services through strategic partners rather than directly

²¹ UNU (2016) *World Risk Report*. United Nations University, Tokyo, Japan. [p11]

²² Power, S. *et al.* (2017) Humans have already increased the risk of major disruptions to Pacific rainfall. *Nature Communications*, 8 (14368).

²³ DFAT (2016) *Independent evaluation of the Pacific Horticultural and Agricultural Market Access Program*. Department of Foreign Affairs and Trade, Canberra, Australia.

- any SPC capacity building support for service delivery should be considered as a separate program.

In addition to specific sectoral opportunities and related recommendations, the World Bank in its 2017 *Pacific Possible* report highlights four cross-cutting issues relevant to PHAMA Plus that are central to capturing opportunities and managing threats:¹⁷

- **focusing policies and investments** – coherent whole-of-government focus on an enabling business environment to encourage private sector activity for inclusive economic growth
- **investing in people** – motivating Pacific peoples to invest in and grow their own enterprises
- **promoting regional cooperation to unlock economic opportunities** – building on the principles of Pacific regionalism such as shared services and pooled procurement from the 2013 Pacific Plan Review²⁴
- **ensuring sustainability and sound environmental management** – ensuring interventions and new investments meet international good practice standards.

The 2017 World Bank analysis reported in *Pacific Possible* acknowledges the constraints that geography imposes, but asks the question what would be possible if opportunities for economic growth were fully exploited and what reforms would be necessary to enable them. It finds that reform efforts should be narrowly targeted at unlocking existing growth opportunities rather than pursuing broad-based reforms in the hope that they would trigger economic growth. This is consistent with the approach adopted by PHAMA, which identified specific, often quite narrow, opportunities and then addressed targeted constraints to either maintain market access or to gain access to new markets.¹⁷

1.4 Strategic setting and rationale for DFAT and MFAT engagement

The contextual analysis presented above provides detail of the strategic setting. In summary, many countries continue to rely heavily on a narrow range of traditional export commodities with limited diversification and value addition. Many Pacific businesses face significant, ongoing challenges to increase export revenue across supply chains and to maintain a reliable supply for existing export markets. There are often gaps in knowledge on production, compliance, post-harvest and voluntary standards. Enterprises frequently lack adequate processing infrastructure and lack access to finance, and encounter difficulties in meeting the technical requirements for market access, such as sanitary and phytosanitary (SPS) standards. Many exporters or potential exporters have limited business planning, market research and risk management skills. These challenges mean that many Pacific businesses with export potential fail to thrive.

Pacific ODA investments from Australia and New Zealand aim to support regional security and prosperity while promoting national interests by contributing to economic growth, effective regional institutions, healthy and resilient communities, as well as empowering women and girls (**Annex 1**). Supporting Agriculture, Water and Fisheries is one of six priority areas under the Australian aid policy. The DFAT White Paper and the DFAT Aid for Trade Strategy emphasise Australia's commitment to helping Pacific producers improve the quality of their produce and meet the biosecurity requirements of importing countries. The Pacific Regional Aid Investment Plan emphasises the need to extract greater income streams from fisheries and agriculture by improving market access and supply chain development. Similarly New Zealand supports Pacific country aspirations to make the most of economic development opportunities, address continuing hardship and build resilience to climate change and natural disasters. Investment priorities for New Zealand, that match Pacific Island country economic growth priorities include: agriculture, fisheries, tourism, and resilience. In June 2017, Pacific countries signed PACER Plus to increase intra-regional trade, including with New Zealand and Australia. PHAMA Plus will work with the PACER Plus Implementation Unit to define small island state market access and SPS related issues, determine the feasibility and scope of the interventions and facilitate the delivery of any interventions that align with the PHAMA Plus purpose and outcomes.

Since 2011, the PHAMA program (valued at AUD41 million) has assisted six Pacific Island countries to increase the value of primary product and cultural exports. A 2016 independent review found that PHAMA was relevant to the priorities and needs of the Pacific and that market access and export development were important strategies for economic growth and poverty reduction through supporting smallholder farmers and by generating employment opportunities. There was unanimous feedback that the PHAMA program remains relevant to the priorities and needs of participating countries and that market access and export development continue to be a relevant pathway for inclusive economic growth that supports private sector enterprises and the farming households that supply them.

²⁴ <http://www.forumsec.org/resources/uploads/embeds/file/Pac%20Plan%20Review%20Report%20Vol%201.pdf> Accessed December 6, 2017

PHAMA Plus is designed to contribute to the 20% investment target DFAT and MFAT have committed to for aid-for-trade; is aligned with the strategic intent set out in the 2017 DFAT White Paper; is aligned with the MFAT NZ aid program strategic plan and investment priorities; and complements delivery of PACER Plus. Results from the program are intended to contribute to SDGs 8, 9 and 17 in targeted countries.²⁵ PHAMA Plus is also designed to support four of the seven primary drivers of women's economic empowerment: tackling adverse norms and promoting positive role models; strengthening visibility, voice and representation; changing business culture and practice; and building assets.²⁶ The new program is designed to deliver directly against economic growth outcomes in the Regional Pacific Aid Investment Plan and contribute to effective regional institutions as well as healthy and resilient communities. The program is also designed to align with outcome areas in bilateral aid investment plans in each of the target countries. For example, PHAMA Plus is designed to deliver results contributing to:

- civil society and private sector partnerships for effective governance and enable economic growth in PNG
- inclusive economic growth and private sector development in Fiji
- enabling economic growth and supporting stability in Solomon Islands
- economic growth and governance outcomes in Samoa, Tonga and Vanuatu.

1.5 Private sector engagement and innovation

Both DFAT and MFAT emphasise private sector engagement in their aid programs. PHAMA Plus will work with private sector exporter, processors and traders; the private sector farming households that supply export products; and the public sector agencies that regulate exports and commodities on both the supply-side (exporting countries) and the demand-side (importing countries). This builds on the relationships PHAMA successfully established and maintained with both private sector and public sector partners. Mechanisms developed by PHAMA to enable dialogue between private and public sector actors in targeted export market systems – such as Market Access Working Groups and Industry Working Groups in each participating country – will be maintained. Communication between whole-of-government partners in Australia and New Zealand, particularly at an operational level, will be facilitated by DFAT and MFAT, and supported by the program. Systematic communication with complementary programs in target countries will be led by each country team and particularly emphasised during analysis for, and preparation of, interventions.

PHAMA Plus is designed to have the flexibility to adapt and evolve as an export development program, while maintaining efficiencies and effectiveness to ensure value for money. The main financial beneficiaries are expected to be private sector farming household producers, agribusinesses, and exporters – some agribusinesses such as processing plants employ mostly women, and almost all farming household enterprises engage women. Governments and industry groups are anticipated to be better able to perform their market regulation and market access facilitation functions. Ultimately, PHAMA Plus is designed to contribute to better balance of trade figures, economic growth and employment in participating countries. Receiving countries would also benefit from the reliable supply of high quality products.

PHAMA Plus is designed to offer innovative solutions to market access issues that address resource and capacity constraints in the business enabling environment. The proposed market systems development approach is an innovation for export market development in the Pacific, although well established in South East Asia (e.g. the DFAT-financed PRISMA Program [<https://aip-rural.or.id/en/prisma>]) and other regions (e.g. Katalyst in Bangladesh [<http://katalyst.com.bd/>], and PrOpCom in Nigeria [<http://www.propcommaikarfi.org/>]). The Market Development Facility uses market systems development for domestic and some export market opportunities in Fiji and PNG.



²⁵ Sustainable Development Goals 8 (Decent work and economic growth); 9 (Industry, Innovation and Infrastructure) and 17 (Partnerships for the goals). See: <http://www.un.org/sustainabledevelopment/sustainable-development-goals/>. Accessed December 13, 2017.

²⁶ See: UNSG HLP (2016) *Leave no one behind - Taking action for transformational change on Women's Economic Empowerment*. United Nations Secretary General High Level Panel, New York, USA. [p4]

2 Investment description

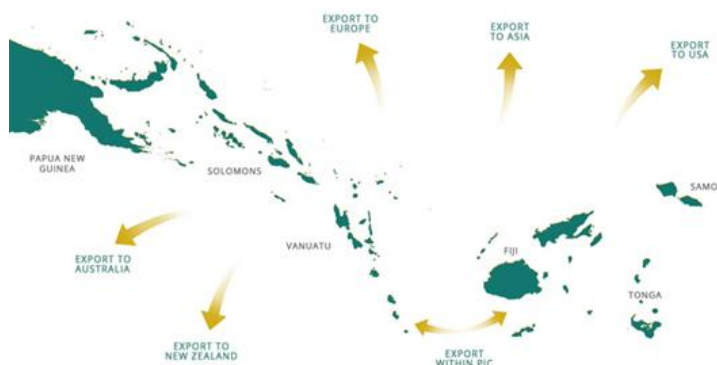
2.1 Logic and expected outcomes

The purpose of PHAMA Plus is to contribute to *improved economic growth and improved rural livelihoods for Pacific peoples*. PHAMA Plus builds on the successes of PHAMA to support selected Pacific Island countries to increase the quantity and quality of their agricultural, horticultural and cultural exports in ways that benefit producers, exporters and importers. PHAMA Plus is designed to prepare, implement and monitor a portfolio of country-led, market interventions focused on growing primary produce and cultural exports. The resourcing suggests 2-3 such interventions in each target country. Where bilateral programs are willing to invest more, additional interventions could be added as lessons are learned, opportunities for innovation are identified, and additional opportunities emerge. PHAMA Plus has three end-of-program outcomes (**Annex 2**):

- Producers and exporters use *maintained and new export market access* for Pacific export products
- Women and men exporters, processors and producers adopt *quality and productivity enhancing innovations* for their export products
- Women and men staff of *Pacific biosecurity* authorities perform their *export market access facilitation* functions better.

As detailed in the analysis of context and sector (**Section 1 and Annex 1**) Pacific Island countries have diverse strategies for economic growth that align with their human and natural resource endowments, geography, history and external relations. In the countries targeted by PHAMA Plus exports, rural enterprises and/or tourism are important drivers of economic growth. Building on the work of PHAMA since 2011, PHAMA Plus will continue to support access to diverse markets (**Chart 11**) by working with actors in targeted sector market systems.

Chart 11 : Support for access to diverse markets



Source: <http://phama.com.au/where-we-work/> Accessed December 18, 2017.

These sector market systems involve private sector exporters, processors and traders; household farming enterprises; and their intermediate service providers and the public institutions that regulate exports and commodities. Access to markets – a key constraint for many of these market system actors – has two dimensions: (1) compliance with export market protocols, especially biosecurity, sanitary and phytosanitary standards; and (2) reliability of supply quality and quantity to give importers confidence in the supply chain.

In summary the logic is that PHAMA Plus facilitates changes on the supply side, demand side and business enabling environment through (schematic on following page and **Annex 2**):

- **Export market interventions** – private sector business partners and the intermediate service providers (ISP) they either supply (*e.g.* fertiliser or planting materials) or rely on (*e.g.* agents and collectors) are engaged to design and deliver a market intervention offering new services, inputs and/or technologies relevant to targeted women and men in farming households. This is what the program does, manages and pays for.
- **Enabling export business environment** – PHAMA Plus target markets, which require public sector engagement to certify compliance with importing market protocols and standards and accredit independent verification and certification service providers (*e.g.* for HACCP, organic and SPS certification). This is also what the program does, manages and pays for.
- **Supply-side partner co-investment** – as early implementation of an intervention yields results, the private sector is catalysed to innovate and invest to better serve farming households on a commercially viable basis. Interventions are designed to deliver changes in knowledge, skills and motivation of partners, who change their behaviour to engage with different intermediate service providers supplying the demand of farming households targeted by PHAMA Plus. Over time, the share of investment from partners increases and the contribution from PHAMA Plus declines.

- **Supply-side intermediate service provider business changes** – PHAMA Plus facilitation enables ISPs to engage with farming households, processors and exporters to gain organisational knowledge, skills and motivation that enables systemic change within the organisation, which if successful starts to change the market. Changed behaviour by the business partners leads to changed knowledge, skills and motivation in ISPs who will then provide better access to new inputs, services or technologies, which in turn leads to changes in practices, quality and productivity of the partner as well as targeted farming households, processors and exporters.
- **Demand-side changes in producer and processor practices** – With access to new services, inputs and/or technologies from private sector business partners/ISP and communication of the market opportunities they offer, farming households and processors gain new knowledge, skills and motivation to use these innovations. If early use is effective, more farming households and processors adopt the change with new practices that lead to better quality, higher productivity, and more sales, which generate net additional income. As a result more firms recognise the commercial opportunities of serving farming households to secure supply chains for existing and new export markets.
- **Changes to the broader business enabling environment** – As market constraints are identified and the results of early interventions are measured, private sector businesses and their professional bodies, such as chambers of commerce; and analytical resources, such as think tanks, will prepare information to communicate with policy makers and public institutions that regulate exports and commodities and impact the business environment. Outside interventions with national biosecurity agencies that directly regulate export market access, PHAMA Plus will support preparation of quality information to *influence influencers* so they can drive change when policy windows emerge.

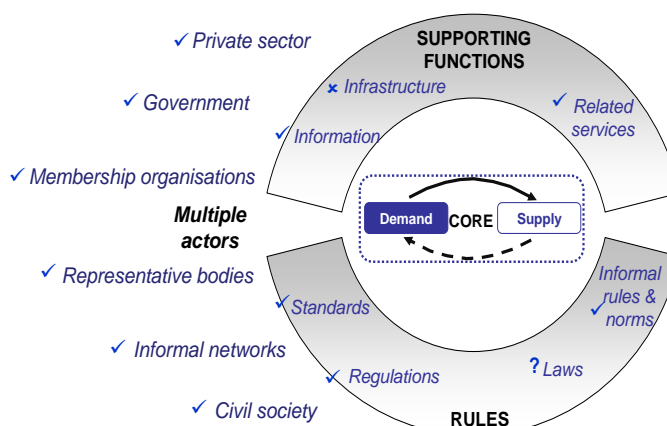


2.2 Delivery approach

PHAMA Plus does not have the resources or mandate to work directly with farming households. Instead, the Program will work with key market system stakeholders (Chart 12)²⁷ and facilitate them to work with farming households where this is needed to improve the quantity and quality or export compliance for targeted commodities. This is different from PHAMA, which evolved towards a mixture of direct and sector partner type delivery (in some countries) as private sector capacity developed. For example, PHAMA worked directly with producers (e.g. smallholder producer groups and farmer associations in all countries; Lava Girl Handicrafts in PNG; Kava growers and handicraft producer/vendors in Vanuatu);

processors or exporters (e.g. Ben's Trading in Fiji; Olam Specialty Coffee and Kosem in PNG; Ah Liki and Pacific Oil in Samoa; Cathliro Cocoa and Soltuna in Solomon Islands; Nishi Trading in Tonga; Cocoa Growers Association in Vanuatu); and government agencies on the supply [export] side (e.g. Coffee Industry Corporation in PNG; SROS in Samoa; MAFFF in Tonga; and MALFFB in Vanuatu) and the demand [import] side (e.g. DAWR in Australia, AQSIQ in China or MPI in New Zealand). This was an appropriate choice for initial interventions in the Pacific while social capital was built (e.g. MAWGs and IWGs) and responses were explored to the challenging geography and scale that limits the role of multi-national and larger private sector

Chart 12 : Market systems development

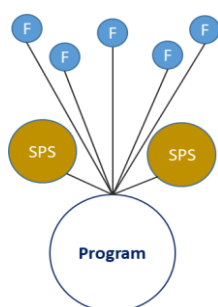


²⁷ Adapted from: Springfield Centre (2015) *The Operational Guide For Making Markets Work For The Poor* (2nd Edition). Springfield Centre, Durham, UK. [p3] – see <http://www.springfieldcentre.com/wp-content/uploads/2015/11/2015-09-M4P-Op-Guide-Sept2015.pdf> Accessed December 19, 2017.

companies and intermediate service providers in the Pacific agriculture sector. The DFAT-financed Market Development Facility uses market systems development approaches in Fiji and PNG.²⁸

Given the purpose of PHAMA Plus and the diverse country contexts in the Pacific, a pure market systems development approach is not proposed. PHAMA Plus is unique in purposefully investing directly in business environment change (the biosecurity, commodity and market access regulations) and the market system (supply quality and productivity as well as export and processing pathways). Market systems development works where there are existing relationships with private sector partners and ISPs that are ready to engage in interventions that improve the quality and productivity of export products. PHAMA has built some such relationships – for example with exporters, HACCP certification firms; and input suppliers. Accordingly, there are opportunities for PHAMA Plus to use a purposefully selected blend of direct delivery and market systems development (Chart 13)²⁹.

Chart 13 : Delivery approaches considered

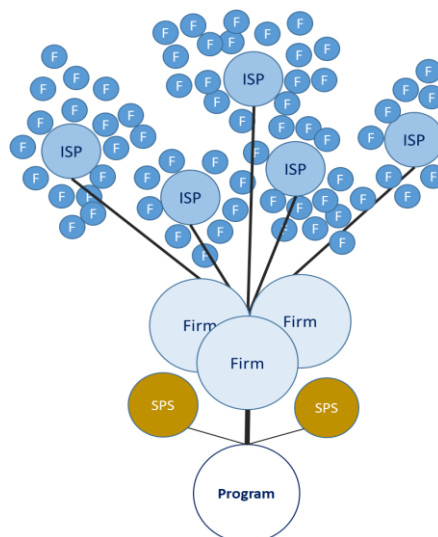


Direct delivery (left)

- Program engages with biosecurity regulatory agencies (SPS) directly – in both supply-side [export] and demand-side [import] countries
- Program provides inputs to farming households (F) directly
- Outreach determined by extent of program resources
- Program ‘distant’ from producers and farming households
- Input provision temporary, dependent on aid funding.

Market system development (right)

- The program continues to engage with biosecurity regulatory agencies (SPS) directly and facilitates their engagement with private sector actors (*e.g.* MAWG)
- Program facilitates partner businesses (*e.g.* commodity traders, tourism operators, large processors) to strengthen their network of intermediate service providers (ISPs – *e.g.* agent/collectors, processors, exporters, banks) – to sell inputs to farming households or buy product from them
- ISPs are ‘close’ to farming households and have an incentive to maintain the relationship and expand it so long as it is mutually beneficial
- Partner businesses and ISPs have a long term incentive to continue serving farming households after the program ends so long as the business relationship is mutually beneficial.



In PHAMA this happens indirectly (*e.g.* with taro in Fiji; cocoa in PNG and Vanuatu; fish in Solomon Islands; HACCP certification in several countries; as well as taro and coconut oil in Samoa). PHAMA Plus is designed for market systems facilitation to happen purposefully, partly to achieve end of program outcomes, and partly as a more effective way to achieve sustainability. There are opportunities for example, with appropriate facilitation from PHAMA Plus, for exporters of kava, taro or cocoa with their farmer associations to act as change agents for improved quality and productivity in Fiji, PNG, Samoa, Solomon Islands and Tonga; for HACCP certification firms to drive changes in processing and packing facilities in all target countries; and for the kava processors and exporters in Fiji, PNG and Vanuatu to use their position as Firms or ISPs to adopt a more catalytic and practice role in development of the kava market for export and tourism. Similarly, coconut processors and traders, cocoa traders, and fish exporters in several countries could become private business partners or intermediate service providers with appropriate facilitation from PHAMA Plus. Their function would be to demonstrate and promote good agricultural or post-harvest handling practices to farmer associations and farming households producing export commodities to markets targeted for intervention.

²⁸ See: <http://marketdevelopmentfacility.org/> Accessed November 20, 2017.

²⁹ Adapted from – Springfield Centre (2017) *Inputs to design of PRISMA-2*. DFAT, Jakarta, Indonesia

2.3 Small island states and PACER Plus

In June 2017, Pacific countries signed PACER Plus to increase intra-regional trade, including with New Zealand and Australia. There are practical linkages between PHAMA Plus and PACER Plus (Box 1). PHAMA Plus will work with the PACER Plus Implementation Unit to define small island state market access and SPS related issues, determine the feasibility and scope of the interventions and facilitate the delivery of any interventions that align with the PHAMA Plus purpose and outcomes and are endorsed by the PCC. If the intervention is considered beyond the scope and or budget of PHAMA Plus other funding mechanisms and or intervention facilitators will be identified with support from the PMO.

Box 1 : Supporting PACER Plus signatories

There is synergy between PHAMA Plus and PACER Plus – particularly in supporting signatory countries to perform SPS functions more strongly and, where possible to expand horticultural, agricultural and cultural exports. Signatory countries will develop specific detailed work plans once the agreement enters into force, and activities or interventions for PHAMA Plus support will be approved by DFAT and MFAT in the same way that other PHAMA Plus interventions will be approved. These countries currently include small island states such as Cook Islands, Kiribati, Nauru, Niue, and Tuvalu and could also include Marshall Islands and Federated States of Micronesia once they sign.

The scope of support for SPS performance under PACER Plus could include:³⁰

- balancing adoption of SPS measures with the subsequent constraints on trade between all parties
- reaffirming existing SPS Agreements for WTO members and support to adopt WTO SPS standards for non-members
- phased introduction of new SPS measures where appropriate levels of biosecurity protection exist
- capacity building on developing and enforcing export certification systems
- technical assistance to improve industry compliance with export certification systems
- assistance in establishing or strengthening management of SPS risks, including for food safety.

Other support, particularly for small islands state signatories could include market and supply chain analyses for targeted exports; technical assistance and support to enhance the quality and productivity of targeted exports (this could also be in partnership with ACIAR/CRI where research partnerships are required); and linking small island producers, processors, traders and exporters with their counterparts in other Pacific countries where they have complementary supply chains.

The PACER Plus implementation unit will support the PACER Plus Joint Committee and will be responsible for managing the rollout of the PACER Plus implementation package (approx. AUD25 million). This would appear to be a logical engagement point for any PHAMA Plus assistance to PACER Plus signatories that are not currently part of PHAMA. Design of an initiative to support the implementation unit is commencing at the time of this design. This design does not pre-empt the outcome of that process. However, it is likely to explore ways to engage relevant multi-country programs like PHAMA Plus. This could include formal mechanisms for programs like PHAMA Plus to engage with the implementation unit and the prioritisation of activities under PACER Plus implementation. This approach would address the limitations of PHAMA Plus not having a presence (*e.g.* through MAWGs or a country coordination office) in other countries. Collaboration between PHAMA Plus and the PACER Plus implementation unit would ensure activities to be supported align with the PHAMA Plus purpose and outcomes, but will also help inform any potential engagement beyond the scope of the design (with additional funding, potentially from PACER Plus implementation funds). Collaboration will also ensure that the significant body of technical information and value chain studies produced by PHAMA (see <http://phama.com.au/resources/technical-reports/>) and anticipated as outputs from PHAMA Plus is easily accessible to small island state signatories of PACER Plus.

2.4 Investment resources

PHAMA Plus is designed as an AUD36 million investment over 4 years, with resources from DFAT Pacific Regional and bilateral Pacific programs (especially PNG and Solomon Islands) as well as New Zealand MFAT. The proposed program is designed to leverage additional private sector investment wherever possible using a market systems development approach – recognising that private business partners, ISPs in agricultural and horticultural market systems and smallholder farming households are all private sector actors. Experience from other market systems programs, even those in fragmented and complex development contexts, suggests leverage of 2:1 can be achieved over time (that is for every dollar invested by PHAMA Plus private sector

³⁰ Further details relating to PACER Plus implementation at <http://dfat.gov.au/trade/agreements/pacer/fact-sheets/Documents/development-assistance.pdf> and <http://dfat.gov.au/trade/agreements/pacer/Documents/implementing-arrangement-for-development-and-economic-cooperation.pdf>

partners invest two dollars in cash and kind). For example, in Eastern Indonesia the PRISMA portfolio had a median leverage of 1.6:1 (partner: DFAT) at mid-term.

2.5 Stakeholder relationships

PHAMA Plus will build on the existing stakeholder relationships and social capital developed by PHAMA. PHAMA Plus will work with private sector business partners in different ways – in particular facilitating delivery of innovations and institutional changes through them rather than directly to beneficiaries as a program. This includes DFAT corporate partners such as Carnival Australia, with which PHAMA has also had a long-term collaboration to promote sales of authentic Pacific handicrafts by Carnival cruise ship passengers. Public sector stakeholders, especially those regulating commodities and compliance with targeted export pathways, will also be engaged differently – with a focus on mutual accountability and performance in regulatory functions, rather than capacity building and substitution of national functions. Mechanisms developed by PHAMA to enable dialogue between private and public sector actors in targeted export market systems – such as *Market Access Working Groups* and *Industry Working Groups* – will be maintained. Relationships between whole-of-government partners, particularly at an operational level between DFAT and DAWR, MFAT and MPI and SPC, will be facilitated by DFAT (in Australia) and MFAT (in NZ) and supported by the program. Systematic communication with complementary programs in target countries (e.g. MDF in Fiji and PNG; PPAP in PNG; and RDP and *Strongim Bisnis* in Solomon Islands) will be led by each country team and particularly emphasised during analysis for, and preparation of, interventions. Similarly, systematic communication with complementary regional programs (e.g. APCCAP, Business Link Pacific, Pacific RISE, PSDI, PFIP) will be led by the PMO and relevant links and opportunities communicated to country teams during analysis for, and preparation of, interventions. Where stakeholders are ready and willing to engage with PHAMA Plus, the program will actively engage and co-invest with them to develop, implement and monitor market system interventions.

2.6 Key differences between PHAMA Plus and PHAMA

The design for PHAMA Plus builds on lessons from implementing PHAMA in six Pacific countries. Consultation with stakeholders from 8 countries during preparation of the design confirmed the on-going usefulness of MAWGs, IWGs, and national coordination arrangements. Design field work identified a number of themes that differentiate PHAMA Plus and PHAMA, including:

- **A multi-country program** – PHAMA was designed as a regional program but evolved towards a multi-country program. PHAMA Plus is deliberately designed as a multi-country program. The “glue” that brings the program together is quality information that supports market access and policy dialogue; as well as common themes that can be shared across countries with similar market access opportunities or challenges (e.g. cocoa in PNG, Solomon Islands, Vanuatu, Samoa; kava in Fiji, PNG, Samoa & Vanuatu).
- **A resource for PACER Plus signatories** – PHAMA Plus is designed to complement PACER Plus. For example, the program will support signatory countries to perform SPS functions more strongly and, where possible, to expand horticultural, agricultural and cultural exports. Signatory countries will develop detailed work plans once the agreement enters into force, and activities or interventions for PHAMA Plus support will be approved by DFAT and MFAT in the same way that other PHAMA Plus interventions will be approved (Box 1).
- **A private sector-led program** – field consultations highlighted the importance of private sector exporters, processors and farming households as the drivers of economic growth and sustainable export supply chains. Country teams are encouraged to include skills in *export market systems development*.
- **Discrete, multi-year interventions** – building on the relationships, social capital and experience developed in PHAMA, transition to a small number (typically 2-3 in each country) of multi-year interventions targeting specific export pathways with opportunities for inclusive, climate informed and resilient growth.
- **Increased emphasis on quality and productivity** – in addition to biosecurity system performance and use of export market access, support exporters, processors and ISPs to engage farming households and help them use good practices and manage risks, including risks of disasters and climate change for more reliable for more reliable supply chains.
- **A purposeful blend of market systems facilitation and direct engagement** – where private sector partners are willing and able, use market systems development approaches to deliver change and complement this with direct public sector biosecurity agency engagement for a better business environment.
- **Having budget flexibility** – by having a defined purpose and clear approach to delivery as well as an operational mechanism (see Chart 15 on page 19) that enables preparation and implementation of market-

and country-led interventions, provide a platform for export market access delivery that DFAT and MFAT, the PACER Plus Implementation Unit, whole-of-government partners, private sector businesses and regional organisations can invest in for specific country programs or specific commodities.

- **Influencing the influencers** – continuing to use good quality analysis and diagnostic information to support industry groups and commodity exporters in their advocacy for enabling export policy, the wider agri-business environment, and systemic change.
- **A Technical Advisory Group** – lessons from MDF and AIP Rural PRISMA highlight the value added by a small technical supervision team contracted to donor investors. A 2-3 person Technical Advisory Group (TAG) is proposed to assist DFAT Regional Pacific and MFAT to monitor program delivery and provide advice to DFAT and MFAT management as well as their country post teams on how to maximise program impact and proactively manage opportunities and risks.



3 Implementation arrangements

3.1 Management, governance arrangements & structure

Appointment of a Contractor

A Contractor will be engaged through a competitive tender, managed by DFAT but evaluated by DFAT and MFAT, to coordinate and support regional and national activities and facilitate and manage PHAMA Plus partnerships and interventions. The Contractor will deliver the Program from a central program management office (PMO) in Suva, Fiji. The implementation team will include locally engaged professionals to facilitate export market systems development and coordinate program activities in at least six Pacific Island countries: Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu. The primary functions of the Contractor will include:

- Effective operational management of finances, human resources, logistics, procurement and facilitation of all stages of intervention preparation and delivery; as well as managing partner agreements, consistent with DFAT and MFAT policies, Australian Government legislation and local regulations
- Monitoring and results measurement to DCED Results Measurement and DFAT M&E Standards, performance reporting for management use and progress reporting to DFAT, MFAT and MAWGs
- Commissioning and conducting intervention impact assessments to the DCED standard and other evaluative studies for learning, policy dialogue and performance assessment – including case studies
- Quality assured technical assistance and certification services (*e.g.* HACCP)
- Communications and reporting planned and delivered in partnership with DFAT or MFAT economic diplomacy and public diplomacy staff in each bilateral post including supporting DFAT and MFAT information and reporting needs such as briefs on sector issues, policy and program achievements
- Risk management and resilience building, including in relation to safeguards (especially environmental and child protection), climate change, fraud, security, workplace health and safety, and program risks
- Liaison with DFAT, MFAT and key whole of government partners in Australia and New Zealand (*e.g.* DAWR, NZ MPI, NZ CPI and ACIAR); regional organisations (*e.g.* SPC, PPPO); and bilateral government agencies (*e.g.* national ministries of agriculture and commerce/trade)
- Liaison with DFAT corporate partners including ANZ Bank Group, Carnival Australia and Westpac Banking Corporation
- Supporting collaboration with other relevant DFAT and MFAT programs including Market Development Facility (in Fiji and PNG); Business Link Pacific; ACPPAP, World bank PPAP (in PNG); *Strongim Bisnis* and RDP (in Solomon Islands); ADB Private Sector Development Initiative; ADB Samoa Smallholder Business Program; ADB SME Value Chain Finance Program; MFAT Samoa Cocoa Project; DFAT Pacific Financial Inclusion Program; DFAT Pacific Labour Facility; DFAT Pacific RISE; Fairtrade ANZ support for gender equality; and DFAT PacMAS; the PACER Plus Implementation Unit.

Functional assignment

The social capital created in the MAWG and IWGs in each country, evidenced in the sustainability road maps and preparation for their implementation, suggests there is an opportunity for PHAMA Plus to be more country

led to ensure local market relevance and responsiveness as well as to better facilitate market systems development through private sector partners. This requires functional assignment between (Chart 14):

- **Central PMO** – where economies of scale and regional collation of data is cost effective
- **Country facilitation and coordination** – where local relationships and response to market system opportunities is cost effective.

The contractor engaged to manage implementation of PHAMA Plus will need to adequately resource both the PMO and country offices to deliver the services required (Chart 14).

DFAT/MFAT Program Steering Group

Increased country and private sector leadership in this new phase requires an investment and resource allocation approval mechanism. DFAT (Pacific Regional in Suva and Economic Growth Section in Canberra) and MFAT will convene and operate a Program Steering Group, with secretariat support from the Program Management Office if needed. The functions of the DFAT/MFAT Program Steering Group include:

- setting the broad strategic direction of PHAMA Plus
- approving annual plans and other contracted outputs from the managing contractor
- giving formal approval to intervention concepts and intervention plans proposed by country MAWGs
- contributing strategic and resource information to PCC meetings and MAWG meetings
- ensuring effective and efficient partnership with the PACER Plus implementation unit
- overseeing effective and efficient whole-of-government (Australia and NZ) support for PHAMA Plus
- ensuring program interventions and outputs adhere to the agreed program logic and designed outcomes.

Chart 14 : Functional assignment

| Central PMO | Country facilitation and coordination |
|---|--|
| <ul style="list-style-type: none"> • Management systems – finance, HRM, logistics, safeguards • Administrative & logistics support to country teams • Portfolio performance management & regional reporting • Supervise and collate whole-of-program annual planning and competitive portfolio selection/management • Quality assurance and strategic review • GESI strategy, training and progress review • Safeguards strategy, training and progress review • Safeguards management and impact prevention • Climate and disaster risk management and resilience plan • Evaluative studies, regional diagnostics and analysis • Support progress and performance monitoring of country interventions • Support country communications and lead regional communications • Engage with Regional Pacific DFAT (post & desk) development cooperation, public diplomacy and political/ economic teams • Engage with DAWR, ACIAR, MFAT, SPC and other partners • Engage with complementary regional programs • Collate a register of regional technical specialists and research/evaluative study professionals | <ul style="list-style-type: none"> • Facilitate market intervention design and delivery • Negotiate partner relationships for interventions • Identify, commission and manage market analyses, diagnostics and evaluative studies to inform MAWG • Coordinate market access intervention design & delivery • Executive and other support for MAWG and IWGs • Negotiate and maintain private sector partner “deals” • Lead local technical review and quality assurance • Ensure GESI is integral to intervention design & delivery • Actively monitor safeguards, identify issues and report non-compliance to PMO • Facilitate country annual planning and competitive portfolio selection/management processes • Engage with bilateral post development cooperation, public diplomacy and political/economic teams • Engage with complementary country programs • Oversee partner due diligence and intervention acquittals • Local administration and governance • Compile a register of country technical specialists and research/evaluative study professionals |

The PCC will also be responsible for the out of session consideration of proposed market access interventions and annual reports, when required. PMO will act as PCC Secretariat to facilitate formal meetings and ensure that all out of session proposals and reports are considered in a timely manner. Once approved by the PCC final reports and proposed market access interventions (and associated budgets) will be approved by DFAT and MFAT.

Program Coordinating Committee

The Program Coordinating Committee (PCC), established under PHAMA, has proven to be a useful body for strategic review and direction. It will continue to meet at least annually to provide high-level governance oversight of PHAMA Plus. Membership will include representatives from DFAT, MFAT; SPC; DAWR; MPI; at least one representative from each country MAWG; two representatives from small island state PACER Plus signatories (to be determined between PMO and small island state members based on market access intervention activities and current status); ACIAR, NZ CRI; and the PHAMA Plus Team Leader. The PCC will meet formally at least once per year, coinciding with annual portfolio reviews, budget management and progress reporting of intervention delivery (so ideally late in the financial year).

Market Access Working Groups

Market Access Working Groups (MAWGs – or their national equivalents, for example in PNG the Program Steering Committee) will continue to operate with similar functions to those under PHAMA. However, in PHAMA Plus membership of each country MAWG will be reviewed to ensure that they are representative of all groups engaged in, or wanting to engage in, export of targeted commodities as well as including a better balance of women, youth and men. This is likely to mean, for example, participation by grower associations or smallholder exporters as well as rejuvenation of industry membership. MAWGs will lead the process of developing new interventions (Chart 15) with support from a National Export Market Systems Facilitator or National Coordinator. Where market systems development approaches are used, in particular to facilitate private sector engagement and co-investment to secure more productive and better quality supply for export markets, a National Export Market Facilitator, engaged either full time or part time, will support the MAWG in its work. In addition, MAWG members may consider accessing specialist expertise for climate risk and resilience analyses sourced through the APCCAP expert panel – this is fully funded and available across DFAT programs in the Pacific. The Sustainability Roadmaps completed for each MAWG during 2017 will begin implementation during 2018 and into the first half of PHAMA Plus in an effort to enable sustainability of this important public-private dialogue forum. This has already started in some countries (e.g. in PNG some commodity regulators are sharing costs of working groups).

The MAWG will lead the setting of priorities, the preparation of longer-term interventions integrating SPS compliance, management of export pathways, improvement of quality and productivity in the supply chain, and exploration of new market opportunities. DFAT and MFAT, as core financiers, will lead safeguard and probity considerations as well as make final approval decisions and financial commitments on an intervention-by-intervention basis.

Industry Working Groups

Most countries partnering with PHAMA used Industry Working Groups (IWGs) to facilitate public-private dialogue to improve export market access for particular products or commodity types. Where a country MAWG sees continued value in an IWG to facilitate communication and delivery of approved interventions, PHAMA Plus will share the costs of operating an IWG with industry and government partners. These costs would be integral to an Intervention Plan, to make transparent the trade-offs between using program funds for dialogue and implementation.

Technical Advisory Group

DFAT identifies that establishing a Technical Advisory Group (TAG) may be appropriate in the following circumstances relevant to PHAMA Plus:³¹ (1) large and complex investments, particularly investments where activities are emergent (e.g. intervention design-implement); (2) lack of technical knowledge within DFAT; and (3) across a portfolio of investments. A TAG can also add value: (4) when a program is off-track; and (5) when there is a need to manage conflicts between implementing partners and donor program staff.

A PHAMA Plus TAG is proposed as a flexible mechanism to provide a range of services, including technical review of program strategies, annual plans, intervention plans and progress reporting; supervising and monitoring program interventions in the field; and providing strategic and technical advice to DFAT and MFAT as well as on program governance arrangements including the PCC and MAWGs.

The proposed TAG would comprise two subject matter specialists with more than 20 years relevant experience. Members of the TAG would be directly engaged by DFAT Regional Pacific and provide semi-annual reviews for the first two years of implementation and may move to annual reviews thereafter. The TAG would also be able to provide technical “help desk” support for DFAT or MFAT staff on intervention design, portfolio management, biosecurity protocols and market access, women’s economic empowerment and assessment of adequacy of progress. DFAT and MFAT posts could also engage the TAG members to support bilateral supervision of interventions in specific countries under supplementary tasking notes resourced from the bilateral program budget.

3.2 Implementation plan

Resourcing and recruitment

³¹ DFAT (2017) *Practice Note 10: Setting up a Technical Advisory Group* [November 2017]. Department of Foreign Affairs and Trade, Jakarta, Indonesia.

The Contractor will provide high quality program direction, strategy and operational support to manage and implement PHAMA Plus in 6 Pacific Island countries (Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu). In addition, PHAMA Plus will work with the PACER Plus Implementation Unit to identify market access and SPS related issues in small island state signatories of PACER Plus, determine the feasibility and scope of the interventions and facilitate the delivery of the intervention if endorsed by the PCC. If the intervention is considered beyond the scope and or budget of PHAMA Plus other funding mechanisms and or intervention facilitators will be identified with support of the PMO.

The Contractor will propose personnel for the core team including Team Leader, Operations and Finance Manager, Advisers and other personnel as required to deliver the program outcomes. The current organisational structure is presented for reference (Annex 4). The Contractor will propose personnel for the positions of Team Leader, Contractor Representative and Head of Operations and Finance (Annex 7). The core management team will liaise closely with DFAT Regional Pacific as well as DFAT and MFAT bilateral posts throughout implementation to ensure the program remains responsive to Australian, New Zealand and Pacific partner priorities and information needs.

To facilitate transition and reduce the risk of losing momentum during inception of a new phase, Contractors are encouraged to retain existing PHAMA country implementation personnel for an initial period of six months. Contracting of the PHAMA Plus team will occur during the transition period. The extension of personnel contracts beyond this six month period will be at the discretion of the Contractor and subject to performance review and program needs, as well as interest from PHAMA staff. This approach recognises the importance of retaining skilled personnel, in particular their program knowledge and business relationships, integral to maintaining momentum in PHAMA Plus.

Employment conditions for international advisers contracted to facilitate implementation of PHAMA Plus will align with the current version of the DFAT Adviser Remuneration Framework.³² Remuneration rates and employment conditions for national staff will be commensurate with existing norms, and align with other donor-funded programs, as well as with local employment regulations, in each participating country.

Preparing market interventions

A number of activities implemented under PHAMA will continue to their natural conclusion during the first year of PHAMA Plus. New interventions will be country-led and responsive to market demand and the priorities of private sector business partners and participating country governments. Building on the relationships, social capital and experience developed in PHAMA activities, the MAWG will oversee transition to a small number (typically 2-3 in each country) of multi-year interventions targeting specific export pathways suitable for development as “managed pathways” and demonstrating opportunities for inclusive, climate informed and resilient, economic growth. Where bilateral programs or other partners are willing to invest more, additional interventions could be added as lessons are learned, opportunities for export innovation are identified, and other opportunities emerge. During the first year of implementation, each country MAWG will lead a process of preparing up to three new market interventions with support from PHAMA Plus staff in each country (e.g. *National Coordinator* and *National Export Market Systems Facilitator*) and technical specialists including PMO regional staff (e.g. SPS/Biosecurity Specialist) and others drawn, as appropriate, from a pool of short-term national and international subject-matter specialists, DAWR/MPI, ACIAR/CRI, SPC and DFAT/MFAT.

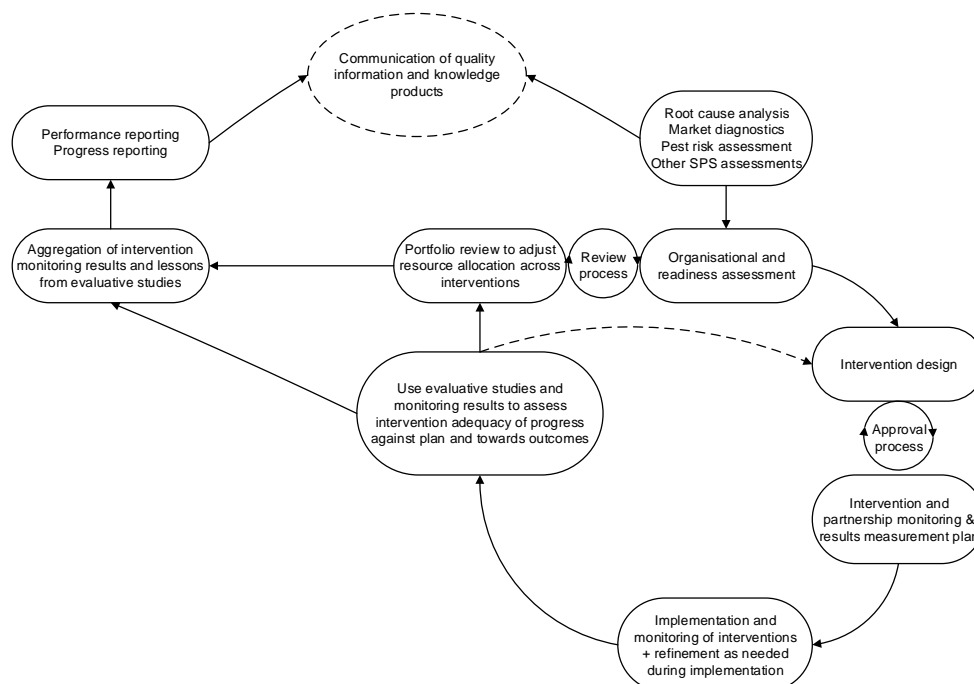
For small island state signatories to PACER Plus, the program will work with the PACER Plus Implementation Unit to define market access and SPS related issues, determine the feasibility and scope of the interventions and facilitate the delivery of any interventions that align with the PHAMA Plus purpose and outcomes and are endorsed by the PCC. The process for intervention preparation, monitoring and reporting will be as outlined below for PHAMA countries except that the PMO will determine the process facilitators (in-house or contracted expertise). If the intervention is considered beyond the scope and or budget of PHAMA Plus other funding mechanisms and or intervention facilitators will be identified with support from the PMO.

Preparation of interventions will follow the same process in each country (Chart 15). The process starts with *opportunity analysis* by the MAWG and a broader range of stakeholders representative of the national export market system. The analysis will be facilitated by the PHAMA Plus National Coordinator and build on existing export market system and other technical studies prepared by PHAMA, ACIAR and other partners (e.g.

³² See: <https://dfat.gov.au/about-us/publications/Documents/adviser-remuneration-framework-2016.pdf> Accessed January 21, 2018.

APCCAP, MDF, PPAP, PGF, RDP, *Strongim Bisnis*) in commodities identified as having financially viable export market demand, realistic prospects for growth through existing and new market access, and potential to be developed as a **managed export pathway**. The MAWG will then oversee a **root cause analysis** of constraints and challenges for each intervention, facilitated with technical support from PHAMA Plus and its whole-of-government partners including DAWR/MPI, ACIAR/CRI, SPC/LRD and DFAT/MFAT.

Chart 15 : Intervention development and learning process



Members of the MAWG will bring their local commercial, policy and technical expertise to the root cause analysis process. Where **research questions** or **innovation opportunities** are identified, national research institutions (e.g. Fiji MASLR Research Division, PNG NARI or Samoa SROS), as well as research agencies working regionally (e.g. ACIAR, NZ CRI and SPC) will support the MAWG in problem definition to identify opportunities for short research activities (e.g. adapting existing innovations to a local context) or longer-term research (e.g. improving the quality and productivity of commodities for a targeted export pathway). In addition to biosecurity system performance and use of export market access, interventions will facilitate exporters, processors and intermediate service providers to engage farming households and help them use good practices and manage risks for more reliable export supply chains. With support from PHAMA Plus, the MAWG will facilitate identification of private sector business partners and related intermediate service providers to support implementation of the proposed intervention.

The output from the MAWG intervention preparation process will be an **Intervention Concept Note** and a related body of evidence (e.g. market and technical diagnostics, root cause analysis and problem definition for research and innovation, partner identification for implementation). Intervention Concepts will be assessed against standard criteria (Box 2) and ranked in order of priority to identify the first 2-3 interventions for more detailed preparation. The PHAMA Plus national team, supported by the PMO and short-term technical assistance where needed, will then prepare a draft **Intervention Plan** – detailing a 2-3 year, step-by-step process towards a managed export pathway that contributes to the PHAMA Plus end-of-program outcomes. An Intervention Plan will set out: **why** the proposed investment is relevant; **what** will be done over the period of implementation; **how** the investment will be delivered; and **who** will deliver its component parts. Clear monitoring and results measurement for the intervention will be included in the Intervention Plan. A multi-year budget will also be included, identifying sources of funds aligned with the roles and responsibilities of parties implementing the intervention. Where private sector business partners are engaged in intervention delivery – consistent with the market systems development approach (Chart 12, page 11), a **Partner Contract** will be negotiated by the National Export Market Systems Facilitator with support from the PMO – typically setting out roles, responsibilities, co-financing and benefit sharing as well as safeguards and performance targets. Complementary programs (e.g. MDF, PSDI, PFIP, PPAP, Pacific RISE, RDP, *Strongim Bisnis*) that may co-finance, or link with, the intervention would be parties to the Intervention Plan.

Box 2 : Criteria for preparing and priority ranking interventions

The following criteria are proposed to be used by MAWGs in each country for preparing and priority ranking interventions:

- **How many Pacific people benefit** – the purpose of PHAMA Plus is to contribute to improved economic growth and improved rural livelihoods for Pacific peoples. Intervention concepts should assess the number people projected to benefit from an intervention in the immediate (next 12 months), short-term (life of program), and medium term (in the next decade). Interventions with the greatest number of projected beneficiaries should be given priority.
- **Who will benefit** – to be sustained a proposed intervention should be projected to benefit wide range of market system actors. DFAT is especially focused on women, youth and people living in remote communities benefiting from PHAMA Plus. The choice of commodities should in part reflect choices to maximise the diversity of those projected to benefit from an intervention.
- **How big and sustainable is the impact** – innovations introduced in an intervention concept should project sustainable net attributable income change (NAIC) to women and men producers as well as sustainable net business turnover change to private sector business partners and their intermediate service providers supporting delivery of an export market system intervention. NAIC exceeding 30% (that is a 30% change in net attributable household income from a targeted export commodity) is an internationally accepted benchmark for ranking market systems development interventions. Sustainability of natural resource management is critical to impact – good agricultural practices are an essential dimension of change.
- **Readiness to change: private sector business partners** – a market systems development approach requires private sector business partners and their intermediate service providers to be willing and capable of delivering an intervention (Chart 17, page 30). Proposed interventions should not be given priority without a willing and capable private sector business partner with demonstrated readiness (Annex 2).
- **Readiness to change: producers** – innovations designed to improve the quality and productivity of supply chains will only deliver results in the life of PHAMA Plus if producers are ready to adopt a new way of producing or handling an export commodity (Annex 2). Proposed interventions should not be given priority without evidence that at least early adopters are ready to engage with PHAMA Plus.
- **Climate resilience** – building on models, forecasts, seasonal outlooks and other climate information products and services from regional meteorological agencies, assisted by Australian climate science monitoring and information programs, including the upcoming Australia Pacific Climate Change Action Program – APCCAP (Box 6) supply chains vulnerable to climate change will be assessed before being considered for intervention. Proposed interventions should not be given priority without evidence that quality and productivity can be maintained under a range of projected climate change scenarios.
- **Mutual accountability** – because PHAMA Plus is commercial and export-oriented, there is an important export compliance function required from national public service agencies. It is in the interests of both the partner country and PHAMA Plus for public service regulators to perform their functions efficiently and effectively. Proposed interventions should not be given priority without evidence that national regulators are willing to perform their functions efficiently and effectively. Where capacity constraints impact this performance, PHAMA Plus may be able to provide some support, but the national operating environment

Interventions identified and prepared using the process outlined above will be prioritised against criteria linked to the PHAMA Plus mandate (Section 2.1, p10), local market opportunities and context, and DFAT value for money principles. Criteria to be applied by MAWGs in each country include ranking based on: (1) how many Pacific people benefit; (2) who will benefit; (3) how big is the impact; (4) readiness to change in both private sector business partners and producers; (5) climate resilience; and (6) mutual accountability (Box 2).

The Intervention Plan and Partner Contracts will be summarised together in an *Intervention Steering Document* that will be used by the MAWG and PMO as well as those implementing each intervention as a summary frame of reference for assessing adequacy of progress and accountability. Brief quarterly updates of progress from implementation of each intervention will be presented to each national MAWG and the PMO. Semi-annual progress reviews of each intervention will be conducted by each MAWG as part of a quantitative portfolio review by the MAWGs and PMO. An annual intervention progress report, collating progress against all components of the intervention and comparing that with performance anticipated in the Intervention Plan, will be presented to the PCC and used by the national MAWGs and PMO in a portfolio review process that will inform resource allocation decisions made at the annual PCC meeting.

PHAMA currently supports short-term activities relating to 12 export pathways (including: cocoa; coconut; coffee; cultural products including handicrafts; ginger and other spices; fresh horticultural products including squash and watermelon; kava; root crops including cassava, taro and yams; sawn timber; and seafood). This design anticipates that these core export commodities will continue to be the focus of a portfolio of longer-term interventions prepared and implemented under PHAMA Plus. Detailed descriptions of indicative interventions (Annex 3) highlight the importance of an integrated, multi-year results chain that describes the many activities that together form an intervention and in sequence deliver the anticipated outcome over the life of the program. A summary description in Box 3 presents kava export development in Vanuatu as an indicative example of the proposed longer-term, multi-partner, approach to export market development.

Box 3 : Indicative intervention – exporting quality kava from Vanuatu

PHAMA supports a number of activities to increase kava exports in Vanuatu and regionally. However, the nature of the supply chain challenges and opportunities mean that PHAMA cannot do everything alone. An integrated approach using a range of private sector business partners and government regulators – each playing to their strengths by performing their market functions – is needed. This summary description of a kava export development in Vanuatu as an indicative example of the longer-term, multi-partner, approach to export market development proposed for PHAMA Plus.

More than 20,000 farming households in Vanuatu grow kava commercially and around 45% of Vanuatu households are involved in some part of the kava value chain, mostly as producers. In 2016 more than 1,000 tonnes of dry kava was exported, and export demand in New Caledonia, Fiji and Kiribati as well as the USA is growing. This is reflected in rising prices and readiness of producers to adopt innovations to increase quality and productivity. Kava is one of the most important sources of cash income for rural households in Vanuatu and is particularly attractive to youth in remote locations (e.g. Ambae, Pentecost, Santo and Tanna islands). A 2017 *Kava Value Chain, Gender Equality and Social Inclusion Analysis* conducted in Vanuatu with support from PHAMA identified a number of opportunities to increase the productivity and quality of kava for export. Consistent with the 2015 *Vanuatu Agriculture Sector Strategy*, and 2015 *Vanuatu Kava Strategy (2015-2025)* opportunities identified by the analysis and given priority by the Government of Vanuatu and a representative group of kava producers included:

1. Nurseries and enhanced propagation methods to expand the production of 12 noble varieties of kava
2. Fast-track implementation of quality standard measures under the existing Kava Act and the National Quality Standards to assure the quality and safety of kava for export markets (including completion and use of Codex Standards for kava)
3. Improve access to financial services and financial literacy training for value chain actors (linking with complementary programs such as the *Pacific Financial Inclusion Program*, *VANWOODS* and *SPBD Microfinance*), especially producers and their intermediate service providers (e.g. traders, exporter agents and nursery operators)
4. Facilitate social inclusion in the kava value chain, specifically the participation of women in higher level value-adding activities, as well as reinforcing their current roles in producing and processing kava (linking with complementary programs such as *Pacific Women* and the *Fairtrade ANZ Gender Inclusion Project*) and promoting a 2018 *Kava Festival*
5. Identify new export markets and grow supply to them to ensure prices are maintained as current plantings become ready for harvest from 2020 – in part informed by a literature review of positive and negative effects of kava on human health
6. Discover innovations in garden inter-cropping with kava and food crops to enhance the quality and productivity of kava while also ensuring food security and reducing monoculture risks
7. Monitor kava planting and inventory existing plantations by age and variety, including post drought and post cyclone surveys
8. Reform institutions (e.g. Vanuatu Commodity Marketing Board with support from bilateral *Governance for Growth Program*) to resolve current ambiguities in the legal and regulatory framework, and especially to ensure that the export levy is used for the direct benefit of the kava industry.

These opportunities can be prepared as an integrated, multi-year intervention to be implemented by a range of partners under the coordination of the Vanuatu MAWG and its industry partners. Private sector drivers could include the 5 major exporters. Other partners are anticipated to include:

- ACIAR – lead opportunity 6, contribute to task 1, building on current work in Vanuatu
- ADB and Pacific Financial Inclusion Program – lead task 3, building on current work in Vanuatu and the region
- DARD and Dol – proactively support or lead tasks 2, 4, 5, 7 and 8
- 5 dominant kava exporters – as private sector partners lead tasks 1, 4, 5 and work with ISPs such as nursery enterprises in Ambae, Pentecost, Santo, and Tanna to support adoption of innovations from tasks 2, 5, and 6
- PHAMA Plus – facilitate deals with private sector partners and support the MAWG to coordinate implementation and lead monitoring and results measurement for all opportunities.

It is important that existing social capital and relationships as well as results delivery momentum is maintained during the transition from PHAMA to PHAMA Plus. The following **transition principles** are designed to mitigate the risks associated with the transition:

- A sound understanding of Pacific primary product and cultural exports; the regulation of biosecurity issues through protocols agreed between importing and exporting countries; and a practical understanding of market systems development approaches.
- Retaining high performing PHAMA staff who manage and maintain partner relationships and have considerable experience in the practical application of market access facilitation in the Pacific context.
- Adopting a dual intervention portfolio approach: retaining existing successful interventions and partnerships to avoid a possible erosion of private sector and government partner relationships, whilst also having a strategy to quickly develop a portfolio of new interventions and scale up of existing interventions with that potential.

Procurement

PHAMA Plus is designed to have a managing contractor engaged before the Program start date in mid-October 2018 to enable a smooth transition between phases and reduce the risk of losing momentum. During the transition period, the PHAMA Plus Managing Contractor is expected to:

- recruit PMO and country teams in consultation with DFAT
- offer contracts for at least 6-months to PHAMA personnel performing functions that are critical for transition to PHAMA Plus (*e.g.* Country Managers and National Coordinators and technical specialists in the PMO)
- facilitate preparation of interventions and negotiation of deals and related contracts with private sector business partners willing and able to engage with PHAMA Plus, ready for implementation from late 2018
- if needed, work with the outgoing contractor to transfer and adopt management systems designed for PHAMA
- establish monitoring and results management systems, and integrate them with the operational and finance systems, to support efficient and effective implementation of PHAMA Plus.

The Contractor will be expected to develop a transition plan to achieve these outcomes. The in-country presence of the Contractor Representative for a period of at least one month to oversee this transition and initial implementation is strongly encouraged.

3.3 Value for money

A one-step procurement process to competitively select a managing contractor is proposed for May 2018. Key PHAMA country staff will not be part of competitive selection processes, and the selected managing contractor will be encouraged to retain existing staff and make any other staffing arrangements considered important to maintain momentum in on-going interventions and prepare key private sector business partners and other key stakeholders for effective delivery of PHAMA Plus.

Value for Money (VfM) is an explicit focus and benefit of the market systems development approach proposed for PHAMA Plus. The approach has a strong focus on the measurement, management, and improvement of performance over time. PHAMA Plus will operationalise measurement of VfM by monitoring three VfM indicators: investment leverage, social return on investment, and investment per farmer (see Box 4, page 24). A central element of the market systems development approach is use of donor investment to leverage investment by private sector partners. If an intervention opens a commercial opportunity for a private sector partner, they have an incentive to co-finance it during adoption and then take it over during adaption and expansion (Annex 2), so contributing to VfM and sustainability. PHAMA Plus will measure and report leverage for each intervention, and benchmark progress in investment leverage against other MSD programs. A lesson from other DFAT investments using the market systems approach, is that VfM improves over time, after early implementation of interventions begin to bear fruit and ‘crowding-in’ occurs.

3.4 Monitoring and results measurement

The 2016 evaluation of PHAMA identified a number of findings and lessons relating to monitoring and results measurement. One finding was that the PHAMA logic model does not adequately explain causal mechanisms linking activities, outputs and outcomes, and does not link outcomes contributed by the program to higher level goals and Pacific Regional aid investment program objectives. The evaluation team recommended:

- including as an integral part of the new design a robust results-based monitoring system that is fit for purpose
- improving the monitoring and evaluation approach using a clearly defined program logic model and performance framework to capture progress and outcomes.

Consistent with DFAT M&E Standard 1³³ (on the required elements relating to M&E in investment design) this design document specifies the requirements for development of a *monitoring and results measurement system* during the transition and inception period (Annex 2).

Monitoring

³³ See: <https://dfat.gov.au/about-us/publications/Documents/monitoring-evaluation-standards.pdf> Accessed November 22, 2017

The results measurement standard of the Donor Committee for Enterprise Development (DCED)³⁴ will be the foundation for monitoring and results measurement (MRM) in PHAMA Plus. This enables consistent use of a common set of performance and management indicators across all interventions. For monitoring functions, the contractor managing implementation of PHAMA Plus will systematically conduct:

- **Performance monitoring** – *periodic* monitoring of changes in knowledge, attitudes and practices in targeted individuals, groups and agencies in each participating country as well as changes in performance that can be quantified either directly (e.g. net attributable income change) or indirectly (e.g. perceptions of biosecurity and commodity regulator performance and capacity using tools such as goal attainment scaling). These data will support judgements about *adequacy of progress* towards intervention outcomes at a country level and their contribution to PHAMA Plus end-of-program outcomes at a regional level. Where relevant to assessing PHAMA Plus results, data will be *disaggregated by sex, location and commodity*. The data will also be used by DFAT, MFAT, strategic partners (e.g. private business partners and government agencies) and the managing contractor to inform medium-term resource allocation decisions across the PHAMA Plus portfolio. This is a *strategic function* that complements evaluative studies and will be resourced from the program budget and coordinated centrally through the PMO.
- **Progress monitoring** – *semi-annual* measurement of actual delivery of *outputs* (e.g. deliverables and other program products) and *intermediate outcomes* (e.g. adoption of new practices and early behaviour changes) actually delivered against each intervention. Where relevant to assessing PHAMA Plus results, data will be disaggregated by sex, location and commodity. Progress reports will be consistent with DFAT M&E Standard 3.³⁵ Progress information will be used by the managing contractor to assess variance from the annual plan and present quantitative analysis to support judgements about adequacy of progress against the annual plan in semi-annual progress reports. This is a *normal project management function*, will be resourced from the management fee, and delivered centrally through the PMO.
- **Management monitoring** – *systematic* measurement as a normal part of good project management of *inputs* (e.g. people and costs); *activities* (e.g. trainings, coaching events, knowledge exchanges); and *outputs* will be measured and reported *monthly* in simple variance from plan metrics for each country and the program as a whole. To support social inclusion and gender equity in delivery, data will be disaggregated by sex, location and commodity where useful. These data will be used by the managing contractor to inform management decisions and report variance from plan. DFAT, MFAT and their national government partners will have access to summary information through on-line access to a *management dashboard*. This is a *normal project management function*, will be resourced from the management fee, and delivered centrally through the PMO.

The MRM system will also measure *qualitative, contextual and unexpected change*. Evaluative studies, contextual meta-analyses and case studies will be systematically and purposefully prepared to inform semi-annual strategic reviews of export market contexts. For example, semi-annual updates of export performance (volumes, products, markets); drivers of export market conditions (e.g. trading partner economic performance and SPS protocols, foreign exchange rates, and local regulations); and key performance indicators should be reported to the MAWG (mid-year) and PCC (end-year). Qualitative change will support management for social inclusion and gender equality where relevant to delivery of PHAMA Plus outcomes. The managing contractor will monitor existing information sources (e.g. periodic information from IMF on macro-economic settings, World Bank on sector performance, SPC and WTO on trade performance) to identify changes in the horticultural and agricultural export context. The information will be collated into a semi-annual *Pacific Horticultural and Agricultural Export Context Analysis* for use by DFAT and MFAT Pacific Regional and country posts, the Pacific Desks in their policy dialogue with partner governments and regional organisations. For example, a strategic summary of progress, on-going bottlenecks and opportunities in the horticultural and agricultural export sector could be used by political and economic sections of High Commissions as information to support engagement for policy dialogue. In Fiji and PNG, the National Coordinator will coordinate these contextual analyses with MDF so that between them the two programs deliver one, integrated market development context analysis for those countries – primarily for use by business partners, MAWGs and DFAT economic diplomacy and public diplomacy staff.

PHAMA Plus will report measured and attributable progress every six months, to complement DFAT aid quality reporting and any partner country needs (likely **February** and **September**). These semester reports to

³⁴ Donor Committee for Enterprise Development – see: www.enterprise-development.org/measuring-results-the-dced-standard/ Over 120 projects in more than 50 countries currently apply the DCED Standard for results measurement.

³⁵ See: <https://dfat.gov.au/about-us/publications/Documents/monitoring-evaluation-standards.pdf> [Accessed August 27, 2017].

DFAT, MFAT and their partners will use agreed, whole-of-program key performance indicators (Box 4, Annex 2) and related targets to report progress and projections including projected change, cumulative change to date, and changes achieved over the six-month reporting period. Indicative targets are proposed for key performance indicators in Box 4. MRM information will be used to support management and portfolio review. The system will aggregate monitoring results across different interventions and partner agencies, both to guide decisions on program portfolio and to report aggregate program progress. Aggregation methods will account for any overlap between interventions to avoid double-counting. The MRM system will also ensure that cross-cutting issues (such as gender, social inclusion, climate change resilience and safeguards) are integral to interventions and are measured. Qualitative information will be used to explain the reasons behind changes in the KPIs and what these changes mean for adequacy of progress towards end-of-program outcomes. The PHAMA Plus *learning and review cycle* (Chart 15) will be aligned with the reporting cycle.

Box 4 : Key performance and value for money indicators

Building on the DCED Results Measurement Standard, the following key performance indicators and value for money measures (disaggregated by sex, country, commodity and destination market wherever possible) are proposed to be used for all interventions. This will provide regional performance information and allow comparison across the portfolio and ultimately inform resource allocation decisions as part of portfolio management.

1. Number of farming households with measured net attributable income increase attributable to PHAMA Plus interventions [Indicative target: 200,000 households – based on PHAMA results reported in 2017 impact report].
2. Value of additional turnover of PHAMA Plus Partners and Intermediary Service Providers [Indicative target: Value equivalent to 20% additional turnover in partner enterprises – based on field interviews during design and experience with similar programs in smaller economies].
3. Number of initiatives taken by government to improve business enabling environment (a simple leading indicator complemented by case studies and evaluative studies) [Indicative target: 3 initiatives per jurisdiction over the life of the program].
4. Direct investment per beneficiary farming household – this is total intervention cost including fixed overheads (e.g. PMO) divided by number of benefiting households [Indicative target: less than AUD250 per beneficiary farming household – based on PHAMA results reported in 2017 impact study and budget projections for PHAMA Plus].
5. Social return on investment – this is total attributable net income change (NAIC) of beneficiary farming households divided by PHAMA Plus direct intervention cost [Indicative target: more than 1.4 – based on PHAMA results reported in 2017 impact report and experience with similar programs].
6. Value of private sector partner investment leveraged by PHAMA Plus interventions – this is private sector partner investment divided by PHAMA Plus direct intervention costs [Indicative target: more than 25% of PHAMA Plus direct intervention costs – based on PHAMA results reported in 2017 impact report and experience with similar programs].

Systematic *portfolio reviews* will inform semi-annual portfolio refinement and adjustment of resource allocation in each country (ideally using the MAWG or equivalent as the steering body) to efficiently progress towards program outcomes. Annual reviews (one of the semi-annual portfolio reviews) should be timed to support strategic decisions by a Program Coordinating Committee (PCC). Portfolio review for PHAMA Plus will use practical quantitative and qualitative indicators to rank intervention quality and performance. VfM will be assessed during portfolio reviews – using measures aligned with DFAT VfM guidelines (Box 4).

The PHAMA Plus MRM system will be driven by those who implement interventions – particularly the National Coordinator and National Export Market Facilitator. Country teams will be supported by central performance assessment resources. Their roles and responsibilities will be detailed in the PHAMA Plus Operations Manual and are summarised in the summary monitoring framework (Annex 2). The responsibility for collecting data for management and progress monitoring will fall on the intervention team (technical advisers and their counterparts). Performance monitoring, reporting and evaluative studies will be the responsibility of a dedicated monitoring and results measurement resource – either internal to the PMO and/or outsourced for the program – that will work with the country facilitation and coordination teams.

Monitoring Framework

Indicators to support performance monitoring (Box 4) at the program portfolio level are designed to link changes resulting from specific interventions to the end-of-program outcomes. During inception the managing contractor will revise the monitoring framework (Annex 2) and expand this as part of a practical MRM manual prepared for the *PHAMA Plus Operations Manual*. Each PHAMA Plus intervention will have its own simple results chain modelled along the overarching principles of the program logic model and the related theories that explain causal mechanisms (Annex 2). These will be used to identify intervention-specific monitoring indicators as well as those program indicators relevant to the intervention. Those will be used by the

intervention team to monitor adequacy of progress and assess changes resulting from the intervention. A simple MRM plan will be developed for each intervention, which defines when and how outputs and intermediate outcomes will be assessed – using performance monitoring and/or evaluative studies. PHAMA Plus will report measured results that can be attributed to the program. Measurement and reporting of results will be fixed by the time frames set out in the Operations Manual. The starting point for monitoring will be when intervention activities start, but time series data based on existing country measures (e.g. time for export documentary compliance, macro-economic data relating to exports as a share of the economy) will be used wherever possible. Consistent with the DCED Results Measurement Standard, outcomes resulting from a PHAMA Plus intervention will be assessed for up to two years after PHAMA Plus activities under that intervention end.

Evaluative studies

The complex and diverse context for primary produce and cultural exports in the Pacific and the resources available for PHAMA Plus result in a flexible design that forms a portfolio of interventions delivering innovations, new approaches and practices that are implemented through private sector business partners, intermediate service providers or government authorities with market facilitation and biosecurity functions. Interventions will be identified and prepared using information from diagnostic studies and market analyses (Chart 15, page 19). Their performance and underlying market system assumptions will be tested using *evaluative studies*. Performance and lessons learned will be collected with *case studies* and evaluations that are communicated to stakeholders and used by DFAT and MFAT country posts and DFAT Regional Pacific teams to inform policy dialogue with partners and regional organisations.

Lessons learned will be used to refine the new approaches and practices introduced in each intervention and expand their adoption by other agencies and firms. At the same time, the lessons will be developed as communication products for economic and public diplomacy aimed at national and regional leaders and export sector influencers to inform policy dialogue and contribute to increased horticultural and agricultural exports from target countries. Evaluative studies are a strategic function that complement performance monitoring, will be resourced from the program budget, and delivered centrally by the PMO. However, local case studies and joint formative evaluative studies may be commissioned by country teams and use appropriate local specialists wherever possible.

In addition, DFAT and MFAT will commission a *normative mid-term review* (independent progress review) around mid-term to assess adequacy of progress towards end-of-program outcomes, relevance of the portfolio of interventions and the efficiency of implementation. If this is timed for the second half of 2021, it will inform decisions about other interventions to be programmed from mid-term. An alternative approach DFAT and MFAT could consider if monitoring demonstrates adequate progress, is a *summative evaluation* in Year 3 (similar to what PHAMA in the 2017 Impact Report) to inform a regional/international symposium to reflect on lessons and results from PHAMA and PHAMA Plus since 2011.

3.5 Communication, learning and knowledge management

The managing contractor will collaborate with DFAT, MFAT and country MAWG partners to select lessons learned that will be developed into knowledge products for different audiences (e.g. technical staff in national agencies, private sector leaders and technical staff, regional organisations, political influencers). Knowledge products will be made available through a PHAMA Plus website, building on the existing platform developed and used by PHAMA and other platforms once approved for release by DFAT and MFAT. Communication will be through the DFAT Program Manager in the first instance.

Working with the DFAT Program Manager, and in consultation with the public diplomacy staff in each participating DFAT or MFAT post, the managing contractor will produce a *communications plan* during inception and include it as an integral part of the PHAMA Plus Operations Manual. The plan will direct delivery of learning and knowledge management, and be reviewed annually as part of the normal planning process. The focus of learning and knowledge management is to *influence* changes in the business enabling environment and *motivate performance* of market systems actors that will contribute to improved economic growth and improved rural livelihoods for Pacific peoples.

Influence is enabled by purposeful communication designed to meet the needs of different audiences in targeted Pacific Island countries and their export market system partners. The managing contractor will distinguish between *technical communications* (e.g. case studies of innovations and new practices or gender and climate change analyses complemented by institutional links, facilitation or capacity development) and

strategic communications (e.g. policy briefs showing changed outcomes and efficiency linked to contextual and market system challenges faced by private sector business and country agency partners and regional organisations). Associated with this is discrete support for business and policy leaders and influencers with information products or visualised data that supports their informal engagement with political leaders needed to create an enabling environment for maintaining or gaining market access and improving the quality and productivity of Pacific Island supply chains.

The monitoring and results measurement system will provide a feedback mechanism for country MAWG and coordinators as well as the PMO team to facilitate **reviewing, learning and decision-making** for improvement of program implementation and portfolio management. Because PHAMA Plus will operate in a dynamic and complex environment it will use a continuous learning mechanism (Chart 15, page 19). Country facilitators and coordinators, supported by PMO specialist staff and advisers, will work with partners to develop and implement interventions and continuously refine and improve their delivery. In addition, PHAMA Plus will periodically review the performance of its agency partners and portfolio of interventions, decide whether they are likely to achieve program outcomes, and adjust resource allocation accordingly.

Each PHAMA Plus intervention will have its own summary results chain modelled along the principles of the program logic. These are used to monitor adequacy of progress and assess the results of each intervention. A brief monitoring plan is developed for each intervention, which defines when and how impact will be assessed. The PMO will report measured results that are attributable directly to, or are contributed by, the program. Measurement and reporting of results will be fixed within a specific time frame. The starting point for monitoring will be when intervention activities start. Consistent with the DCED Standard, the outcomes will be assessed for up to two years after PHAMA Plus support for an intervention ends.

The summary results chain for each intervention reflects how women and men in farming households will benefit and the total number of farming households benefiting and the total net additional attributable income over a two year period anticipated to be available to be “claimed” as a result. Changes in income and outreach beyond two years will not be claimed even though the benefits continue to happen after that period. This is because at the end of two years the change is likely to be part of the regular workings of the sub-sector and be influenced by other factors. There may be exceptions to this rule; for example some interventions may take more than two years after activities end to show any benefits.

PHAMA Plus will use statistically-designed, periodic intervention baseline studies and impact assessments to determine the number of farming households with net attributable income increases and the number of intermediate service providers with changes in turnover attributable to the program and the scale of that change. This will give robust and verifiable outreach and business data that demonstrate results and value for money. In addition, longitudinal income studies will be used to track income allocation by farming households in selected countries and sectors to see who in each household is benefiting from PHAMA Plus market interventions and by how much.

PHAMA will establish systematic, purposeful communications with complementary bilateral (e.g. MDF in Fiji and PNG; PPAP in PNG; and RDP and *Strongim Bisnis* in Solomon Islands) and regional (e.g. APCCAP, Business Link Pacific, Pacific RISE, PSDI, PFIP) programs, as well as with DAWR, ACIAR, MFAT and MPI, to capture efficiencies and opportunities, ensure complementary activities are considered during analysis for, and preparation of, interventions. Where these stakeholders are ready and willing to engage in PHAMA Plus interventions, the program will actively engage and co-invest with them to develop, implement and monitor export market system interventions. This could be done with either party in the lead role.

3.6 Innovation

The market systems development approach proposed as the foundation for PHAMA Plus is an innovation that harnesses the capacity and motivation of the private sector to deliver sustainable export and market access solutions. Consistent with its purpose, PHAMA Plus will use intervention design as well as small, competitive, innovation grants, to facilitate technical and institutional innovations:

- **Technical innovations** – through its evidence-led interventions, prepared and implemented by MAWGs with program support, PHAMA Plus will identify and introduce technical innovations to address constraints affecting export supply chains and competitiveness of smallholder farming households and their packer and exporter business partners. These typically will relate to quality and productivity innovations including inputs, good agricultural practices, and post-harvest handling. Examples of technical innovations introduced by PHAMA include better cocoa fermentation practices in Samoa; solar drying innovations for

cocoa and coffee drying; better drying and roasting practices for coffee in PNG; HACCP-certified processing practices for food and cosmetic exports; and design innovations for handicrafts such as Pandanus hats in Vanuatu.

- **Institutional innovation** – PHAMA Plus will also facilitate institutional innovation within priority innovations. Access to finance and good-practice regulation of export protocol compliance are anticipated to be high priorities for institutional innovation. This may entail changes in the roles of export market actors performing supporting functions or rules (Chart 12, page 11). For instance, independent verification authorities (IVAs) accredited to national biosecurity agencies could be trialled in selected interventions where they are anticipated to be an effective way of delivering good-practice regulation of protocol compliance to secure or maintain export market access. Similarly, PHAMA Plus will facilitate intervention preparation and implementation to enable new ways of delivering export quality and productivity solutions through the private sector. For example, it is common for provision of technical and market information to farmers to be seen as a function of government. However, public sector extension services were consistently perceived as performing poorly in the Pacific – typically constrained by limited recurrent budget and insufficient skilled staff. Market systems development programs demonstrate that private sector business partners, such as exporters, processors and input suppliers, can be encouraged to incorporate technical advice into their routine supply-chain and marketing activities. This works because they have the resources, motivation and access to good practice agronomic information to do so sustainably.

3.7 Sustainability

PHAMA Plus is designed to leave a durable legacy of innovative, inclusive and resilient export market systems that better serve smallholder farming households in selected Pacific Island countries, providing them with access to the resources and opportunities that they need to be more productive, sell more and earn more export income. Sustainability and increasing up-take by farming households, processors and exporters is an explicit goal of the market systems development approach adopted for PHAMA Plus.³⁶ The Program's approach focuses on understanding how actors perform key functions in a market system – those necessary to support improved smallholder quality and productivity, export supply chains and incomes – and how these actors and functions can be stimulated to work better, and continue working better once development assistance ends. It focuses on securing local ownership of solutions and delivery mechanisms by targeted market actors. The approach identifies barriers to export market access and growth in sectors of importance to a representative range of commercial actors including smallholder farming households, corporate farms, processors, exporters and their intermediate service providers; as well as public sector regulators of export protocol compliance.

The PHAMA Plus approach to sustainability is designed to operate at three levels (Annex 3):³⁷

- sustainability of innovations and investment stimulated by the Program
- building on initial innovations to strengthen resilience
- strengthening the export business enabling environment in the Pacific.

3.8 Gender equality and Women's economic empowerment

The 2016 gender equality and women's empowerment strategy published by the Australian government identifies women's economic empowerment (WEE) as one of its three top priorities. The strategy states that Australian aid programs will "integrate gender equality in our aid for trade, economic diplomacy and trade efforts, recognising that WEE is a driver of economic growth and prosperity."³⁸ The strategy is also informed by DFAT's operational guidance note on women's economic empowerment in agriculture.³⁹

³⁶ See for example: DFAT (2017) *Market Systems Development Operational Guidance Note*. <http://dfat.gov.au/about-us/publications/Documents/operational-guidance-note-market-systems-development.pdf> Accessed, January 3, 2018.

³⁷ Adapted from the design document for PRISMA-2 (see: <http://dfat.gov.au/about-us/business-opportunities/tenders/Pages/design-document-prisma-2-indonesia.aspx> Accessed December 19, 2017).

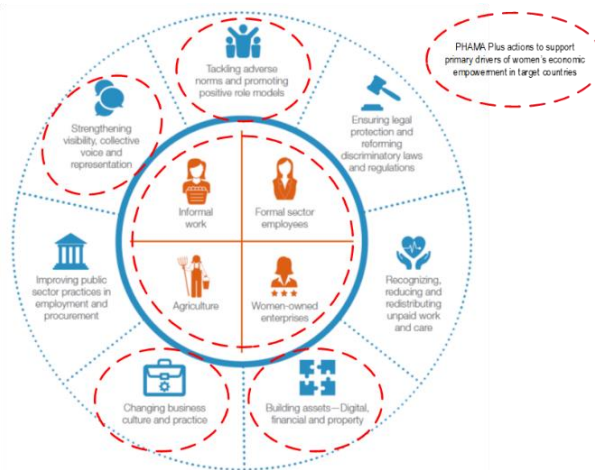
³⁸ Department of Foreign Affairs and Trade (2016) *Gender Equality and Women's Empowerment Strategy*. Government of Australia <http://dfat.gov.au/about-us/publications/Pages/gender-equality-and-womens-empowerment-strategy.aspx>

³⁹ DFAT (2015) *Gender equality and women's economic empowerment in agriculture Operational Guidance Note* <https://dfat.gov.au/about-us/publications/Documents/operational-guidance-note-gender-equality-and-womens-economic-empowerment-in-agriculture.pdf>

After the 2015 aid quality check DFAT recommended that gender equality be a greater focus for PHAMA. The PHAMA management team sought guidance from the DFAT Principal Gender Adviser and a series of analytical pieces were developed to better inform the program on the roles of men and women in various supply chains and identify possible entry points for PHAMA such as: a gender analysis of the coconuts and cocoa supply chains in Solomon Islands; a gender analysis for Tongan papaya, root crops and horticulture supply chains; and a gender analysis of the cocoa supply chain in Samoa.⁴⁰ These reports are available at: <http://phama.com.au/resources/>. An additional study is currently being finalised in kava value chains in Vanuatu.

PHAMA Plus is designed to support four of the seven primary drivers of WEE (Chart 16).⁴¹ Intervention design will engage women by adopting two complementary and concurrent approaches: (1) gender equality and WEE will be mainstreamed by the PMO in the MAWG and partnerships in each participating country; (2) targeted activities in each intervention will be designed by MAWG and partners in each participating country to address the specific needs of women in a particular export pathway (Box 5). PHAMA Plus will clearly articulate WEE in results chains, results measurement and private sector business partnerships used for design and implementation of each intervention. PHAMA Plus will encourage flexible application of the WEE framework, including purposeful engagement with

Chart 16 : PHAMA Plus and WEE



women in their roles as market actors, export pathway regulators, service providers, business leaders, and their unique role in the community. Gender equality and WEE in PHAMA Plus will build on and expand the gender strategies developed and implemented by PHAMA. It will also link with complementary programs in the Pacific including: Pacific Women and the Fairtrade ANZ Gender Project.

Box 5 : Integrating women's economic empowerment into PHAMA Plus

The PHAMA Plus design recognises women and youth not only as being agents of innovation and change at the beneficiary level but also as intermediate service providers (retailers, collectors). Women's empowerment objectives are a strategic means to greater impact and outreach in rural enterprises. For this reason, the criteria and process used to prepare and implement every intervention are designed enhance opportunities for women and youth. This analysis is done through a disaggregation of the roles that men and women play in specific export supply chains as well as undertaking focus group discussions that add qualitative insights used in intervention preparation and implementation.

PHAMA Plus will progressively build gender-sensitive ways of working during the first half of the new program: from: (1) basic and passive gender awareness in all interventions – to (2) staff behaviour change towards pro-active approaches in preparing and implementing interventions.

Lessons learned from PRISMA in Indonesia confirm that women's empowerment is an economic imperative. For example, the pig sector which focuses on female farmers, is the best performing intervention in that program. PHAMA Plus will learn from these lessons and adapt effective mechanisms for promoting women's economic empowerment to the country and export commodity contexts in the Pacific. Examples include: (1) careful analysis of time use in different production systems (building on the IFC work in PNG for coffee and cocoa systems); (2) analysis of commodities and sectors that particularly benefit women and youth (building on work already completed by PHAMA in Samoa, Tonga and for cultural exports); (3) engaging women and youth entrepreneurs during preparation of interventions and working through them during implementation; and (4) linking to other programs in the region including the Fairtrade ANZ Strengthening Gender Equality Project and Pacific Women Shaping Pacific Development.

The monitoring and results measurement system and the monitoring framework (Annex 2) reflect gender and social inclusion measures identified in the 2017 PHAMA GESI Strategy and more broadly ensures quality information on gender equality and social inclusion is available to inform regular portfolio reviews and progress reporting to partners.

⁴⁰ DFAT (2017) *Case Study – Pacific Horticultural and Agricultural Market Access Program*. DFAT Pacific Women Shaping Pacific Development Program, Suva, Fiji. [p2]

⁴¹ See: UNSG HLP (2016) *Leave no one behind - Taking action for transformational change on Women's Economic Empowerment*. United Nations Secretary General High Level Panel, New York, USA. [p4]

Monitoring and results measurement will highlight *who* benefits from each intervention. These quantitative and qualitative monitoring data will be complemented by evaluative studies to understand *how* increased income is used in each benefiting household. Wherever appropriate, PHAMA Plus interventions will embed several explicit WEE indicators, namely change in women's net attributable income; changes in time use and time required for women to earn a livelihood; and participation of women in decision-making. Methods used by the Managing Contractor and MAWGs will include: the use of gender analysis tools during analysis and design of interventions; capturing and reporting the number of women beneficiaries and woman-headed households impacted by the program (income, time-saving and decision-making); purposeful selection of export pathways that benefit women and youth (*e.g.* cocoa, coffee, handicrafts, kava); facilitating links between private sector business partners and women farmers; and inclusion of gender and social inclusion expertise in the national and regional register of short-term facilitators available to support MAWGs and country teams.

The contractor engaged to manage implementation of PHAMA Plus will upgrade documentation and toolkits to ensure WEE is mainstreamed across all participating countries for programming, implementation and results measurement. Specific entry points to address gender equality in cocoa and coconut production, sale and marketing are outlined in Annex 3 of the PHAMA Gender Analyses for those sectors. PHAMA also commissioned a *Technical Report Gender Analysis - Tongatapu, Kingdom of Tonga* in 2015 which investigated agriculture and handicraft constraints for women moving from subsistence farming into export crops. The analysis identified barriers relating to access to land and finance as well as traditional gender roles and tasks. It provides 21 recommendations in program governance / institutional; loan and grant schemes; budget allocation; gender expertise and training; further research; monitoring and evaluation; support for country-led initiatives; and program design and risk management.⁴² Those entry points draw on good analysis and are available at: <http://phama.com.au/resources/gender-equality-social-inclusion/>. The managing contractor will facilitate MAWGs and national teams to use these analyses during the design and implementation of interventions. They will also ensure MAWGs have membership of suitably qualified women, youth and men to ensure a balanced approach to intervention development and delivery.

Good data and research on gender and WEE in agriculture and export value chains in the Pacific is rare. The Communications Strategy (Section 3.6, p26) will include a clear process for disseminating such information to ensure that these resources are used by private sector partners, export market regulators and other programs investing in WEE, export market and rural development. As part of the Communications Strategy, PHAMA Plus will increase its engagement with Pacific Women, at least by featuring gender and WEE analyses and strategies on the Pacific Women website and creating reciprocal links on the PHAMA Plus website.

3.9 Inclusiveness – disability, remote communities, youth

For PHAMA Plus to achieve its outcomes, benefits within farming households need to also reach those who are marginalised including the poor, those in remote areas and people living with disabilities. PHAMA Plus is designed to increase the net income of participating smallholder farming households. The selection criteria include careful consideration of who benefits (Box 2), which provides for social inclusion to be optimised for each market intervention. To monitor progress towards inclusion, the monitoring and results measurement system (Annex 2) will disaggregate outreach and income change data by geography (country of origin, market destination, remoteness of origin), sex (women and men) and commodity. Where national statistics support it, disaggregation by household income level (above and below USD2.50 PPP) will also be used. Where national data exist to support it, other disaggregation may be adopted by the PMO and their national team colleagues to inform management, refine facilitation with partners and better influence influencers. This could include, for example, people living with a disability and making a living from participation in targeted export pathways, or farming households engaged with PHAMA Plus and supporting household members living with a disability. The contractor managing implementation of PHAMA Plus will engage with local organisations working with the disabled (*e.g.* Fiji Disabled Peoples' Association and the PNG Assembly of Disabled Persons) and also regional groups with expertise in social inclusion (*e.g.* Pacific Women).

3.10 Private sector engagement

PHAMA Plus is designed to work with and through private sector business partners, intermediate service providers, industry and professional associations as well as public sector agencies regulating compliance with export biosecurity protocols and providing public information such as climate modelling and weather outlooks.

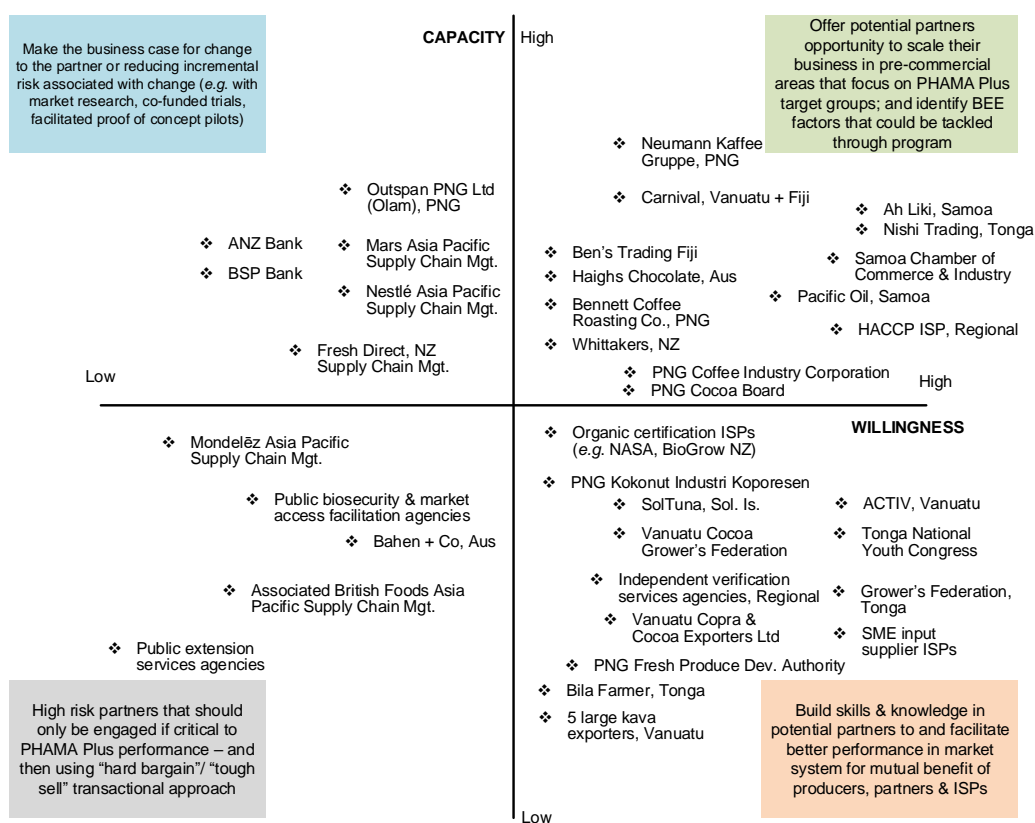
⁴² PHARMA website: <http://phama.com.au/resources/technical-reports/tonga-gender-analysis/> Accessed 01/08/2017

PHAMA Plus facilitates private sector actors to address specific interventions to improve export market access, supply-side quality and productivity as well as facilitating dialogue between private sector supply-side actors and public sector authorities that regulate markets for primary industry products. Market access and demand will be maintained if standards are complied with, quality meets market needs and quantity ensures reliable supply – when those conditions are met, prices motivate farming households to invest and the enterprise income is maintained or increased. PHAMA has several examples of this happening in each country, and more can be done. In addition, partners will collaborate to tackle climate change, women's economic empowerment and other constraints to a more resilient export market system.

Field work discussions with more than 35 private sector businesses and intermediate service providers in 7 countries identified a number of potential private sector partners that PHAMA Plus could work through to facilitate market systems change for market access as well as improved supply chain quality and productivity. A rapid appraisal of their capacity (skills, knowledge and financial resources) and willingness to engage with PHAMA plus (Chart 17) suggests there are several entry points in each targeted country.⁴³

In addition, PHAMA has existing relationships with national and sector chambers of commerce and industry which should be maintained. Additional opportunities include engaging with international business networks such as the Australia and NZ business councils in Fiji.

Chart 17 : Rapid appraisal of potential PHAMA Plus partners



Adapted from: PRISMA (2016) *Deal making guidelines for private sector partners*. Promoting Rural Incomes through Support for Markets in Agriculture (PRISMA) Program, Surabaya, Indonesia. See: https://aip-rural.or.id/data/uploaded_file/08.12.16_Deal%20Making%20Guidelines_1.2.pdf Accessed December 9, 2017.

3.11 Resilience to climate change

The Pacific has experienced disruptions to rainfall patterns²² and these together with tropical cyclones, temperature increases, ocean acidification and evidence of intensifying El Niño/La Niña variability – represent a risk to agricultural production, fisheries and supply chains in Pacific countries. Analysis of these risks, informed by quality climate outlooks and projections are essential to developing climate informed and resilient interventions in this program.

⁴³ Adapted from: PRISMA (2016) *Deal making guidelines for private sector partners*. PRISMA Program, Surabaya, Indonesia. See: https://aip-rural.or.id/data/uploaded_file/08.12.16_Deal%20Making%20Guidelines_1.2.pdf Accessed December 9, 2017.

Pacific Island countries are at high risk of climate change and natural disasters – four of the 10 countries most at risk of natural disasters are in the Pacific: Papua New Guinea, Solomon Islands, Tonga, and Vanuatu.⁴⁴ As a threat-multiplier, climate change intensifies existing vulnerabilities to increase the risks of natural disasters. Australia integrates climate action and disaster resilience across its bilateral and Regional Pacific aid program, in two ways: (1) mainstreaming climate action across the aid program portfolio comprising: climate risk analyses, climate-smart and climate-proofing new investments, institutional, policy and programmatic capacity-building; and (2) targeted climate-change mitigation and/or adaptation investments (**Box 6**).⁴⁵

PHAMA Plus will purposefully consider climate change during the analysis and design stages of intervention development – facilitating MAWGs and their technical assistance to engage with climate change expertise including meteorological services in each country, other and climate science information services in the Pacific region such as SPREP and in Pacific climate change programs supported by Australia and New Zealand such as APCCAP. The criteria for selecting interventions for investment include consideration analysis of vulnerability to climate change impacts and resilience (**Box 2 on page 20**).

The monitoring and results measurement system (**Annex 2**) will monitor context, including forecast short-term forecasts and medium-term projected changes in weather and climate, and their possible impact on productivity, supply and demand dynamics and competition for commodities and markets targeted by approved interventions. Where short-term crops are involved (e.g. some root crops and fresh horticultural crops such as cucurbits) any opportunities or threats resulting from seasonal variation (e.g. impact of El Niño or La Niña events on regional market conditions) will be forecast and discussed at MAWG meetings. Contextual information, including forecast weather patterns and updates in climate change information, will be collated into a semi-annual *Pacific Horticultural and Agricultural Export Context Analysis* for use by DFAT Pacific Regional and DFAT and MFAT country posts, the Pacific Desks in their policy dialogue with partner governments and regional organisations. For example, a strategic summary of anticipated and measured market responses to weather anomalies and natural disasters in the horticultural, agricultural, fisheries and tourism export sectors could be used by political and economic sections of High Commissions as information to support policy dialogue.

Box 6 : Ensuring PHAMA Plus interventions are climate informed and resilient

Climate adaptation, resilience building and low carbon growth are central to Australian aid investments across the Pacific. Examples range from climate-resilient infrastructure projects to targeted capacity-building in climate forecasting and decision-making. Three related opportunities emerged during design for consideration by the PHAMA Plus PCC and country MAWGs:

- Work with national meteorological and climate agencies, assisted by the Australia Pacific Climate Change Action Program (APCCAP) (to be mobilised in mid-2018) and other climate change science programs to provide MAWGs and PHAMA Plus semi-annual rainfall and temperature outlooks and other climate information products and services to inform portfolio review and management of supply chain quality and productivity. APCCAP builds on decades of Australian support for climate change science in the Pacific region and emphasises increased support for tailored communication of relevant information to governments, businesses and communities. It also offers expertise to assist program managers and delivery partners assess vulnerabilities, risks and opportunities to build resilience, and formulate appropriate adaptive strategies. PHAMA Plus will work with the APCCAP Support Unit to ensure integration of climate change across interventions.
- Facilitate analytical and diagnostic partnerships between private sector business partners, national export pathway compliance agencies, national research institutions and ACIAR and APCCAP to inform preparation and implementation of interventions. With major rainfall and temperature disruptions already observed and attributed to climate change across the Pacific region, information would focus on production management responses to short-term risks emerging from forecast weather patterns (e.g. El Niño and La Niña events) and increasing severity of climate extremes, as well as medium and longer-term mitigation opportunities (e.g. more resilient crops and varieties as well as production practices).
- Facilitating national engagement with the Green Climate Fund (www.greenclimate.fund/home) to explore opportunities for rejuvenation of plantation crops (e.g. carbon credits from milled coconut timber and rejuvenation plantings) and increasing resilience of priority export supply chains (e.g. mulching and other soil management practices to reduce erosion and increase soil carbon sequestration).

It is a function of the PHAMA Plus Project Management Office and national market facilitators to link private sector partners with APCCAP and support their engagement with national meteorological and climate agencies.

⁴⁴ WEF (2017) *The Global Risks Report 2017*. World Economic Forum, Geneva, Suisse.

⁴⁵ DFAT (2017) *Submission: Foreign Affairs, Defence and Trade References Committee Inquiry: Implications of Climate Change for Australia's National Security*. Department of Foreign Affairs and Trade, Canberra, Australia. [pp18-22].

3.12 Risk management

Building on the practices adopted by PHAMA, risk management will be integral to implementation of PHAMA Plus and informed by the Monitoring and Results Measurement system. The DFAT Investment Concept Note outlines the key identified risks and an initial **Risk Register and Safeguards Assessment** (Annex 6) provides a preliminary assessment of risks and corresponding potential mitigation strategies, based on lessons from PHAMA and design team understanding of the context in which PHAMA Plus will be delivered. During the inception phase the Contractor selected to manage PHAMA Plus will use the initial Risk Register as the basis for developing a more comprehensive **Risk Management Plan** that meets DFAT and MFAT risk and safeguards requirements. During implementation the Contractor will be responsible for screening, assessment, management, monitoring and reporting to meet DFAT Environmental and Social Safeguard Policy requirements and comply with relevant Australian law (e.g. the Environment Protection and Biodiversity Conservation Act [Cth, 1999], which applies to all Australian government funded activity anywhere in the world). The risk management plan will be reviewed at least semi-annually, and certainly after any major risk incident, by the program management team and will guide implementation, ensuring early identification and management of potential risks. Risks will be included in progress reports and communicated early to ensure all stakeholders can contribute to risk management throughout implementation. Risk monitoring and management is a responsibility of both the managing contractor and investors (DFAT and MFAT).

Key risks, including assumptions in the program logic, that could impact progress of PHAMA Plus include:

- Retention of key personnel and maintaining momentum of delivery during transition to PHAMA Plus
- Insufficient funds to effectively deliver PHAMA Plus resulting in ineffective program and damage to Australian reputation in the region (e.g. budget constraints reduce the number of designed interventions)
- PHAMA Plus partner government agencies seek to incorporate PHAMA Plus office and staff into trade or agriculture ministries, weakening private sector engagement and resulting in reduced program effectiveness
- Partner ministries with responsibilities for export pathway management and commodity certification are under-resourced and do not provide required services – resulting in non-compliance with export protocols
- Improved market access and supply chain arrangements fail to result in increased household income
- Interventions lead to environmental damage or have negative impacts
- Crop failure or productivity constraints due to adverse and extreme weather events and biosecurity threats.

Information from the monitoring and results measurement system (Annex 2) and use of analysis, measurement and portfolio management tools will be integral to overall risk management and mitigation throughout implementation of PHAMA Plus.

3.13 Safeguards

The contractor engaged to manage implementation of PHAMA Plus will use the new DFAT Environmental Protection Policy⁴⁶ and related guidelines to assess and manage five safeguards: (1) Environmental protection; (2) Children, vulnerable and disadvantaged groups; (3) Displacement and resettlement; (4) Indigenous peoples; and (5) Health and safety. Climate change impacts (both mitigation and adaptation for resilience) will also be assessed and managed by the contractor (Section 3.12, p32). A rapid appraisal safeguards assessment and more detail of DFAT safeguards requirements is included in the risk assessment (Annex 6).

During analysis and preparation all interventions will be screened for environmental and social risks and impacts assessed and managed for those that carry a medium-very high risk. As a minimum, DFAT requires assessment of, and integration of mitigation actions for, risks associated with (see also Annex 6):

- **Policy and regulatory setting**
- **Key safeguard issues** (Environment Protection, Children, vulnerable and disadvantaged groups; Displacement and resettlement; Indigenous peoples; and Health and safety)
- **Safeguard arrangements** (processes/mechanisms, responsibilities, timeframes).

Environmental protection

Management of environmental safeguards during implementation of PHAMA Plus will be guided by the DFAT Environmental Policy⁴⁷, Australian Government legislation,⁴⁸ and the laws and regulations related to

⁴⁶ DFAT (2018) *Environmental and Social Safeguard Policy for the Aid Program*. Department of Foreign Affairs and Trade, Canberra, Australia.

⁴⁷ For example, see: <http://dfat.gov.au/about-us/publications/Pages/environmental-policy.aspx>

⁴⁸ The Environment Protection and Biodiversity Conservation Act, Cth. 1999. (<https://www.legislation.gov.au/Details/C2005C00338>)

environmental protection, water, agriculture, forestry and fisheries of participating countries. PHAMA Plus will assess potential environmental impacts during intervention analysis and design, and integrate measures and resources for environmental protection and management into the costs and delivery of proposed interventions. The managing contractor will regularly monitor environmental conditions associated with interventions and environmental management practices to inform continuous improvement and management of risk. Other requirements are detailed in [Annex 6](#).

The PMO will engage environment experts to assess environmental risks, monitor intervention impacts on the environment and ensure protection measures are implemented as planned. If needed, the PMO may commission specific technical advice on emerging issues such as soil nutrient management in organic farming systems or the impact of changes in weather patterns and climate change ([Box 6 on page 31](#)).

The PMO and national teams will ensure PHAMA Plus interventions are managed to prevent or mitigate any risks associated with pesticides and other chemicals in food and agriculture with intervention plans that include integrated pest management, good practice management and standard operating procedures that align with international good practice. Partners and intermediate service providers will train farming households in these good practices and procedures and monitor their use with support from PHAMA Plus. Interventions introducing pesticides and other chemicals to improve the quality or productivity of export systems will meet Australian and New Zealand standards, or those of partner countries where they are equivalent or stronger. Interventions will only use inputs as licensed for use in partner countries (*e.g.* as per label) as well as comply with relevant good agricultural practice or, where certified, organic production standards.

Children, vulnerable and disadvantaged groups

The contractor engaged to manage implementation of PHAMA Plus will have a child protection policy and framework that complies with DFAT's Child Protection Policy and relevant DFAT guidance notes on child protection in agriculture and private enterprises. As in PHAMA, protection of children and other vulnerable or disadvantaged groups will be integrated in the design of PHAMA Plus interventions and its partnerships to ensure appropriate safeguards are in place to protect children, prevent child exploitation in agriculture, and comply with applicable child labour laws. All program personnel will undertake training in child protection and the Contractor will maintain existing or develop new program specific child protection guidelines based on risk assessments undertaken through PHAMA. PHAMA Plus will particularly work with private sector business partners and their ISPs to ensure avoidance of "the infringement of children's protection rights: in the delivery of activities and services by the business itself; by any operations in the supply and value chain; or indirectly through suppliers, customers and other business partners."⁴⁹

Because some partners engaged in PHAMA Plus interventions may have limited risk management skills it may be necessary to support them during intervention planning to ensure child protection is appropriately addressed. The DFAT Child Protection Compliance Section has offered to assist Posts and the Managing Contractor for PHAMA Plus to ensure child protection risks are managed effectively.

Displacement and resettlement

PHAMA Plus is designed to work with farming households in partner countries, mostly on *kastom* land. Few displacement or resettlement risks are anticipated but any risk will be mitigated by: ensuring no interventions include land acquisition, change to land access or resettlement; intervention selection criteria exclude land acquisition, change in land access and/or resettlement; supporting partners and staff to understand good displacement/resettlement practices; and ensuring intervention designs align with national displacement/resettlement policies ([Annex 6](#)).

Indigenous peoples

PHAMA Plus is designed to work with indigenous households in partner countries, mostly on *kastom* land. No indigenous people safeguard risks are anticipated but any risk will be mitigated by ensuring interventions incorporate and apply good social inclusion practices; supporting partners and staff to understand and apply good social inclusion practices; and ensuring that intervention designs align with national social inclusion policies ([Annex 6](#)).

Health and safety

⁴⁹ DFAT (2017) *Child Protection Guidance Note: Child Protection in Private Enterprise*. Department of Foreign Affairs and Trade, Canberra, Australia.

PHAMA Plus is designed to work with private sector business partners, their ISPs and farming households in partner countries, mostly on *kastom* land. No risk of forced labour is anticipated, intervention selection criteria exclude forced labour; and the program will support partners and staff to ensure they do not engage forced labour. Because PHAMA Plus works with households and children of those households are likely to engage in work related to interventions under parental supervision, PMO and national staff will ensure that interventions incorporate and apply suitable and supervised child work practices; and support partners and staff to ensure they understand and apply suitable and supervised child work practices; while also ensuring that intervention designs align with national child protection policies, throughout the supply chain supported by the program.

PHAMA Plus interventions are anticipated to include manual labour and mechanised systems with health and safety risks requiring management. PMO and national staff will identify, assess and eliminate or mitigate health and safety hazards to workers adopting good practices in interventions; ensure workers and others engaged in interventions are consulted on health and safety matters that may affect them; provide an accessible way for affected people to raise health or safety concerns; ensure private sector business partners and their ISPs provide workers with adequate information and training to enable them to implement interventions safely; ensure that workers are provided with personal protective equipment to enable them to implement interventions safely; and resource management monitoring to include mechanisms for reporting and recording health and safety incidents and management responses ([Annex 6](#)). In addition, no use of asbestos will be included in intervention designs and any existing asbestos (*e.g.* materials in export pack houses) will be managed according to Australian and partner country standards.

In addition, PHAMA Plus will align with the 2015 DFAT ***Operational Guidance Note on Nutrition Sensitive Agriculture***. While improved nutrition is not a PHAMA Plus outcome, the analysis and design of interventions will ensure that no harm is done to food security or household nutrition as a result of any changes targeted at increasing exports and household incomes. To monitor this periodically, the PMO will review household income and expenditure surveys (*e.g.* the 2013-14 Fiji HIES and Fiji Bureau of Statistics Release No: 98, 2015) and related information from each country.

Annex 1

**Sector/Problem and
other relevant
analyses**

Annex 1: Sector/Problem and other relevant analyses

This annex complements the contextual and problem analyses presented in Section 1. It includes:

- Summary of quantitative data analysis for contextual and sectoral situation assessment
- A synthesised summary of Pacific trade statistics
- An annotated summary of 36 related donor funded programs implemented between 2007 and the present.

Chart 1-1 : Summary of quantitative data analysis for contextual and sectoral situation assessment

| | | | | | | |
|--------------------------------|-------------|-------------|---------|---|-------------|-------------|
| Human Development Index | | | Source: | http://hdr.undp.org | | |
| Human Development Index | | | | Human Development Rank | | |
| | 2010 | 2015 | | | 2010 | 2015 |
| Fiji | 0.709 | 0.736 | | Fiji | 86 | 91 |
| PNG | 0.494 | 0.516 | | PNG | 137 | 154 |
| Samoa | 0.693 | 0.704 | | Samoa | | 104 |
| Solomon Islands | 0.497 | 0.515 | | Solomon Islands | 123 | 156 |
| Tonga | 0.712 | 0.721 | | Tonga | 85 | 101 |
| Vanuatu | 0.591 | 0.597 | | Vanuatu | | 134 |
| | | | | | n=168 | n=188 |
| ASEAN | 2010 | 2015 | | ASEAN | 2010 | 2015 |
| Cambodia | 0.533 | 0.563 | | Cambodia | | 143 |
| Indonesia | 0.662 | 0.689 | | Indonesia | | 113 |
| Philippines | 0.669 | 0.682 | | Philippines | | 116 |
| Thailand | 0.720 | 0.740 | | Thailand | | 87 |
| Vietnam | 0.655 | 0.683 | | Vietnam | | 115 |
| | | | | | | n=188 |

Tourism

| | | | | |
|--|---------|---|------|------|
| ST.INT.RCPT.XP.ZS | | Source: http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators | | |
| International tourism, receipts (% of total exports) | | | | |
| | 2000 | 2005 | 2010 | 2015 |
| Samoa | 53.5 | 52.1 | 63.4 | 76.7 |
| Vanuatu | 43.8 | 58.8 | 74.4 | 78.8 |
| Fiji | 30.1 | 44.8 | 45.6 | 48.4 |
| Tonga | 25.9 | 29.5 | 49.8 | 56 |
| Australia | 15.5 | 14.34 | 11.9 | 13.2 |
| Solomon Islands | 3.2 | 4.4 | 16.1 | 11.4 |
| PNG | 0.3 | 0.3 | 0.04 | 0.02 |
| New Zealand | no data | | | |

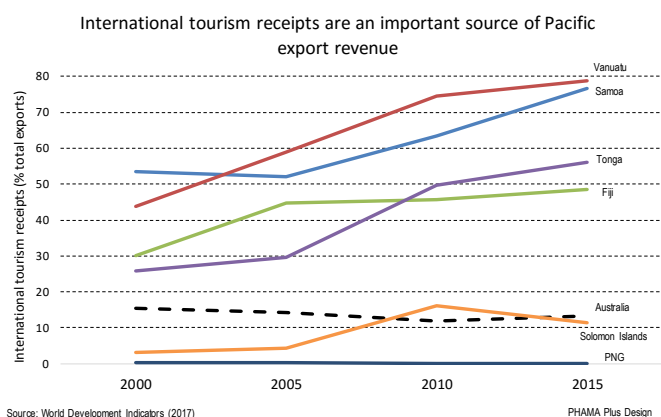
International tourism receipts are an important source of Pacific export revenue

The chart displays the percentage of total exports derived from international tourism receipts for various Pacific Island countries and Australia from 2000 to 2015. The y-axis represents 'International tourism receipts (% total exports)' ranging from 0 to 80. The x-axis shows the years 2000, 2005, 2010, and 2015. Vanuatu (red line) and Samoa (blue line) show the most substantial increases, with Vanuatu rising from approximately 44% to 80% and Samoa from 54% to 77%. Tonga (purple line) also shows a steady increase from about 26% to 57%. Fiji (green line) grows from 30% to 49%. Australia (orange line) and PNG (dark blue line) remain at very low levels, below 20%. A dashed black line indicates a general downward trend for the region's average, starting at 16% in 2000 and ending at 12% in 2015.

| Country | 2000 | 2005 | 2010 | 2015 |
|-----------------|------|------|------|------|
| Vanuatu | 44 | 58 | 74 | 80 |
| Samoa | 54 | 52 | 63 | 77 |
| Tonga | 26 | 30 | 49 | 57 |
| Fiji | 30 | 45 | 46 | 49 |
| Australia | 3 | 5 | 16 | 11 |
| Solomon Islands | 3 | 4 | 16 | 11 |
| PNG | 0 | 0 | 0 | 0 |

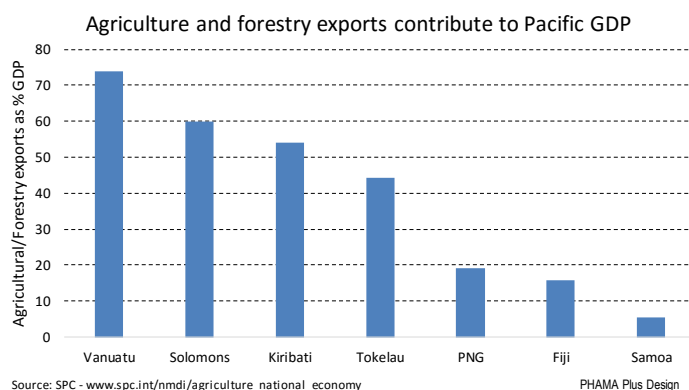
Source: World Development Indicators (2017)

PHAMA Plus Design

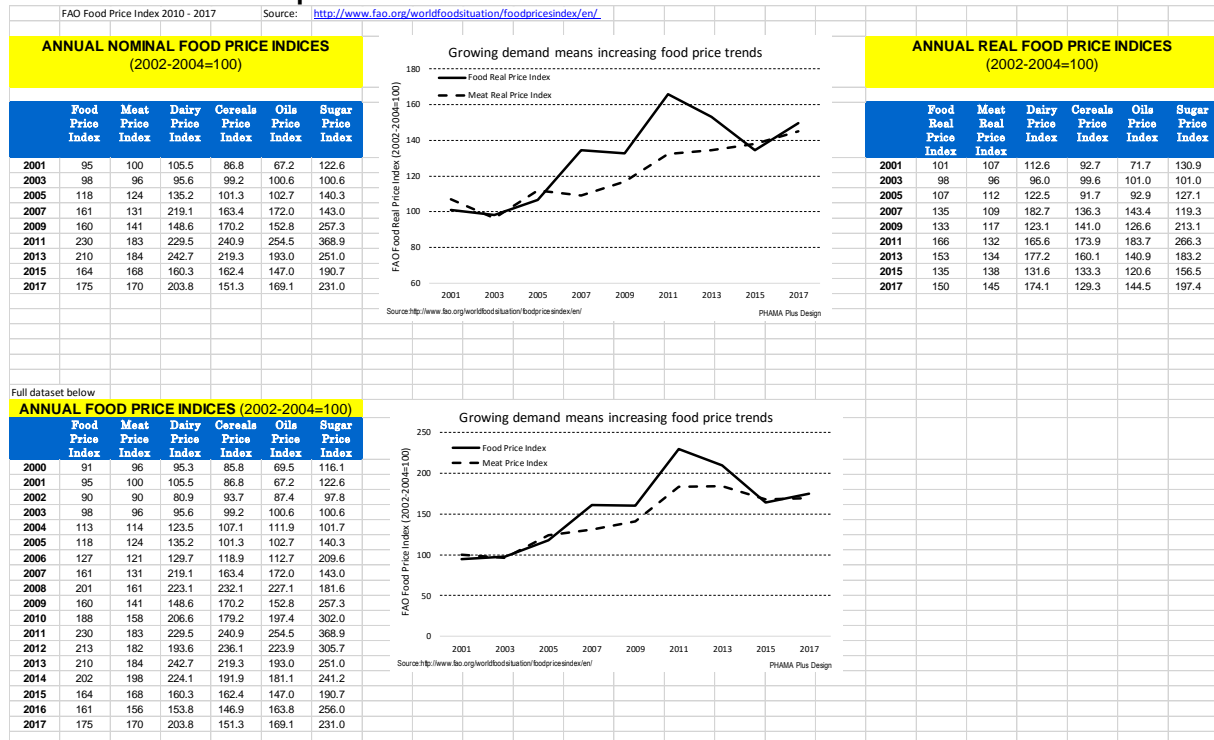


Agriculture and forestry

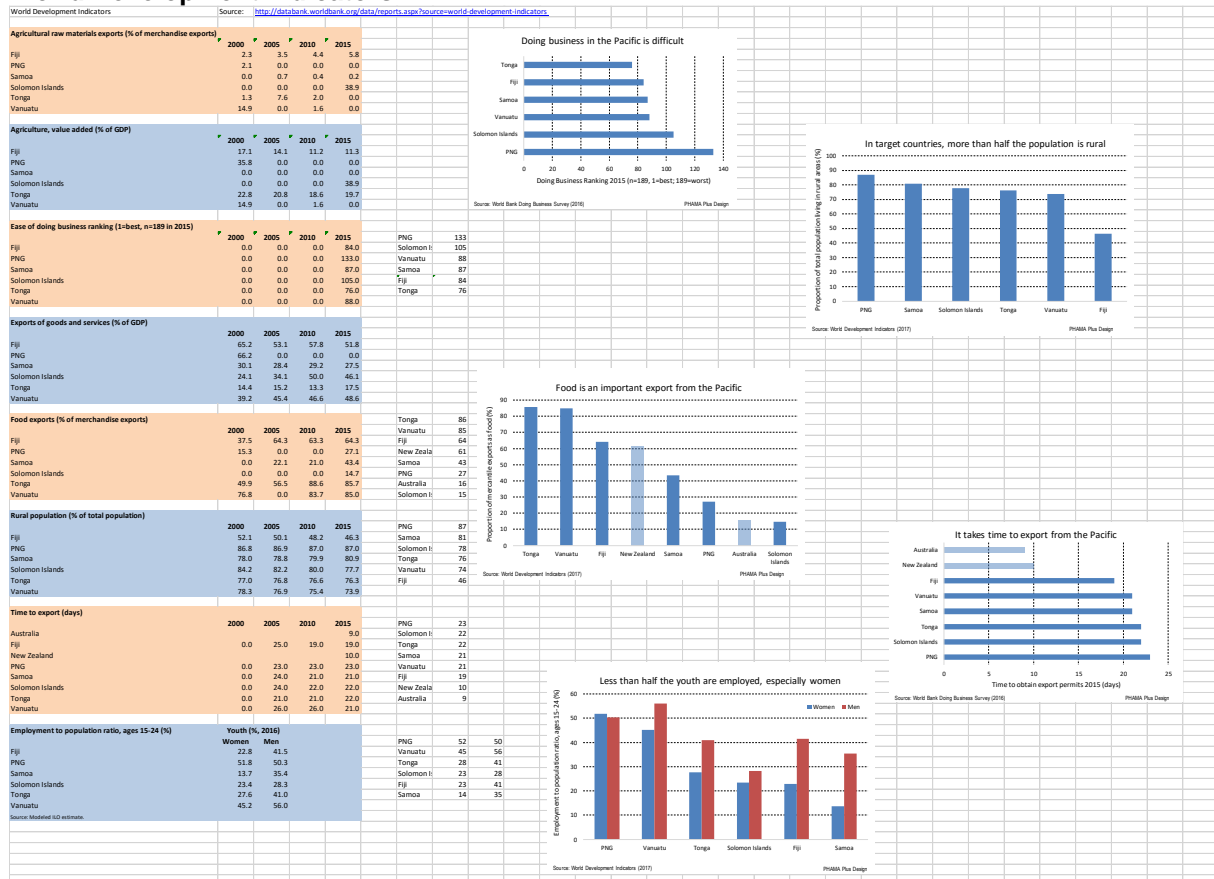
| | | | | | | |
|------------------------|------|--|--|--|--|--|
| Ag/For Exports % Total | | | | | | |
| Vanuatu | 74 | | | | | |
| Solomons | 60 | | | | | |
| Kiribati | 54.1 | | | | | |
| Tokelau | 44.4 | | | | | |
| PNG | 19.2 | | | | | |
| Fiji | 15.8 | | | | | |
| Samoa | 5.5 | | | | | |

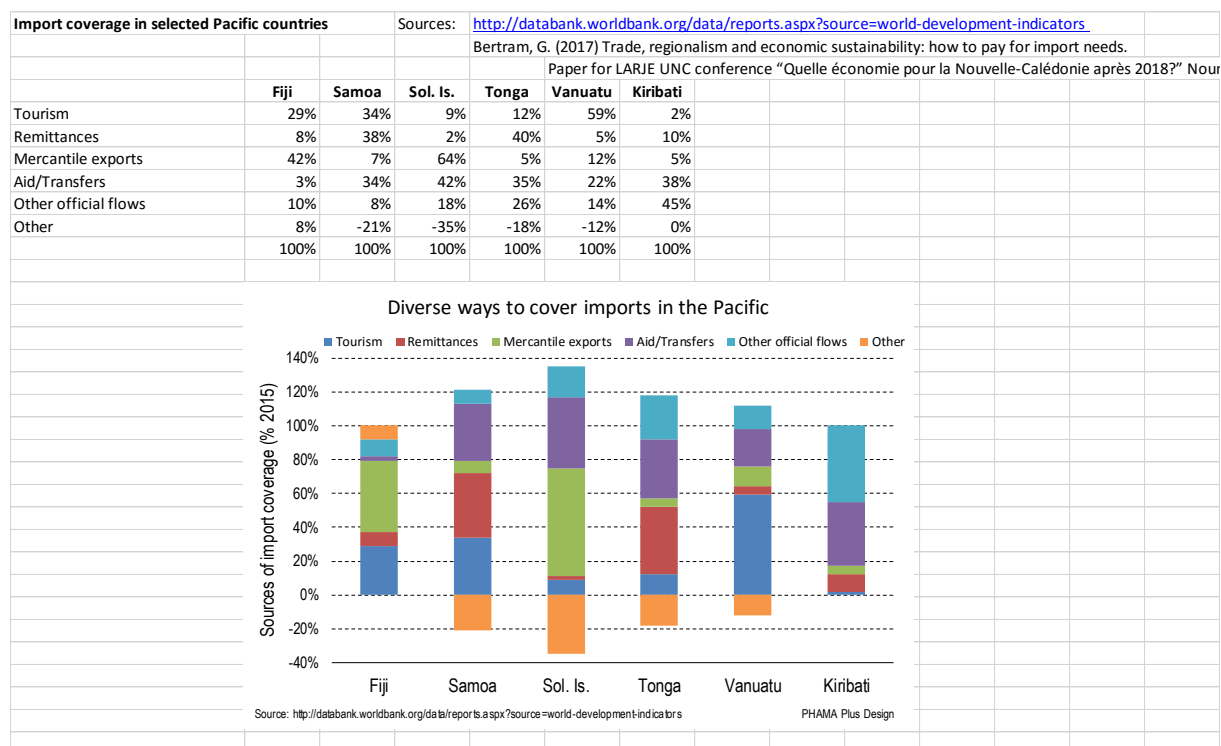


Nominal and real food price indices

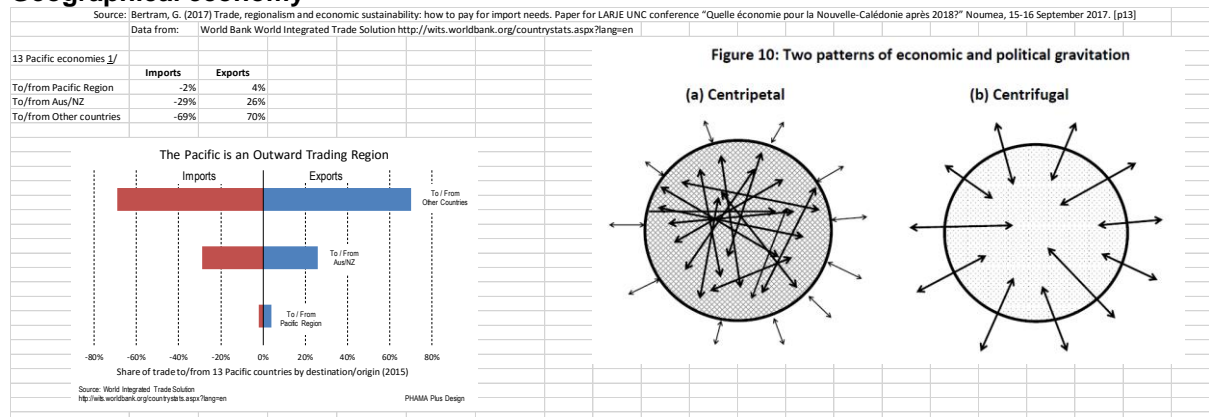


World Development Indicators

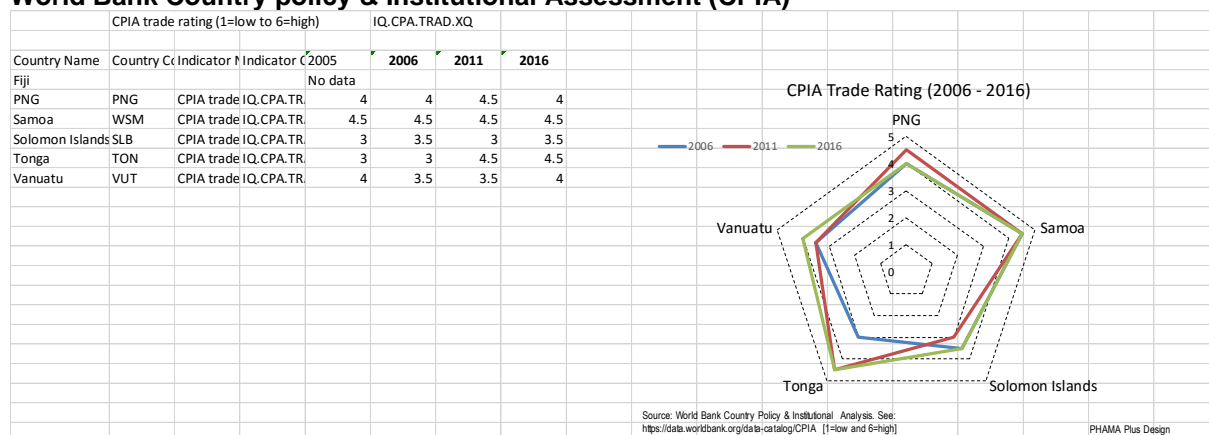




Geographical economy



World Bank Country policy & Institutional Assessment (CPIA)



Youth



Chart 1-2 : Synthesised summary of Pacific trade statistics

Summary analysis of trade from Pacific Island countries to key markets (2016 data, USD'000)

| Products | To Australia | To Japan | To USA | To NZ | TOTAL |
|---|--|--|--|---|--|
| Total All (\$) | 1893179 | 616618 | 335500 | 84266 | 2929563 |
| Agr. & Marine (\$) | 54095 | 102278 | 124174 | 24387 | 304934 |
| Agr. & Marine % | 2.9 | 16.6 | 37.0 | 28.9 | 10.4 |
| Agricultural (\$) | 38660 | 52185 | 72592 | 22072 | 185508 |
| Agricultural % | 2.0 | 8.5 | 21.6 | 26.2 | 6.3 |
| Exporting Pacific Island Countries | PNG Fiji Tonga Cooks Vanuatu Samoa Solomon Islands Kiribati French Polynesia New Caledonia Timor | PNG Fiji Tonga Cooks Vanuatu Samoa Solomon Islands Kiribati | PNG Fiji Tonga Cooks Vanuatu Samoa Solomon Islands Kiribati French Polynesia | PNG Fiji Tonga Cooks Vanuatu Samoa Solomon Islands New Caledonia Niue | PNG Fiji Tonga Cooks Vanuatu Samoa Solomon Islands Kiribati French Polynesia New Caledonia Timor Niue |

Note: Conversion rates applied AUD0.90=USD1.00; NZD0.78=USD1.00

Summary analysis of high-value agricultural and horticultural exports from PICTs (2016 data, AUD'000)

| Product | Cook Islands | Fiji | Kiribati | New Caledonia | Niue | PNG | Samoa | Solomon Islands | Tonga | Vanuatu | TOTAL | % |
|----------------------------------|--------------|---------------|-------------|---------------|-------------|----------------|-------------|-----------------|-------------|---------------|----------------|---------------|
| Tea and Coffee | | 377 | | 12 | | 194001 | | | | 92 | 194482 | 34.2% |
| Cocoa and preparations | | 178 | | 882 | | 155523 | 30 | 12631 | | 4530 | 173774 | 30.5% |
| Copra | | 1 | 1007 | | | 53001 | 366 | 11125 | | 13524 | 79024 | 13.9% |
| Coconut Oil (crude or refined) | | 3861 | 3013 | | | 32087 | 874 | 6787 | | 965 | 47587 | 8.4% |
| Spices (incl vanilla) | | 8459 | | 2 | 4 | 16158 | | | 694 | 1 | 25318 | 4.4% |
| Root crops | | 12318 | | 6 | | | 2468 | 35 | 1353 | 11 | 16191 | 2.8% |
| Essential oils | 39 | 6141 | | 5716 | | 540 | 14 | 1 | 3 | 412 | 12866 | 2.3% |
| Root ginger | | 4844 | | | | | | | 1 | | 4845 | 0.9% |
| Preserved meat products | | 2951 | 2 | | | 1608 | 34 | 24 | | | 4619 | 0.8% |
| Squash | | 14 | | | | | | | 3198 | | 3212 | 0.6% |
| Beef (fresh, chilled, or frozen) | | 93 | 2 | | | | | | | 1889 | 1984 | 0.3% |
| Fruit or Vegetable Juice | 462 | 347 | | | 190 | 8 | 831 | | 122 | | 1960 | 0.3% |
| Coconuts | | 30 | | | | | 248 | 33 | 564 | | 875 | 0.2% |
| Egg plant | | 784 | | | | | | | | | 784 | 0.1% |
| Citrus | | 10 | | 347 | | 1 | 6 | | | 152 | 516 | 0.1% |
| Watermelon | | 2 | | | 5 | | | | 305 | | 312 | 0.1% |
| Papaya | | 262 | | | | | | | | | 262 | 0.0% |
| Chillies | | 219 | | | | | | | 17 | | 236 | 0.0% |
| Live Plants | | 29 | | | 2 | 100 | | | | 50 | 181 | 0.0% |
| Mangoes | | 88 | | | | | 3 | | | | 91 | 0.0% |
| Bananas | | 49 | | | | | 6 | | 2 | | 57 | 0.0% |
| Cut flower, foliage & bulbs | | 18 | | | | 3 | | | | | 21 | 0.0% |
| Honey | | 1 | | 14 | | | | | | | 15 | 0.0% |
| TOTAL | 501 | 41,076 | 4024 | 6979 | 201 | 453,030 | 4880 | 30,636 | 6259 | 21,626 | 569,212 | 100.0% |
| % | 0.1% | 7.2% | 0.7% | 1.2% | 0.0% | 79.6% | 0.9% | 5.4% | 1.1% | 3.8% | 100.0% | |

Summary of Current Market Access and Key Opportunities for New/ Improved Access

| CURRENT ACCESS/ TRADE | FIJI | SAMOA | TONGA | VANUATU | PNG | SOLOMONS |
|--|--|---|--|---|---|---|
| (1) Fresh | | | | | | |
| Australia⁵⁰ Note: Those in bold print are heat-treated or fumigated with Methyl bromide. | Papaya, coconut with husk, coconut no husk, immature coconut, brassica, asparagus, garlic bulbs/ shoots, allium flowers, okra | Coconut with husk, coconut no husk, immature coconut, brassica, asparagus, garlic bulbs/ shoots, allium flowers, | Coconut with husk, coconut no husk, immature coconut, brassica, asparagus, garlic bulbs/ shoots, allium flowers, | Coconut with husk, coconut no husk, immature coconut, brassica, asparagus, garlic bulbs/ shoots, allium flowers, watermelon | Coconut with husk, coconut no husk, immature coconut, brassica, asparagus, garlic bulbs/ shoots, allium flowers, | Coconut with husk, coconut no husk, immature coconut, brassica, asparagus, garlic bulbs/ shoots, allium flowers, watermelon, pineapple |
| | Root vegetable: taro, cassava, ginger, radish, taro, white taro, giant taro, turnip, yam | Root vegetable: cassava, radish, taro, white taro, giant taro, turnip, yam, | Root vegetable: cassava, radish, taro, white taro, giant taro, turnip, yam | Root vegetable: cassava, radish, taro, white taro, giant taro, turnip, yam | Root vegetable: cassava, radish, taro, white taro, giant taro, turnip, yam | Root vegetable: cassava, radish, taro white taro, giant taro, turnip, yam |
| | Leaves: drumstick, roselle, bael, charooya bhaji, betel, cassava, pandanus, endive, taro | Leaves: drumstick, roselle, bael, charooya bhaji, betel, pandanus, endive, taro | Leaves: drumstick, roselle, bael, charooya bhaji, betel, cassava, pandanus, endive, taro, white taro | Leaves: drumstick, roselle, bael, charooya bhaji, betel, pandanus, endive, | Leaves: drumstick, roselle, bael, charooya bhaji, betel, pandanus, endive, | Leaves: drumstick, roselle, bael, charooya bhaji, betel, pandanus, endive, |
| | Cut flowers: fern leaves and fronds other than Adiantum spp., Rhapsis spp, Viburnum spp, | Cut flowers: fern leaves and fronds other than Adiantum spp., Rhapsis spp, Viburnum spp, | Cut flowers: Alyxia stellate, fern leaves and fronds other than Adiantum spp., Rhapsis spp, Viburnum spp, | Cut flowers: fern leaves and fronds other than Adiantum spp., Rhapsis spp, Viburnum spp, | Cut flowers: fern leaves and fronds other than Adiantum spp., Rhapsis spp, Viburnum spp, | Cut flowers: fern leaves and fronds other than Adiantum spp., Rhapsis spp, Viburnum spp, |
| NZ⁵¹ (MAF Biosecurity New Zealand Standard: 152.02 (5 November 2007)) | Breadfruit, eggplant, green beans, lettuce, mango, okra, papaya, peas, pineapple, chives, dill, peanuts, betel nut, pigeon pea, chilli, coconut, coriander, turmeric, guar bean, lemongrass, rocket, mint, drumsticks, plantain, oregano, basil, papdi, kava, snow pea, duruka, sugarcane, sage, thyme, cow pea, tarua, | Breadfruit, eggplant, papaya, Tahitian lime, coconut, ginger, banana, plantain, kava, sugarcane, tarua | Avocado, breadfruit, eggplant, mango, papaya, squash, butternut, tomato, chilli, watermelon, coconut, squash, banana, plantain, kava, sugarcane, tarua | Pineapple, papaya, lime, Tahitian lime, pomelo, lemon, grapefruit, mandarin, tangelo, orange, coconut, cucumber, squash, green beans, eggplant, vanilla, tarua, sweet corn | Coconut, betel nut, tarua, cassava, taro, yam, ginger. | Coconut, cassava |

⁵⁰ <https://bicon.agriculture.gov.au>

⁵¹ <http://www.mpi.govt.nz/law-and-policy/requirements/import-health-standards/>

| CURRENT ACCESS/ TRADE | FIJI | SAMOA | TONGA | VANUATU | PNG | SOLOMONS |
|--|--|--|---|---|---|--------------------------|
| Note: Those in bold print must undergo appropriate treatments | Root vegetables: <i>taro bavia</i> , taro, yam, cassava, ginger | Root vegetables: giant taro, taro, yam, ginger, cassava | Root vegetables: giant taro, taro, yam, cassava, ginger | Root vegetables: taro, yam, cassava, ginger | Root vegetables: taro, yam, cassava, ginger | Root vegetables: cassava |
| | Leaves: island cabbage, bel, amaranthus, papaya, taro, roselle, mango, curry, betel, tarua | Leaves: island cabbage, papaya, Indian pennywort, taro, soapbush, Evodia hortensis, Gardenia taitensis, Glochidion ramiflorum, Hoya australis, wart fern, Indian mulberry, banana, pepper, wild coffee, lillypilly, malay apple, Ficus oblique, beach bean, Wedelia biflora, tarua | Leaves: island cabbage, Indian pennywort, taro, soapbush, Evodia hortensis, Gardenia taitensis, Glochidion ramiflorum, Hoya australis, wart fern, Indian mulberry, pepper leaves, wild coffee, lillypilly, Malay apple, Ficus oblique, beach bean, Wedelia biflora, tarua | Leaves: island cabbage, taro, tarua | | |
| | Cut flowers: ginger-lily, tail flower, false bird of paradise, ginger flower | Cut flowers: ginger-lily, tail flower, false bird of paradise, ginger flower | | Cut flowers: tail flower, | | |
| Other | Ginger (US) | Taro (US) | Squash (China, Japan, Korea) | | | |

[illegible]

| CURRENT ACCESS/ TRADE | FIJI | SAMOA | TONGA | VANUATU | PNG | SOLOMONS |
|--------------------------|---|---|---|---|---|---|
| | All cooked, pickled, pureed, dried fruit/vegetables in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | All cooked, pickled, pureed, dried fruit/vegetables in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | All cooked, pickled, pureed, dried fruit/vegetables in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | All cooked, pickled, pureed, dried fruit/vegetables in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | All cooked, pickled, pureed, dried fruit/vegetables in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | All cooked, pickled, pureed, dried fruit/vegetables in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption |
| | Most nuts in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | Most nuts in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | Most nuts in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | Most nuts in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | Most nuts in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | |
| | | Honey (with appropriate zoosanitary certificate regarding European foulbrood) | Honey (with appropriate zoosanitary certificate regarding European foulbrood) | | | |
| | | | | | Coffee beans (green) in accordance with BNZ-NPP-HUMAN Importation into New Zealand of stored plant products intended for human consumption | |

| KEY OPPORTUNITIES | FIJI | SAMOA | TONGA | VANUATU | PNG | SOLOMONS |
|---------------------------------|---------------------------------|--|---|-------------------------|-------------------|----------------|
| (1) New access for fresh | | | | | | |
| Australia | Breadfruit, chillies | Breadfruit, chillies, Tahitian lime | Breadfruit, chillies, Tahitian lime | Chillies, Tahitian lime | Chillies | Chillies |
| NZ | Polynesian plum | Banana, pineapple, Polynesian plum | Pineapple, Polynesian plum, watermelon (fruit fly non host status) | Polynesian plum | | Tahitian limes |
| Other | Papaya (US), breadfruit (US) | Breadfruit (US) | Build on squash access to China under broad MOU to further develop exports | Canarium nuts (EU) | Canarium uts (EU) | |

Chart 1-3 : Annotated analysis of related donor funded programs (2007 to present)

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|--|----------|--|---|--|
| The Pacific Agreement on Closer Economic Relations (PACER-Plus) | 2019 | <ul style="list-style-type: none"> ➤ Australian Government (DFAT) and New Zealand Government (MFAT) ➤ AUD33m initial funding ➤ Agreement enters into force mid 2019 ➤ Initial support provided between 2007 – 2018 for preparatory activities ➤ Ref: (DFAT, 2017), (MFAT, 2017) | <ul style="list-style-type: none"> ➤ Forum Island Countries (FICs) that sign the agreement ➤ Australia ➤ New Zealand | <ul style="list-style-type: none"> ➤ PACER envisages the development of a trade and economic agreement between Australia, NZ and FICs. This new agreement called PACER-Plus, includes trade capacity building and trade development assistance to strengthen PICTs ability to trade. ➤ The Agreement primarily comprises technical chapters on Trade in Goods, Services, Investment and Customs, Movement of Natural Persons, Technical Barriers to Trade, Rules of Origin, Customs and Sanitary and Phytosanitary Measures. ➤ A separate Arrangement sets out a Development and Economic Cooperation work program and commitments for broader trade related assistance. ➤ An Arrangement on Labour Mobility provides a regional framework to build the Pacific's work ready labour supply and to access regional labour markets, including to Australia and New Zealand. |
| Pacific Islands Trade & Invest | On-going | <ul style="list-style-type: none"> ➤ DFAT ➤ Pacific Islands Trade & Invest ➤ AUD1.5 million per annum ➤ Implemented by Pacific Islands Forum Secretariat (PIFS) | <ul style="list-style-type: none"> ➤ Pacific Regional | <ul style="list-style-type: none"> ➤ Pacific Islands Trade & Invest (PT&I) is the international trade and investment promotion agency of PIFS and has offices in Auckland, Beijing, Sydney, Tokyo and Geneva. The network's role is to develop, grow and promote businesses in the region with the aim of improving livelihoods of people in the Pacific by working with the private sector to build a better future through more sustainable communities and greater prosperity. PT&I's areas of focus are export, investment, tourism promotion and creative arts. Australia's support for PT&I funds the operation of the Sydney office. |
| Market Development Facility: Phase II (MDF) | 2017 | <ul style="list-style-type: none"> ➤ Australian Government (DFAT) ➤ AUD80.5m⁵² ➤ 2017 to 2022 ➤ Implemented by DFAT's Private Sector, Infrastructure and Agricultural Development Branch (PXB) and Palladium ➤ Ref: (DFAT, 2016) | <ul style="list-style-type: none"> ➤ Fiji ➤ PNG ➤ Timor Leste ➤ Sri Lanka ➤ Pakistan | <ul style="list-style-type: none"> ➤ Phase II will build upon the lessons learned from Phase 1 but has also been designed in a way that allows it to respond to the dynamic nature of the economies in which it is currently operating and the broader development context. ➤ The key changes in Phase II include an increased emphasis on systemic change and striving for results at scale, clearer communication about how MDF addresses gender issues, and more robust efforts to drive learning in DFAT about the approach MDF employs. ➤ Clear processes by which country programs can join or leave the MDF have been established, along with more explicit links between MDF and country financial contributions and their strategic priorities. Importantly, additional staff positions for the MDF implementation team have been created to maximise the likelihood of continued MDF success. |

⁵² AUD80.5m figure sourced from a draft investment design document

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|--|-------|--|--|---|
| The Samoa Cocoa Industry Development Initiative (SCIDI) | 2017 | <ul style="list-style-type: none"> ➤ New Zealand Government (MFAT) ➤ NZD4.8m ➤ 2017 to 2022 ➤ Implemented by the AgriChain Centre Limited ➤ Ref: (MFAT, 2017) | <ul style="list-style-type: none"> ➤ Samoa | <ul style="list-style-type: none"> ➤ A two phase program, phase 1 being design and phase 2 being implementation. Currently in design phase ➤ Focus on ensuring sustainable growth of the cocoa sub-sector through increased investment. ➤ In particular, the initiative aims to increase returns to cocoa farmers, as well as to increase the volume of cocoa exports through a sustainable production and quality management base. |
| Pacific Agribusiness Research in Development Initiative Phase 2 (PARDI 2) | 2017 | <ul style="list-style-type: none"> ➤ Australian Centre for International Agricultural Research (ACIAR) ➤ AUD2.6m ➤ 2017 to 2021 ➤ Implemented by the Australian Centre for International Agricultural Research (ACIAR) ➤ Ref: (ACIAR, 2017) | <ul style="list-style-type: none"> ➤ Fiji ➤ Tonga ➤ Vanuatu | <ul style="list-style-type: none"> ➤ This project builds on PARDI 1, and investigates the successes and constraints of agribusiness developments and the impacts on community livelihoods ➤ Within five years of its conclusion, PARDI 2 is expected to have: Developed the capacity and provided information for growing at least ten existing agribusinesses and creating at least ten new agribusinesses in the three project countries (>50% operated and/ or managed by females). ➤ Enhanced benefits flowing to rural communities from agribusiness developments. |
| Australian Government package of support to manage climate change and improve resilience in the Pacific. | 2016 | <ul style="list-style-type: none"> ➤ DFAT ➤ AUD300 million (2016-2020) incorporating: Climate and Oceans Support Program in the Pacific [COSPPac] (AUD39 million, 2012-2018) ➤ Pacific Risk Resilience Program (AUD16.95 million, 2012-2018) | <ul style="list-style-type: none"> ➤ Pacific Regional | <ul style="list-style-type: none"> ➤ COSPPac is delivered by the Australian Bureau of Meteorology (BoM) in partnership with 14 Pacific national meteorological services. It aims to enable national meteorological services and other relevant in-country agencies to better understand and use climate, ocean and sea- level products for the benefit of island communities and governments. ➤ The Pacific Risk Resilience Program (PRRP) strengthens resilience to disasters and climate change in Fiji, Solomon Islands, Tonga and Vanuatu. |
| Pacific Readiness for Investment in Social Enterprise (Pacific RISE) | 2016 | <ul style="list-style-type: none"> ➤ Pacific Readiness for Investment in Social Enterprise ➤ Up to AUD4.7 million, 2016-2019 ➤ Implemented by Coffey International | <ul style="list-style-type: none"> ➤ Pacific Regional | <ul style="list-style-type: none"> ➤ In 2015 DFAT began an innovative pilot to test impact investment business development models in the Pacific, with the aim of developing "investment ready" enterprises that could attract private capital. Following the pilot, a new initiative, the Pacific Readiness for Investing in Social Enterprises Facility (PacificRISE) commenced in mid-2016 to support increased impact investment in the region. The facility funds technical assistance for enterprises based in or serving Pacific Island countries. It also works closely with impact investors to promote investment that improves economic and social outcomes. The facility aims to secure up to 20 investment deals, attracting \$5 million private capital into the Pacific. It aims to ensure at least 50 per cent of enterprises assisted are female-led or focus on those sectors where women's employment and participation are high. The program is also pioneering a "gender lens investing" approach that incorporates gender analysis into financial analysis and investment decisions. |

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|---|-------|---|---|--|
| Labour Mobility Assistance Program (LMAP) – soon to be Pacific Labour Facility. | 2015 | <ul style="list-style-type: none"> ➤ DFAT (NZ have related program) ➤ Labour Mobility Assistance Program ➤ Up to AUD6.3 million, 2015-2018 ➤ Managed by Cardno | <ul style="list-style-type: none"> ➤ Pacific Regional | <ul style="list-style-type: none"> ➤ LMAP helps seasonal workers from the Pacific islands benefit from Australia's Seasonal Worker Program (SWP). LMAP aims to improve the supply and quality of seasonal workers and strengthen linkages with Australian employers. It also seeks to increase the participation of women and disadvantaged groups. In 2016-17, over 6,000 visas were granted to workers, this included over 800 females. [SWP commenced as a permanent program on 1 July 2012, following a successful three-year pilot. Its objective is to contribute to the economic development of participating Pacific Island countries while addressing labour shortages in Australia.] ➤ According to World Bank estimates, the average SWP worker remits around AUD5,000 per year. This money is spent on housing, education, healthcare and consumption. |
| DFAT support for Effective Regional Organisations | 2014 | <ul style="list-style-type: none"> ➤ Pacific Islands Forum Secretariat (PIFS - up to AUD21.6 million, 2014-2017) ➤ Secretariat of the Pacific Community (SPC - AUD81.2 million, 2014-2017) | <ul style="list-style-type: none"> ➤ Pacific Regional | <ul style="list-style-type: none"> ➤ Core budget support to PIFS and SPC to support them to more effectively perform their functions as assigned under mandates negotiated in the Framework for Pacific Regionalism. |
| Improving Soil Health, Agricultural Productivity and Food Security on Atolls (SMCN-2014-089) | 2014 | <ul style="list-style-type: none"> ➤ Australian Centre for International Agricultural Research (ACIAR) ➤ AUD1.0m ➤ 2014 to 2018 ➤ Implemented by SPC, the Tasmanian Institute of Agriculture and the University of Adelaide ➤ Ref: (ACIAR, 2016) | <ul style="list-style-type: none"> ➤ Kiribati ➤ Tuvalu | <ul style="list-style-type: none"> ➤ The project aims to build stakeholder's capacities and partnerships to address critical issues such as poor soil conditions, limited water availability, climate change and fading traditional knowledge. ➤ Research conducted will increase the sustainability and productivity of starchy staple food production systems ➤ Increase household and community production and consumption of nutritious foods ➤ Identify and develop opportunities for inter-island trade in high value crops and products. |
| Pacific Business Investment Facility (BIF) | 2014 | <ul style="list-style-type: none"> ➤ Australian Government (DFAT) and Asian Development Bank (ADB) ➤ Initial funding USD8.9m (ADB USD1.5m and DFAT USD7.2) ➤ 2014 to 2019 Initial funding ➤ Implemented by a team of business advisors largely from ADB ➤ Ref: (BIF, 2015) | <ul style="list-style-type: none"> ➤ Current countries Include: ➤ Cook Islands ➤ Fiji ➤ The Solomon Islands ➤ Vanuatu ➤ PNG ➤ Tonga ➤ Samoa | <ul style="list-style-type: none"> ➤ The Pacific Business Investment Facility works exclusively in the private sector to assist eligible companies raise finance for their growth plans. BIF will bring expert advice and guidance to support the raising of finance. Businesses in any industry sector will be considered. ➤ BIF provides tailored business advisory services; guidance and assistance in securing commercial finance; access to experts with industry experience to assess and refine business plans; marketing and financial management support; specialized technical skills for product development, certification, and export. ➤ A particular focus of BIF is increasing access to finance for women-led businesses, a constraint that has been identified as a particular challenge in the Pacific. BIF aims to ensure at least 20 percent of all businesses they assist are led by women. |

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|--|-------|--|---|---|
| Pacific Private Sector Development Initiative (PSDI) | 2013 | <ul style="list-style-type: none"> ➤ DFAT, MFAT, ADB ➤ Pacific Private Sector Development Initiative ➤ Up to AUD34.0 million, 2013-2019 | <ul style="list-style-type: none"> ➤ Pacific Regional | <ul style="list-style-type: none"> ➤ PSDI works to reduce barriers to investment and entrepreneurship that raise transaction costs, discourage investment, and hinder the formation and growth of businesses in the Pacific. It is a technical assistance facility established by the Asian Development Bank and co-financed by Australia and New Zealand. The initiative works across 13 Pacific island countries and Timor-Leste. ➤ PSDI Phase III has five main objectives: (1) businesses and households in selected Pacific island countries have improved access to financial services; (2) selected business laws in Pacific island countries promote inclusive business formation, investment, entrepreneurship, and trade; (3) the delivery of infrastructure services will be made more efficient and cost-effective; (4) selected Pacific island countries' governments establish a framework that promotes competition; and (5) successful pilot initiatives promoting the economic empowerment of women. ➤ With the aim of demonstrating innovative approaches to involving women in business activities, PSDI has designed pilot programs in Papua New Guinea (PNG), Solomon Islands, and Tonga. |
| Pacific Agriculture Policy Project (PAPP) | 2013 | <ul style="list-style-type: none"> ➤ European Union ➤ Part of the overall €20m budget for EDF⁵³ 10's Intra-ACP Agricultural Policy Programme (Intra-ACP APP) ➤ 2013-2016 initial funding ➤ Implemented by SPC ➤ Ref: (SPC, 2013) | <ul style="list-style-type: none"> ➤ Pacific ACP States (PACPS)⁵⁴ | <ul style="list-style-type: none"> ➤ The Intra-ACP APP draws on the technical and institutional resources of all ACP regions, but also considers social, economic and technological tools for agricultural development that have been tried and tested elsewhere. PAPP is specifically for the Pacific region ➤ PAPP's target groups are the Ministries of Agriculture and Forestry of Pacific governments to assist them to develop effective national evidence-based agriculture sector policies and interventions to ensure competitiveness of smallholder farmers' participation in agriculture based development. ➤ The project works with farmer associations in partnership with national extension services to assist in the adoption of new farming methods to improve their agricultural productivity, and increase their resilience against the effects of climate change. ➤ The Pacific Island Farmers Network (PIFON) has a partnership with PAPP that provides the mutual benefits of accessibility and technical expertise to each group respectively. |

⁵³ European Development Fund (EDF)

⁵⁴ 14 FICs plus Timor Leste

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|---|-------|--|--------------------|--|
| Pacific Women Shaping Pacific Development (Pacific Women) | 2013 | <ul style="list-style-type: none"> ➤ DFAT ➤ Pacific Women Shaping Pacific Development ➤ Up to \$320 million, 2012-2013 – 2021-2022 ➤ See also Annex 8. | ➤ Pacific Regional | <ul style="list-style-type: none"> ➤ Pacific Women aims to improve the political, economic and social opportunities of Pacific women in 14 Pacific Island countries. Pacific Women works with Pacific governments, civil society organisations, the private sector, and multilateral, regional and United Nations agencies to contribute to: (1) Women and women's interests being increasingly represented and visible through leadership at all levels of decision-making; (2) women having expanded economic opportunities to earn an income and accumulate economic assets; (3) violence against women is reduced and survivors of violence have access to support services and to justice; and (4) Women in the Pacific have a stronger sense of their own agency |
| International Finance Corporation (IFC) Pacific Partnership | 2012 | <ul style="list-style-type: none"> ➤ DFAT and MFAT ➤ International Finance Corporation (IFC) Pacific Partnership ➤ Up to \$29 million, 2012-2017 | ➤ Pacific Regional | <ul style="list-style-type: none"> ➤ The IFC Pacific Partnership, combines advisory services with investments to generate private sector activity and economic growth in Pacific Island countries. IFC's work aims to improve domestic business opportunities, and access/ create new markets. IFC's focus to improve policies, provide build sustainable business environments, reform the regulatory environment, eliminate discrimination, provide alternative dispute resolution and improve access to finance will increase opportunities for trade and improve economic prosperity in the Pacific. ➤ A focus is increasing women's economic empowerment, particularly by leveraging opportunities and addressing challenges to women's employment and leadership in the workforce, supply chain, customer base and leadership of companies. ➤ The Pacific Partnership has leveraged over USD388 million in new private sector investments and improved economic opportunities for over 24,000 people. |
| Samoa Agriculture Competitiveness Enhancement Project (SACEP) | 2012 | <ul style="list-style-type: none"> ➤ The World Bank & Food Price Crisis Response Core ➤ US\$16.6m ➤ 2012 to 2018 ➤ Implemented by the Ministry of Agriculture and Fisheries, Samoa ➤ Ref: (The World Bank, 2016) | ➤ Samoa | <ul style="list-style-type: none"> ➤ Through targeted support to livestock and fruit and vegetable sectors, the Samoa Agriculture Competitiveness Project aims to ensure local produce captures a growing proportion of the domestic food market, and rural household incomes are increased. ➤ The approach consists of three components: 1) Livestock production and marketing, 2) Fruit and vegetable production and marketing, 3) Institutional strengthening ➤ The project aims to help narrow the gap between rural and urban incomes, and boost Samoa's foreign exchange reserves through food import substitution and increased exports. |
| Tonga Rural Innovation Project (TRIP 1) | 2012 | <ul style="list-style-type: none"> ➤ International Fund for Agricultural Development (IFAD) ➤ US\$4.03m ➤ 2012 to 2017 ➤ Implemented by IFAD, the Mainstreaming of Rural Development (MORDI) Tonga Trust, and national government agencies, ➤ Ref: (IFAD, 2012) | ➤ Tonga | <ul style="list-style-type: none"> ➤ Covering all regions of Tonga, the program will support the implementation of local Community Development Plans, ➤ Focus on helping commercial banks publicise and promote financing for business development, and providing supplemental equity grant funds to agricultural enterprises and other rural businesses through the banks. ➤ The project aligns with two key strategy and policy documents of the Government of Tonga: the Tonga Strategic Development Framework and the Ministry of Food, Forests and Fisheries Sector Plan. It is also in line with IFAD's 2004 Sub-regional Strategic Opportunities Paper for the Pacific Islands. |

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|---|-------|--|---|---|
| Support of Small Business Enterprise Centre (SBEC) | 2011 | <ul style="list-style-type: none"> ➤ Ministry of Foreign Affairs and Trade, NZ ➤ NZ\$6.6m ➤ 2011-2016 ➤ Implemented by the Small Business Enterprise Centre ➤ Ref: (MFAT, 2011) | <ul style="list-style-type: none"> ➤ Samoa | <ul style="list-style-type: none"> ➤ NZ's support aimed to achieve positive annual GDP growth for Samoa ➤ Decrease the proportion of the population falling below the basic needs poverty line by 2014 ➤ Improve Samoa's ranking in the World Bank Ease of Doing Business and Regulatory Quality indicators ➤ Improve access to credit by small and medium sized enterprises ➤ Increase in agriculture incomes and employment where linked to energy industry ➤ Increase in proportion of electricity produced through renewable means ➤ Reduced reliance on imported diesel for Samoa's energy needs |
| Market Development Facility: Phase I (MDF) | 2011 | <ul style="list-style-type: none"> ➤ Australian Government (DFAT) ➤ AUD\$48m ➤ 2011-2017 ➤ Implemented by DFAT's Private Sector, Infrastructure and Agricultural Development Branch (PXB) and Cardno ➤ Ref: (DFAT, 2016) | <ul style="list-style-type: none"> ➤ Fiji ➤ PNG ➤ Timor Leste ➤ Sri Lanka ➤ Pakistan | <ul style="list-style-type: none"> ➤ MDF Phase 1 enabled institutional learning about private sector development and aimed to sustainably increase employment for poor women and men in rural and urban areas ➤ The aim was to make market systems more competitive and inclusive, follow a different trajectory to aid modalities that focus on service delivery by the public sector or civil society organisations ➤ MDF Phase 1 targeted the poor or vulnerable directly or indirectly in all activities; tailored approaches to address the cause of the problem; and aimed to not becoming an active market player so that new activities and solutions were embedded in the current market system ensuring long-term sustainability |
| Increasing Agricultural Commodity Trade (IACT) | 2011 | <ul style="list-style-type: none"> ➤ European Commission (EC) funded. Component of Strengthening Pacific Economic Integration through Trade (SPEITT) funded through EDF⁵⁵ ➤ 10. ➤ €8.5m ➤ 2011-2015 ➤ SPC Land Resources Division. | <ul style="list-style-type: none"> ➤ Pacific ACP States (PACPS) | <ul style="list-style-type: none"> ➤ Strengthen the export capacity of Pacific countries in the primary industries of agriculture, forestry and aquaculture. ➤ The project employs a whole-of-supply chain approach, assisting commercial ventures and producer groups to become export-oriented, market-driven enterprises that will consistently supply overseas markets with competitive agriculture, forestry and aquaculture products. |
| Pacific Agriculture and Horticulture Market Access program (PHAMA) | 2011 | <ul style="list-style-type: none"> ➤ AU \$41.3m (AU \$36.2m/NZ \$5.1m) ➤ 2011-2018 ➤ Managing contractors AECOM and Kalang | <ul style="list-style-type: none"> ➤ Fiji, ➤ Tonga, ➤ Samoa, ➤ Vanuatu, ➤ Solomon Islands and ➤ PNG | <ul style="list-style-type: none"> ➤ Aid for trade and private sector development program to increase exports of fresh and value added agricultural products. ➤ Primary focus is to open new export markets, maintain existing markets and improve quality of export commodities. |

⁵⁵ European Development Fund (EDF)

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|---|-------|---|---|---|
| Pacific Organic and Ethical Trade Community Programme (POETCom) | 2010 | <ul style="list-style-type: none"> ➤ International Fund for Agricultural Development (IFAD) and funding from the EU funded IACT Program ➤ IFAD: USD\$0.5m ➤ 2010 to 2015 ➤ Implemented by SPC ➤ Ref: (IFAD, 2013) | <ul style="list-style-type: none"> ➤ Forum Island Countries (FICs) | <ul style="list-style-type: none"> ➤ POETCom is the governance body of the organics movement for the Pacific, it has evolved over time taking on more responsibilities and providing services with technical assistance from both FAO and IFAD ➤ Tasks of POETCom include developing rules and managing the application of the 'Organic Pasifika' mark ➤ Developing certification procedures, coordinating and accrediting certifying agencies ➤ Overseeing the implementation of the Pacific Regional Organic Strategic Plan (PROSP) ➤ Facilitating capacity building of national organic associations and developing networks and information sharing strategies for farmers and leading bodies ➤ Collecting and maintaining a statistical overview of organics in the region. |
| Pacific Regional Aid-for- Trade Technical Assistance Program (PRAfTAP) | 2010 | <ul style="list-style-type: none"> ➤ European Development Fund ➤ US\$18.6m ➤ 2010-2014 ➤ Pacific Island Forum Secretariat (PIFS) | <ul style="list-style-type: none"> ➤ Pacific ACP States (PACPS) | <ul style="list-style-type: none"> ➤ PRAfTAP is a follow-up program to PACREIP ➤ The overall objective of PRAfTAP is to contribute to the economic integration and sustainable development of the PACPS through aid-for-trade initiatives, and to improve the livelihoods of the people in the Pacific through the increased regional economic integration and expanded trade and investment opportunities. ➤ Specifically, PRAfTAP is to strengthen the institutional and human resource capabilities of the PACPS to formulate and coordinate trade strategies, trade policy and regulations; to effectively participate in the multilateral, regional and bilateral negotiations; to promote the private sector participation in trade and investment and to benefit from aid-for-trade initiatives in the Pacific. |
| Enhanced Sustainable Livelihoods Through Facilitating Increased Trade and Product Diversification (FACTII) | 2010 | <ul style="list-style-type: none"> ➤ EC plus co-financing. ➤ €13m (EC €9m, Co-financing €4m) ➤ 2010-2015 ➤ SPC Land Resources Division, assisted by SPC's Marine Resources Division. Implementing partners are PIFS, PIPSO, PITIC and FAO. | <ul style="list-style-type: none"> ➤ Pacific ACP States (PACPS) ➤ Overseas Countries and Territories (OCTs) | <ul style="list-style-type: none"> ➤ Builds on the FACT pilot project. ➤ The objective is to facilitate an increase in consistency, quality, quantity and diversity of agricultural, forestry and aquaculture exports from Pacific ACP states and OCTs through improved production, processing and value adding practices, sanitary and phytosanitary (SPS) standards compliance, product and market diversification. ➤ Among other matters, the project is expected to strengthen national capacities (through capacity building and capacity supplementation) of Pacific ACP states, OCTs and export enterprises to comply with international and other relevant SPS standards. |
| Pacific Agribusiness Research for Development Initiative (PARDI) | 2010 | <ul style="list-style-type: none"> ➤ Australian Centre for International Agricultural Research (ACIAR) ➤ Approximately AUD\$12m including postgraduate training components ➤ 2010-2015 ➤ Implemented by the Australian Centre for International Agricultural Research (ACIAR) | <ul style="list-style-type: none"> ➤ Solomon Islands, ➤ Fiji, ➤ Samoa, ➤ Vanuatu, ➤ Tonga, ➤ Kiribati | <ul style="list-style-type: none"> ➤ PARDI seeks to improve product competitiveness and market access to increase economic growth for the benefit of smallholder farmers and traders in the region. ➤ Unlike PHAMA, PARDI is to focus on research designed to underpin the development of targeted high-value agriculture, fisheries and forestry value chains. ➤ PARDI will foster resilient and sustainable supply chains through consistent production (quantities and timeliness) at affordable input costs and consistency of product quality, for a targeted number of products that have profitable or potentially profitable domestic and export markets. |

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|--|-------|--|--|---|
| | | | | <ul style="list-style-type: none"> ➤ PARDI will follow a highly targeted approach aimed at improving supply chain competitiveness for highest priority agricultural (including horticultural, fisheries and forestry) products into specific markets. ➤ PARDI working with SROS has supported the strengthening of Taro exports to both New Zealand and Australia (Pacific Periscope, 2017) |
| Solomon Islands Rural Livelihoods Program (SIRLP) | 2010 | <ul style="list-style-type: none"> ➤ AusAID ➤ Phase 1: AUD\$40m ➤ Two-phase 10-year engagement with Phase 1 (5 years) beginning May 2010 ➤ Component 1 of SIRLP is mainly delivered through local partners and involves four regional Focus Teams, while Component 2 is to be implemented in partnership with the Ministry of Rural Development and Indigenous Affairs (MRDIA) and involves a Rural Development Secretariat. | <ul style="list-style-type: none"> ➤ Solomon Islands, | <ul style="list-style-type: none"> ➤ SIRLP builds off achievements and lessons of the Forest Management Program and the Agricultural Livelihoods component of the Community Sector Program. Essentially it is an expansion of current engagements – the Solomon Islands Forest Management Program II concluding in June 2009 and the Community Sector Program and its Agricultural Livelihoods component scheduled to finish in January 2010 – but with a strong M4P focus. ➤ SIRLP is to integrate with those of the ongoing RDP. ➤ SIRLP uses a strategic approach that integrates both livelihood and business analysis tools to identify innovative investments that sustainably improve livelihoods at the local level. |
| Pacific Financial Inclusion Program (PFIP) | 2009 | <ul style="list-style-type: none"> ➤ PFIP is a multi-donor fund program – EU, UNDP, UNCDF, DFAT, MFAT ➤ Jointly implemented by United Nations Development Program (UNDP) and the United Nations Capital Development Fund (UNCDF) ➤ Up to \$24.15 million, 2009-2017 | <ul style="list-style-type: none"> ➤ Pacific Regional | <ul style="list-style-type: none"> ➤ PFIP aims to increase access to financial services among low income and rural households through activities such as designing financial literacy programs, capacity development of financial service providers and regulatory bodies and giving performance-based grants to financial service providers to develop and implement pro poor financial services. Phase 2 expected end-of-programs outcomes include: <ul style="list-style-type: none"> ○ Additional 500,000 people, including at least 50% women, gain access to an appropriate, affordable financial service ○ Additional 150,000 previously unbanked people, of whom at least 50% are women, gain access to a formal savings account ○ 15% of PFIP supported branchless banking clients are active ○ Four additional PICs have national financial inclusion strategies. |
| Fiji Papaya Project (part of the All ACP Agricultural Commodities Programme – (GCP/INT/045/EC) | 2009 | <ul style="list-style-type: none"> ➤ EU-funded, with technical support from FAO. ➤ Part of the USD\$12.8m overall project budget ➤ FAO project concluded December 2011 however the Fiji Papaya Project has continued with support from various other programs ➤ Koko Siga (Fiji) Ltd. ➤ Ref: (FAO, 2012) | <ul style="list-style-type: none"> ➤ Fiji, | <ul style="list-style-type: none"> ➤ Activities making up this project are designed to integrate small farmers into the value chain for “Fiji Red” papaya and thus improve the industry’s competitiveness and increase the volume of produce sourced from small farmers. |

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|---|-------|--|--|--|
| Productive Sector Growth Support Programme – Phase 1 Vanuatu (PSGSP-P1) | 2009 | <ul style="list-style-type: none"> ➤ European Commission, AusAID and NZAID ➤ €6.3m (EC €5.5m, AusAID €0.5m, NZAID €0.3m) ➤ Initial 3-year phase (7-year programme in total). ➤ Government of the Republic of Vanuatu (GoV), led by the Department of Strategic Policy, Planning and Aid Coordination (DSPPAC) but with other central and sector ministries, such as the Ministry of Agriculture, Quarantine, Forestry and Fisheries (MAQFF), closely involved. ➤ Ref: (European Commission, 2009) | <ul style="list-style-type: none"> ➤ Vanuatu, | <ul style="list-style-type: none"> ➤ PSGSP-P1 is to increase the effectiveness of public, private and civil society institutions in supporting increased output and reduced inefficiencies in the productive sectors. ➤ Initial interventions are likely to include direct investment in the improvement, expansion and operation of key public services including extension, biosecurity and export inspections and certification, and possibly inter-island shipping. |
| Facilitating Agricultural Commodity Trade Project (FACT) | 2008 | <ul style="list-style-type: none"> ➤ European Commission, SPC, PICTs and Private Sector ➤ €4.2m (EC €4m, SPC €150,000, PICTs and Private Sector €75,000) ➤ Phase 1 – 2008 to 2012 ➤ SPC Land Resources Division. | <ul style="list-style-type: none"> ➤ Pacific ACP States (PACPS) | <ul style="list-style-type: none"> ➤ The FACT Project aimed to increase trade by Pacific ACP states (PACPs) by supporting enterprises within the existing commercial farming and forestry sector. ➤ FACT is involved with 14 enterprises (including cooperatives of farmers which cover small holders as well as processing facilities) selected for their export growth potential based on commercial criteria following a survey of the 14 PACPs. Remedial technical and financial support by the FACT Project of each enterprise will be based on deficiencies in the enterprise supply chain determined by detailed systems analysis conducted by independent agricultural production and marketing analysts. |
| The Growers Federation of Tonga (GroFed) | 2008 | <ul style="list-style-type: none"> ➤ Government of Tonga ➤ TOP\$0.12m ➤ 2008 to 2010 with funding then self-sustaining from levy income thereafter ➤ Implemented by a 34 member council of grower elected representatives ➤ Ref: (AECOM, 2016) | <ul style="list-style-type: none"> ➤ Tonga | <ul style="list-style-type: none"> ➤ GroFed is registered as a not-for-profit incorporated association to engage in policy dialogue to obtain a favourable economic policy environment and political support for the agriculture sector in the long term. Its objectives are to strengthen private sector representation and to work closely with Government ministries and communities and assist to stimulate economic growth. ➤ GroFed cannot engage in commercial activities. To overcome this constraint GroFed has established its own marketing subsidiary known as Growers Commodities Marketing Group Ltd (GroCom). GroCom is 76% owned by GroFed and 24% owned by four exporters. ➤ The GroCom board includes several members from the GroFed Board, exporters, and representatives from the GroFed Council. GroCom's role is to search for more market opportunities for export produce with better prices to growers, with a requirement for the exporter to pay the growers before the shipment leaves Tonga. ➤ GroCom acts as an export broker under an exclusive arrangement with Fresh Direct Ltd, one of the major New Zealand-based importers and wholesalers. |

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|---|-------|--|---|---|
| Private Sector Support Facility in Samoa (PSSF) | 2008 | <ul style="list-style-type: none"> ➤ NZAID, United Nations Development Programme ➤ NZD\$0.6m year for 5 years allocated as Category A (SAT\$20,000-50,000 for up to 2 years) or Category B (SAT\$1,000-20,000) grants. ➤ 2008 to 2012 ➤ Small-medium sized private sector businesses. | <ul style="list-style-type: none"> ➤ Samoa | <ul style="list-style-type: none"> ➤ The ultimate objective of private sector development for Samoa is trade. Improving trade performance is expected to directly contribute to improving livelihoods and the quality of life of Samoan citizens. ➤ The Private Sector Support Facility (PSSF) is to combine several previous funds supporting the private sector economy of Samoa, including the Tourism Support Fund (TSF), the Private Sector Support Allocation (PSSA) and the Structural Adjustment Facility (SAF). The PSSF aims to support proposals that are likely to have a strong economic impact for Samoa by way of grants as well as a series of Business Forums run by the private sector for the private sector. The dominant focus is on small to medium businesses employing and/or engaging the private sector economy. Target groups of the PSSF include (i) manufacturing and exporting, (ii) tourism, and (iii) producers groups. |
| Solomon Islands Rural Development Program (RDP) | 2008 | <ul style="list-style-type: none"> ➤ World Bank, as managing donor with European Union and Australia (through RAMSI) ➤ USD\$20m ➤ 5-year program that began implementation in 2008. ➤ Managed by the Ministry of Development Planning and Aid Coordination. | <ul style="list-style-type: none"> ➤ Solomon Islands | <ul style="list-style-type: none"> ➤ The objective of the Solomon Islands RDP is to raise the living standards of rural households by establishing improved mechanisms for the delivery of priority economic and social infrastructure and services by the public and private sectors. ➤ Two specific components relate to improving agricultural services and rural business development. |
| All ACP Agricultural Commodities Programme (AACP) | 2007 | <ul style="list-style-type: none"> ➤ EU-funded, working with five other international partner organisations namely, CFC, FAO, ITC, UNCTAD and the World Bank. ➤ €45m. ➤ 2007 to 2011. | A February 2008 workshop in Apia, Samoa was the first of six sub-regional "kick-off" workshops that AAACP is to convene in the African, Caribbean and Pacific sub-regions. | <ul style="list-style-type: none"> ➤ AACP aims to improve incomes and livelihoods of agricultural producers in Commodity Dependent Developing Countries within the ACP Group of Countries. It supports the participatory formulation of commodity chain strategies, sustainable commodity production and related policy development, access to regional and international markets, crop and market diversification, access to market-based commodity risk management instruments and, cooperation with donors to advance commodity strategies. |
| Enterprise Challenge Fund for the Pacific and South- East Asia (ECF) | 2007 | <ul style="list-style-type: none"> ➤ AusAID ➤ Grants of between A\$100,000 to A\$1.5m with the lead bidder contributing a minimum of 50% of the project costs; total AusAID funds A\$10m. ➤ 2007 to 2010. ➤ For-profit private sector businesses (NGOs and other groups may be partners in a consortium led by a for-profit business). | <ul style="list-style-type: none"> ➤ Phase 1 called for applications for grants from Fiji, Indonesia, Papua New Guinea and southern Philippines. ➤ Pacific Projects supported in Fiji, PNG, Vanuatu, and Solomon Islands. | <ul style="list-style-type: none"> ➤ The goal of ECF is to encourage private sector-led growth which will help reduce poverty. ➤ Aimed at helping the private sector develop commercially successful ventures that otherwise will not get the chance to go to market. ➤ Projects were led by for-profit businesses from any country, provided they have registered business entities in the target countries. |

| Name of Program/ Project | Start | Donor, Funding, Duration and Executing Agency | Geographic Focus | Brief Description |
|---|-------|---|--|--|
| Development of a hot water dip treatment regime for Fijian taro exports to New Zealand Note: ACIAR is intending to support further research into hot water immersion treatment of root crops | 2007 | <ul style="list-style-type: none"> ➤ Pacific Cooperation Foundation (PCF, a charitable trust founded in 2002), Secretariat of the Pacific Community (SPC) ➤ 2007 ➤ SPC | <ul style="list-style-type: none"> ➤ Fiji "and elsewhere" | <ul style="list-style-type: none"> ➤ PCF is currently working with the SPC to trial a new hot water treatment for taro mite which will enable taro from Fiji and elsewhere in the region to enter New Zealand without the need for fumigation after arrival – which is costly and reduces both the quality of the taro and the return to the Pacific exporters. ➤ SPC/CRGA 37 (07) (Committee of Representatives of Governments and Administrations Thirty-Seventh Meeting, Agenda Item 2.2.1 – Land Resources Division Overview Report for 2007 refers to "Market access and sources for new products were explored: ... Research to identify a suitable hot-water dip treatment regime for Fiji taro exports to NZ continued." |

More DFAT Pacific Regional details are at: <http://dfat.gov.au/geo/pacific/development-assistance/pages/development-assistance-in-the-pacific.aspx> Accessed January 8, 2018.

Annex 2

Program theory and performance assessment framework

Annex 2 – Program theory and performance assessment framework

The 2016 evaluation of PHAMA identified a number of findings and lessons relating to monitoring and results measurement. One finding was that the current (February 2016) PHAMA logic model does not adequately explain causal mechanisms linking activities, outputs and outcomes, and does not link outcomes contributed to by the program to higher level goals and Pacific Regional aid investment program objectives. The evaluation team recommended:

- including as an integral part of the new design a robust results-based monitoring system that is fit for purpose
- improving the monitoring and evaluation approach using a clearly defined program logic model and performance framework to capture progress and outcomes.

Consistent with DFAT M&E Standard 1⁵⁶ (on the required elements relating to M&E in investment design) this design document specifies the requirements for development of a **monitoring and results measurement system** during the transition and inception period, and presents the following foundations for performance assessment:

- a purpose (goal) statement (beyond the life of the investment) aligned with the priority needs of targeted beneficiaries
- end-of-program outcomes expressed in terms of behaviour change and performance rather than capacity
- a compelling case for how the end-of-program outcomes are expected to contribute to the broader goals
- a robust logic and theory of change explaining the causal mechanisms that are understood to link program interventions with intermediate and end-of-program outcomes
- contextual factors that are likely to influence progress towards outcomes
- a clear rationale for how the delivery approaches, partnerships and implementation arrangements are appropriate to achieve end-of-program outcomes.

Purpose statement

The purpose of PHAMA Plus is to contribute to improved economic growth and improved rural livelihoods for Pacific peoples. PHAMA Plus builds on the successes of the previous PHAMA program to support selected Pacific Island Countries to increase the quantity and quality of their agricultural, horticultural and cultural exports in ways that benefit producers, exporters and importers.

End-of-program outcomes

PHAMA Plus is designed to deliver three end-of-program outcomes:

- Producers and exporters use ***maintained and new export market access*** for Pacific export products
- Women and men exporters, processors and producers adopt ***quality and productivity enhancing innovations*** for their export products
- Women and men staff of ***Pacific biosecurity*** authorities perform their ***export market access facilitation*** functions better.

How the end-of-program outcomes are expected to contribute to the purpose

As detailed in the analysis of context and sector (**Annex 1**) Pacific Island countries have diverse strategies for economic growth that align with their human and natural resource endowments, geography, history and external relations. In the countries targeted by PHAMA Plus exports, rural enterprises and/or tourism are important elements of the economy that drive economic growth. These sector market systems involve private sector exporters, processors and traders; household farming enterprises; and their intermediate service providers. Access to markets – a key constraint for many of these market system actors – has two dimensions: (1) compliance with market entry requirements, especially biosecurity, sanitary and phytosanitary standards; and (2) reliability of supply quality and quantity to give importers confidence in the supply chain. PHAMA Plus works with private sector business partners, intermediate service providers, industry and professional associations as well as biosecurity authorities to address specific interventions to improve market access, supply-side quality and productivity as well as facilitating dialogue between private sector supply-side actors and public sector authorities that regulate markets for primary industry products. Market access and demand will be maintained if standards are complied with, quality meets market needs and quantity ensures reliable supply – when those conditions are met, prices motivate farming households to invest and the enterprise income is maintained or increased. PHAMA has several examples of this happening in each country, and more can be done.

⁵⁶ See: <https://dfat.gov.au/about-us/publications/Documents/monitoring-evaluation-standards.pdf> Accessed November 22, 2017

Program theory – why designed approaches are believed to result in expected change

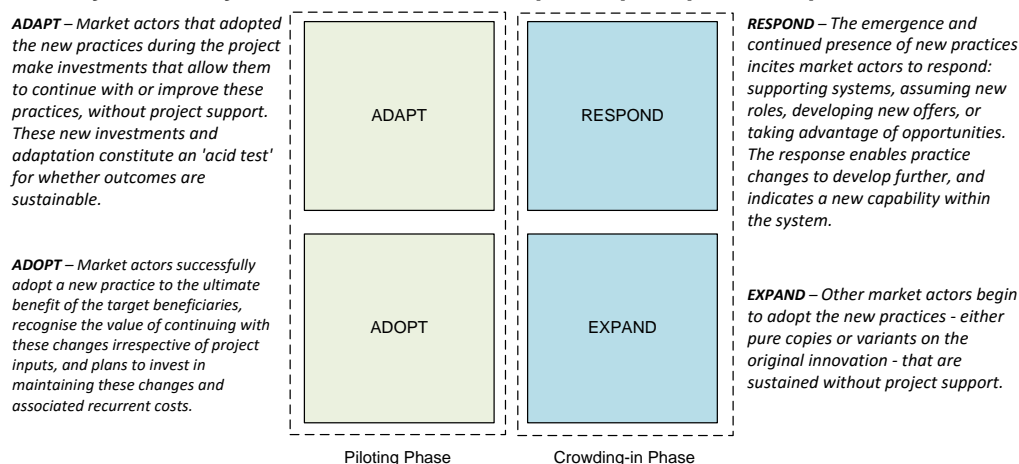
The foundation of the PHAMA Plus Monitoring and Results Measurement system is the theories explaining why change is anticipated to occur and the related logic model that demonstrates the causal relationships between interventions, outputs (what is produced or delivered) and outcomes (what businesses and people do differently as a result of PHAMA Plus). The summary program logic model presented on page [Annex 2-5](#) is informed by theories that explain the causal mechanisms including:

There are several causal mechanisms that explain the change expected to result from PHAMA Plus:

- Why market systems evolve (Chart 2-1)
- Why organisations and individuals make change permanent (Chart 2-2)
- Why new ideas and innovations spread (Chart 2-3 and Chart 2-4)
- Why performance is the driver, not just capacity (Chart 2-5)
- Why pilots and demonstrations scale (Chart 2-6).

Market interventions analysed, designed and implemented by MAWGs and their country partners are assumed to progress through four stages of evolution ([Chart 2-1](#)) that have been demonstrated in other market systems development programs and align with market economic theory.

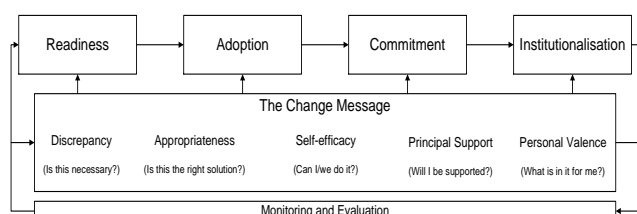
Chart 2-1 : Why market systems evolve – the Adopt-Adapt-Expand-Response framework



Source: Nippard, D., Hitchins, R., and Elliott, D. (2014) *Adopt-Adapt-Expand-Respond: a framework for managing and measuring systemic change processes*. Briefing Paper, The Springfield Centre for Business in Development, Durham, UK. [pp6-8]

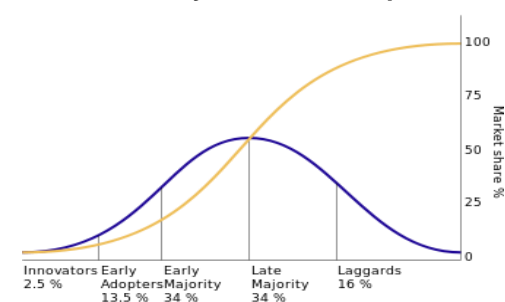
Behavioural change in targeted market actors of the sort proposed in PHAMA Plus takes time. In theoretical terms, the process is expected to proceed through the four stages shown schematically in [Chart 2-2](#). *Readiness* is the stage when an organisation, business or farming household reaches consensus on the need for change and that the proposed innovations or new ways of doing things (activities) are likely to be the right solution. *Adoption* is the stage when an organisation, business or farming household tries new ways of doing things (changed behaviours) to confirm that they are an appropriate solution and that individuals and groups in the organisation, business or household can implement the new behaviours. *Commitment* is the stage when an organisation, business or farming household starts to make the new behaviours normal – with active engagement and support from early adopters ([Chart 2-3](#)), procedural changes and increasing normalisation as individuals and groups see what is in it for them. *Institutionalisation* is the stage when an organisation or business integrates the new behaviours into their processes, rules and systems.

Chart 2-2 : Why organisations & individuals change



Source: Armenakis, A., Harris, S. and Feild, H. (1999) *Making change permanent: a model for institutionalising change interventions*. Research in Institutional Change and Development, Issue 12, pp97 – 128. Stamford, CT: JAI Press Inc. USA.

Chart 2-3 : Why innovations spread



Source: Rogers, E. M. (1962) *Diffusion of Innovations*. Glencoe: Free Press, USA.

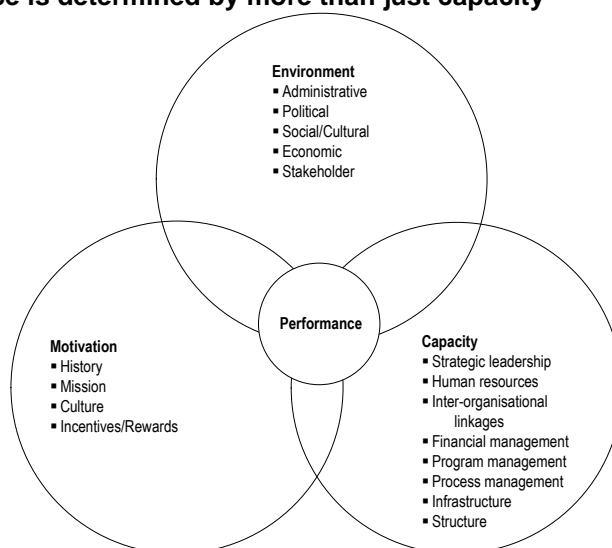
Adoption is an individual process: from first hearing about an innovation to finally adopting it. Diffusion is a group or organisational process, which suggests how an innovation spreads more widely in society. The adoption and diffusion of innovation was first studied in the 1890s. In 1962 Everett Rogers, a professor of rural sociology published his seminal work: *Diffusion of Innovations*⁵⁷, which synthesised research from over 500 diffusion studies to produce a theory of adoption among individuals and organisations (Chart 2-3). Rogers' showed that four main elements influence the spread of a new idea: the innovation, communication channels, time, and social system. Diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system. Rogers identified five characteristics of an innovation that influence an individual's decision to adopt or reject it (Chart 2-4): relative advantage, compatibility, complexity or simplicity, trialability and observability.

Chart 2-4 - Five factors driving adoption

| Factor | Definition |
|-------------------------|---|
| Relative Advantage | How improved an innovation is over the previous generation. |
| Compatibility | The level of compatibility that an innovation has to be assimilated into an individual's life. |
| Complexity / Simplicity | If the innovation is perceived as complicated or difficult to use, an individual is unlikely to adopt it. |
| Trialability | How easily an innovation may be experimented. If a user is able to test an innovation, the individual will be more likely to adopt it. |
| Observability | The extent that an innovation is visible to others. An innovation that is more visible will drive communication among the individual's peers and personal networks and will in turn create more positive or negative reactions. |

The Canadian International Development Research Centre used an organisational assessment tool with a focus on improving performance to highlight the importance of context (environment and organisational motivation) in the effectiveness of capacity development. Without consideration of enabling environment and motivation, it is unlikely that capacity development alone will lead to organisational performance. Capacity development is not enough – it is only one of three dimensions that determine the performance of an organisation (Chart 2-5). The MRM System will therefore monitor context, enabling environment and capacity to track performance of biosecurity authorities and other organisations engaged by PHAMA Plus.

Chart 2-5 – Performance is determined by more than just capacity

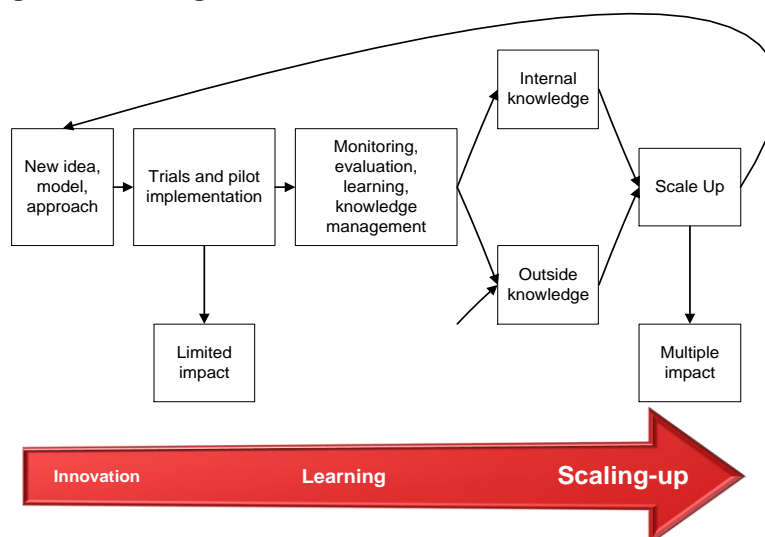


Source: Lusthaus, C., Adrien, M-H., Anderson, G., Carden F., and Montalvan, G. (2002) *Organisational Assessment: a framework for improving performance*. International Development Research Centre, Ottawa, Canada.

The World Bank commissioned a review of hundreds of development projects from around the world to see why some resulted in sustainable change at scale and why others failed. Iterative and incremental change, informed by quality information and a purposeful monitoring and results measurement system was identified as a key driver of successful scale-up (Chart 2-6). PHAMA Plus will respond to these lessons by continuing the evidence-based culture developed by PHAMA and maintaining investment in quality analysis and evaluative studies to inform intervention design, portfolio management and communications for policy dialogue by DFAT and MFAT.

⁵⁷ Rogers, E. M. (1962) *Diffusion of Innovations*. Glencoe: Free Press, USA.

Chart 2-6 – Taking market change and innovations to scale

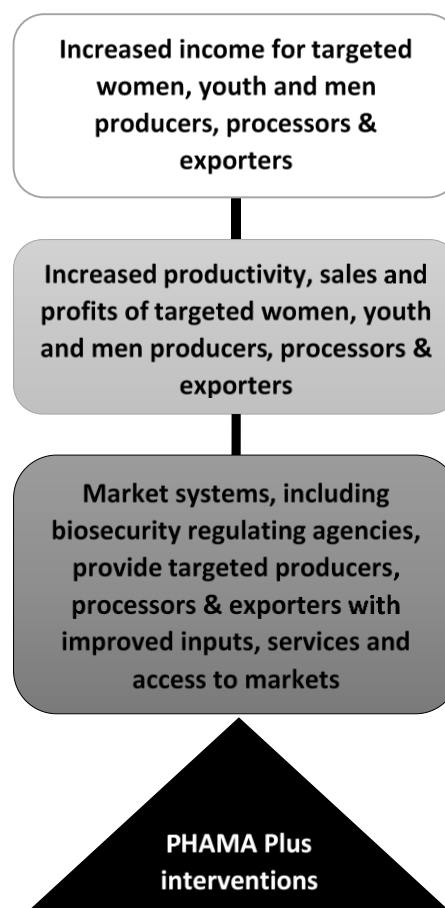


Source: Hartmann, A. and Linn, J. (2008) *Scaling up: a framework and lessons for development effectiveness from literature and practice*. Wolfensohn Center for Development - working paper 5. Brookings Institution, Washington DC, USA.

PHAMA Plus logic model

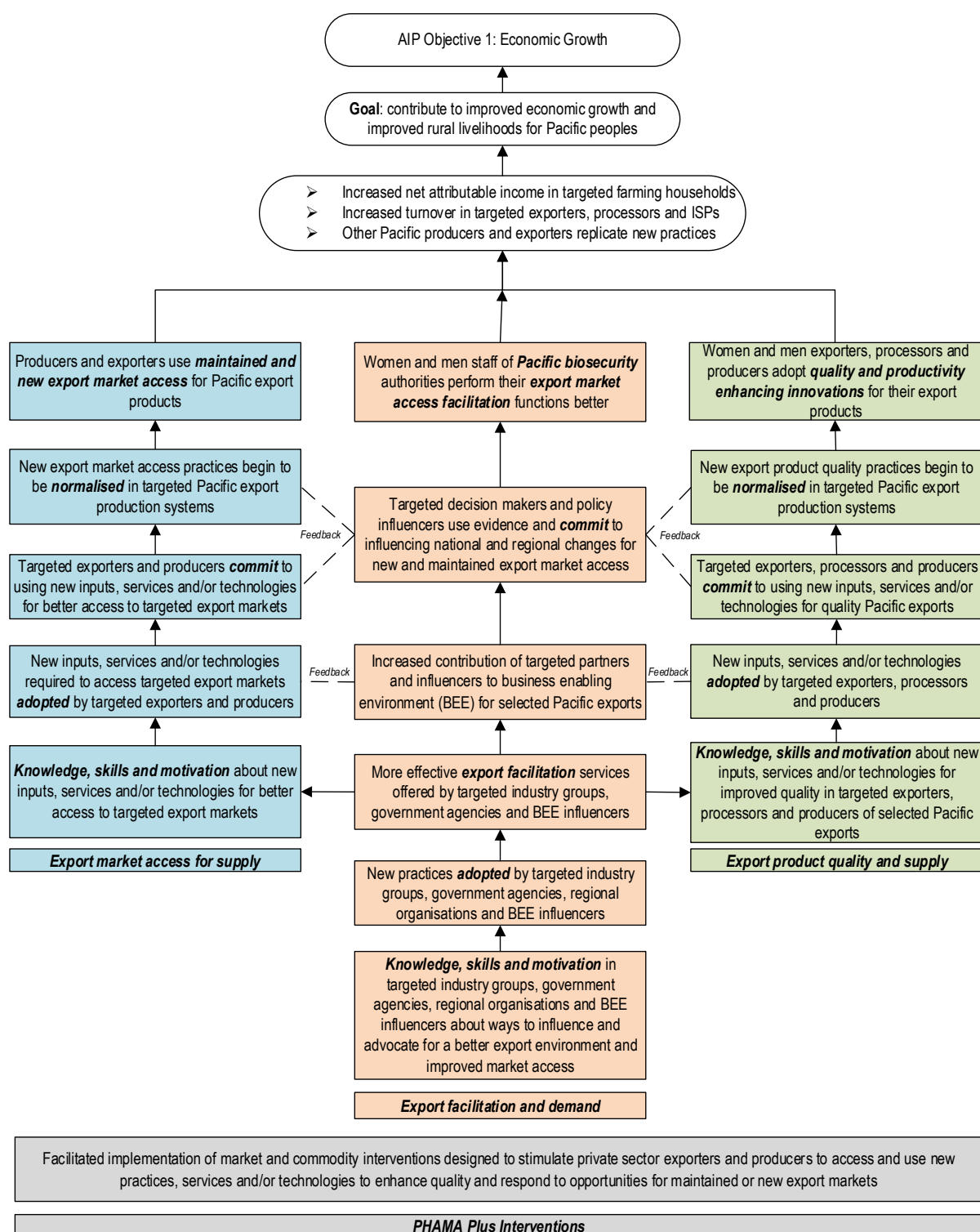
In summary (see schematic right and Chart 2-7), the logic is that PHAMA Plus facilitates changes on the supply side, demand side and business enabling environment through:

- **Market interventions** – private sector business partners and the intermediate service providers (ISP) they either supply (*e.g.* fertiliser or planting materials) or rely on (*e.g.* agents and collectors) are engaged to design and deliver a market intervention offering new services, inputs and/or technologies relevant to targeted women and men in farming households. This is what the program does, manages and pays for.
- **Supply-side partner co-investment** – as early implementation of an intervention yields results, the private sector is catalysed to innovate and invest to better serve farming households on a commercially viable basis. Interventions are designed to deliver changes in knowledge, skills and motivation of partners, who change their behaviour to engage with different intermediate service providers supplying the demand of farming households targeted by PHAMA Plus. Over time, the share of investment from partners increases and the contribution from PHAMA Plus declines.
- **Supply-side intermediate service provider business changes** – PHAMA Plus facilitation enables ISPs to engage with farming households and gain organisational knowledge, skills and motivation that enables systemic change within the organisation, which if successful starts to change the market. Changed behaviour by the business partners leads to changed knowledge, skills and motivation in ISPs who will then provide better access to new inputs, services or technologies, which in turn leads to changes in practices, quality and productivity of the partner as well as targeted farming households.
- **Demand-side changes in farmer practices** – With access to new services, inputs and/or technologies from ISP and communication of the market opportunities they offer, farming households gain new knowledge, skills and motivation to use these innovations. If early use is effective, more farming households adopt the change with new practices that lead to better quality, higher productivity, and more sales, which generate net additional income. As a result more firms recognise the commercial opportunities of serving farming households to secure supply chains for existing and new export markets.
- **Changes to the business enabling environment** – As market constraints are identified and the results of early interventions are measured, private sector businesses and their professional bodies, such as chambers of commerce; and analytical resources, such as think tanks and research organisations, will prepare information to communicate with policy makers and others who control or influence the business environment. PHAMA



Plus will not do this directly, rather the program will support preparation of quality information to influence influencers so they can drive change when policy windows emerge.

Chart 2-7 : Summary logic model for PHAMA Plus



Contextual factors that may influence progress towards outcomes

The context in which PHAMA operates is complex, multi-national and highly dynamic. Contextual factors that may influence progress towards outcomes will be monitored, reported semi-annually in a *Development Context Update*, and include:

- **Weather patterns** – for example *El Niño* and *La Niña* events that impact productivity of most agricultural, horticultural and fisheries commodities in the Pacific. PHAMA Plus will monitor World Meteorological Organisation and Australian Bureau of Meteorology summaries of global models to forecast possible impacts and factor that into portfolio management and stakeholder engagement.

- **Market regulations** – for example changing protocols for market access. PHAMA Plus will work with DAWR and MPI to monitor protocols that exporters need to comply with to meet export pathway requirements and seek feedback on risk assessments and pathways relevant to interventions and factor that into portfolio management and stakeholder engagement.
- **Biosecurity conditions** – outbreaks of diseases or pests in target geographies and commodities can change market access opportunities and affect both price and demand available for farming households and their traders, processors and exporters. PHAMA Plus will work with country biosecurity agencies, PPPO and other regional organisations as well as with DAWR and MPI to monitor outbreaks and seek feedback on risk assessments relevant to interventions and factor that into portfolio management and stakeholder engagement.
- **Market conditions** – monitoring supply and demand dynamics and competition for commodities and markets targeted by approved interventions. Where short-term crops are involved (e.g. some root crops and fresh horticultural crops such as cucurbits) any opportunities created by seasonal variation (e.g. impact of *El Niño* or *La Niña* events on regional market conditions) will be forecast and discussed at MAWG meetings.
- **Country public service budgets and staffing** – macro-economic settings and national budget allocations to relevant sectors, especially non-salary recurrent budget allocations to biosecurity and export regulatory agencies.

Monitoring

The results measurement standard of the Donor Committee for Enterprise Development (DCED)⁵⁸ will be the foundation for monitoring and results measurement (MRM) in PHAMA Plus. This enables consistent use of a common set of performance and management indicators across all interventions. For monitoring functions, the contractor managing implementation of PHAMA Plus will systematically conduct:

- **Performance monitoring** – *periodic* monitoring of changes in knowledge, attitudes and practices in targeted individuals, groups and agencies in each participating country as well as changes in performance that can quantified either directly (e.g. net attributable income change) or indirectly (e.g. perceptions of biosecurity authority performance and capacity using tools such as goal attainment scaling). These data will support judgements about *adequacy of progress* towards intervention outcomes at a country level and their contribution to PHAMA Plus end-of-program outcomes at a regional level. Where relevant to assessing PHAMA Plus results, data will be disaggregated by sex, location and commodity. The data will also be used by DFAT, MFAT, strategic partners (e.g. private business partners and government agencies) and the managing contractor to inform medium-term resource allocation decisions across the PHAMA Plus portfolio. This is a strategic function that complements evaluative studies and will be resourced from the program budget and coordinated centrally through the PMO.
- **Progress monitoring** – *semi-annual* measurement of actual delivery of *outputs* (e.g. deliverables and other program products) and *intermediate outcomes* (e.g. adoption of new practices and early behaviour changes) actually delivered against each intervention. Where relevant to assessing PHAMA Plus results, data will be disaggregated by sex, location and commodity. Progress reports will be consistent with DFAT M&E Standard 3.⁵⁹ Progress information will be used by the managing contractor to assess variance from the annual plan and present quantitative analysis to support judgements about adequacy of progress against the annual plan in semi-annual progress reports. This is a normal project management function, will be resourced from the management fee, and delivered centrally through the PMO.
- **Management monitoring** – *systematic measurement* as a normal part of good project management delivery of *inputs* (e.g. people and costs); *activities* (e.g. trainings, coaching events, knowledge exchanges); and *outputs* will be measured and reported *monthly* in simple variance from plan metrics for each country and the program as a whole. To support social inclusion and gender equity in delivery, data will be disaggregated by sex, location and commodity. These data will be used by the managing contractor to inform management decisions and report variance from planned disbursement. DFAT, MFAT and their national government partners will have access to summary information through on-line access to a *management dashboard*. This is a normal project management function, will be resourced from the management fee, and delivered centrally by the PMO.

The monitoring and results measurement system will also measure *Qualitative, contextual and unexpected change*. Evaluative studies, contextual analyses and case studies will be systematically and purposefully prepared to inform semi-annual strategic reviews and support economic diplomacy and policy dialogue. Qualitative change will support management for social inclusion and gender equality where relevant to delivery of PHAMA Plus outcomes. The managing contractor will monitor existing information sources (e.g. periodic information from IMF on macro-economic settings, World Bank on sector performance, SPC and WTO on trade performance) to identify changes in the horticultural and agricultural export context. The information will be collated into a semi-

⁵⁸ Donor Committee for Enterprise Development – see: www.enterprise-development.org/measuring-results-the-dced-standard/ Over 120 projects in more than 50 countries currently apply the DCED Standard for results measurement.

⁵⁹ See: <https://dfat.gov.au/about-us/publications/Documents/monitoring-evaluation-standards.pdf> [Accessed August 27, 2017].

annual *Pacific Horticultural and Agricultural Export Context Analysis* for use by DFAT Pacific Regional and country posts, the Pacific Desks in their policy dialogue with partner governments and regional organisations. For example, a strategic summary of progress, on-going bottlenecks and opportunities in the horticultural, agricultural, fisheries and tourism export sectors could be used by political and economic sections of High Commissions as information to support engagement for policy dialogue.

PHAMA Plus will report measured and attributable progress every six months, to complement DFAT aid quality reporting and any partner country needs. These semester reports to DFAT, MFAT and their partners will use agreed, whole-of-program key performance indicators (see monitoring framework below) to report progress and projections including projected change, cumulative change to date, and changes achieved over the six-month reporting period. Monitoring and results measurement information will be used to support management and portfolio review. The system will aggregate monitoring results across different interventions and partner agencies, both to guide decisions on program portfolio and to report aggregate program progress. Aggregation methods will account for any overlap between interventions to avoid double-counting. The monitoring and results measurement system will also ensure that cross-cutting issues (such as gender, social inclusion, and safeguards) are integrated into interventions and are measured. Qualitative information will be used to explain the reasons behind changes in the KPIs and what these changes mean for adequacy of progress towards end-of-program outcomes. The learning and review cycle of the program will be timed to fit the reporting cycle.

Systematic *portfolio reviews* will inform semi-annual portfolio refinement and adjustment of resource allocation in each country (ideally using the MAWG or equivalent as the steering body) to efficiently progress towards program outcomes. Annual reviews (one of the semi-annual portfolio reviews) should be timed to support strategic decisions by a Program Coordinating Committee (PCC). Portfolio review for PHAMA Plus will use a practical range of quantitative and qualitative indicators to rank intervention quality and performance. Value for money will also be assessed during portfolio reviews – using standard measures (Chart 2-8) aligned with DFAT value for money guidelines.

The PHAMA Plus monitoring and results measurement system will be driven by those who implement interventions. Their roles and responsibilities will be detailed in the PHAMA Plus Operations Manual and are summarised in the monitoring framework below. The responsibility for collecting data for management and progress monitoring will fall on the intervention team (technical advisers and their counterparts). Performance monitoring, reporting and evaluative studies will be the responsibility of a dedicated monitoring and results measurement resource – either internal to the PMO and/or outsourced for the program – that will work with the country facilitation and coordination teams.

Monitoring Framework

Key performance indicators and related indicative targets to support performance monitoring (Chart 2-8) at the program portfolio level are designed to link changes resulting from specific interventions to the whole-of-program end-of-program outcomes. The managing contractor will review the monitoring framework and expand this in a practical monitoring and results measurement manual prepared as part of the *PHAMA Plus Operations Manual*.

Chart 2-8 : Key performance and value for money indicators for all interventions

Building on the DCED Results Measurement Standard, the following key performance indicators and value for money measures (disaggregated by sex, country, commodity and destination market wherever possible) are proposed to be used for all interventions. This will provide regional performance information and allow comparison across the portfolio and ultimately inform resource allocation decisions as part of portfolio management.

1. Number of farming households with measured net attributable income increase attributable to PHAMA Plus interventions [Indicative target: 200,000 households – based on PHAMA results reported in 2017 impact report].
2. Value of additional turnover of PHAMA Plus Partners and Intermediary Service Providers [Indicative target: Value equivalent to 20% additional turnover in partner enterprises – based on field interviews during design and experience with similar programs in smaller economies].
3. Number of initiatives taken by government to improve business enabling environment (a simple leading indicator complemented by case studies and evaluative studies) [Indicative target: 3 initiatives per jurisdiction over the life of the program].
4. Direct investment per beneficiary farming household – this is total intervention cost including fixed overheads (e.g. PMO) divided by number of benefiting households [Indicative target: less than AUD250 per beneficiary farming household – based on PHAMA results reported in 2017 impact study and budget projections for PHAMA Plus].
5. Social return on investment – this is total attributable net income change (NAIC) of beneficiary farming households divided by PHAMA Plus direct intervention cost [Indicative target: more than 1.4 – based on PHAMA results reported in 2017 impact report and experience with similar programs].
6. Value of private sector partner investment leveraged by PHAMA Plus interventions – this is private sector partner investment divided by PHAMA Plus direct intervention costs [Indicative target: more than 25% of PHAMA Plus direct intervention costs – based on PHAMA results reported in 2017 impact report and experience with similar programs].

Chart 2-9 : Summary monitoring framework for PHAMA Plus

| Indicators | What we will measure | How we will measure | Who will measure | Frequency of measurement | How will results be reported & used |
|---|--|---|---|--|--|
| Purpose: Contribute to improved economic growth and improved rural livelihoods for Pacific peoples | | | | | |
| <ul style="list-style-type: none"> • Total value of net attributable income change (NAIC) in all targeted farming households attributable to PHAMA Plus interventions ^{1/} • Total value of additional net turnover attributable to PHAMA Plus in its Partners and Intermediate Service Providers (ISPs) ^{1/} • Total value and proportion of private sector partner investment leveraged by PHAMA Plus interventions ^{2/} • Total number of new employees and contractors engaged by PHAMA Plus partners and ISPs attributable to interventions | <ul style="list-style-type: none"> • Total net additional attributable income for targeted all farm households in AUD • Total value of additional net turnover of Private Sector Business partners and Intermediary Service Providers (ISPs) in AUD • Total value of investment by private sector partners and ISP in AUD divided by PHAMA Plus direct intervention costs • Tally of new employees and contractors engaged by processors, exporters and others engaged with PHAMA Plus interventions | <ul style="list-style-type: none"> • Sum NAIC across whole intervention portfolio • Sum net attributable turnover change across whole intervention portfolio • Sum private sector partners and ISP cash investment in each intervention in the portfolio • Survey of PHAMA Plus partners and ISPs | <ul style="list-style-type: none"> • Collated by PMO with MAWG advice • Collated by PMO with MAWG advice • Collated by PMO with MAWG advice • Survey firms contracted by PMO with MAWG advice | <ul style="list-style-type: none"> • Semi-annual • Semi-annual • Semi-annual • Annual | <p>Reported in semi-annual progress reports and used for semi-annual portfolio reviews by program and for AQC and APPR by DFAT</p> |
| End-of-Program Outcome 1: Producers and exporters use maintained and new market access for Pacific export products | | | | | |
| <ul style="list-style-type: none"> • Value of net attributable income change in targeted farming households attributable to PHAMA Plus interventions ^{1/} • Value of additional net turnover of PHAMA Plus Partners and ISPs attributable to PHAMA Plus interventions ^{1/} • Value and proportion of private sector partner investment leveraged by PHAMA Plus interventions ^{2/} • Number of managed export pathways maintained or newly opened | <ul style="list-style-type: none"> • Net additional attributable income for targeted farm households in AUD (disaggregated by country, commodity and destination market) • Value of additional net turnover of Private Sector Business partners and Intermediary Service Providers (ISPs) in AUD (disaggregated by country, commodity and destination market) • Value of investment by private sector partners and ISP in AUD divided by PHAMA Plus direct intervention costs (disaggregated by country, commodity and destination market) • Tally of maintained or new managed export market pathways supported by PHAMA interventions (disaggregated by country, commodity and destination market) | <ul style="list-style-type: none"> • Compare attributable income change and baseline, net of additional intervention costs • Compare attributable turnover change and baseline, net of intervention costs to turnover • Survey of private sector partners and ISP to measure cash investment in each intervention • Tally of managed export pathways supported through PHAMA Plus interventions | <ul style="list-style-type: none"> • Survey firms contracted by PMO with MAWG advice • Collated by PMO with MAWG advice • Collated by PMO with MAWG advice • Collated by PMO with MAWG advice | <ul style="list-style-type: none"> • Semi-annual • Semi-annual • Semi-annual • Semi-annual | <p>Reported in semi-annual progress reports and used for semi-annual portfolio reviews by program and for AQC and APPR by DFAT</p> <p>Also used where relevant for policy dialogue by DFAT Posts</p> |

^{1/} Indicator from DCED Results Measurement Standard (see: <https://www.enterprise-development.org/measuring-results-the-dced-standard/>)

^{2/} Indicator consistent with other DFAT Market Systems Development programs to allow benchmarking (e.g. MDF in Fiji and PNG, PRISMA in Indonesia)

| Indicators | What we will measure | How we will measure | Who will measure | Frequency of measurement | How will results be reported & used |
|--|--|--|--|--|--|
| End-of-Program Outcome 2: Women and men exporters, processors and producers adopt quality and productivity enhancing innovations for their export products | | | | | |
| <ul style="list-style-type: none"> Number of farming households with measured net income increase attributable to PHAMA Plus interventions <u>1/ 3/</u> Number of women and men adopting new agricultural or other production and processing technologies from PHAMA Plus or its partners <u>3/</u> | <ul style="list-style-type: none"> Tally of farming households measured to have increased NAIC (disaggregated by sex of household head and members, country, commodity and destination market) Number of women and men adopting agricultural or other production and processing technologies introduced PHAMA Plus or its partners (disaggregated by country, commodity and destination market as well as by youth and disability where possible) | <ul style="list-style-type: none"> Compare attributable income change and baseline, net of additional intervention costs Collated from intervention monitoring studies and surveys, triangulated with Partner and ISP customer or supplier records | <ul style="list-style-type: none"> Survey firms contracted by PMO with MAWG advice Survey firms contracted by PMO with MAWG advice | <ul style="list-style-type: none"> Semi-annual Semi-annual | <p>Reported in semi-annual progress reports and used for semi-annual portfolio reviews by program and for AQC and APPR by DFAT</p> <p>Also used where relevant for policy dialogue by DFAT Posts</p> |
| End-of-Program Outcome 3: Women and men staff of Pacific biosecurity authorities perform their market access facilitation functions better | | | | | |
| <ul style="list-style-type: none"> Distance to frontier score for trading across borders Time for export documentary compliance Number of initiatives taken by government to improve SPS regulatory performance and export business enabling environment (BEE) Number of women and men public servants adopting SPS regulation innovations through PHAMA Plus <u>3/</u> Number of non-compliance incidents reported by DAWR and/or MPI for selected commodities from targeted countries | <ul style="list-style-type: none"> Distance between assessed potential for efficient trading across borders in country context and actual performance Average hours required to obtain export documentation that complies with managed export pathway protocols Tally of changes introduced & adopted by SPS agencies to improve export regulation performance Tally of women and men public servants adopting SPS regulation innovations introduced by PHAMA Plus Tally of non-compliance incidents reported by DAWR and/or MPI for selected commodities from targeted countries | <ul style="list-style-type: none"> World Bank Doing Business annual survey results World Bank Doing Business annual survey results Semi-annual monitoring in each country Semi-annual monitoring in each country (collating sex disaggregated intervention monitoring records) DAWR and MPI reports to partner agencies in targeted exporting countries | <ul style="list-style-type: none"> PMO MRM lead using World Bank meta-data PMO MRM lead using World Bank meta-data National Coordinator or intervention lead National Coordinator or intervention lead DAWR and MPI Pacific Region managers | <ul style="list-style-type: none"> Annual Annual Semi-annual monitoring in each country Semi-annual monitoring in each country (collating sex disaggregated intervention monitoring records) | <p>Reported in semi-annual progress reports and Pacific Horticultural and Agricultural Export Context Analysis</p> <p>Used for semi-annual portfolio reviews by program and for AQC and APPR by DFAT</p> <p>Also used where relevant for policy dialogue by DFAT Posts</p> |

3/ Indicator linked to monitoring framework in 2017 PHAMA GESI Strategy (v2.0, pp13-14)

| Indicators | What we will measure | How we will measure | Who will measure | Frequency of measurement | How will results be reported & used |
|--|--|---|--|--|--|
| Indicative Outputs: | | | | | |
| <ul style="list-style-type: none"> Proportion of planned intervention concept notes, intervention plans and partner contracts actually delivered <u>2/</u> Number of Partners and Intermediate Service Providers co-investing in PHAMA Plus interventions Number of women and men exposed to new agricultural or other production technologies by PHAMA Plus or its partners <u>3/</u> Number of women and men public servants exposed to SPS regulation innovations through PHAMA Plus <u>3/</u> Number of intervention partners (private sector and public sector) Proportion of women on MAWGs/IWGs <u>3/</u> | <ul style="list-style-type: none"> Variance from planned intervention concept notes, intervention plans and partner contracts Number of private sector business partners and ISPs sharing the cash costs of implementing interventions with PHAMA Plus (disaggregated by country, commodity and destination market as well as by youth and disability where possible) Number of women and men attending demonstration plots, workshops, field days and other training events (disaggregated by country, commodity and destination market as well as by youth and disability where possible) Number of women and men attending workshops, seminars and other training events (disaggregated by country, commodity and destination market as well as by disability where possible) Number of intervention partners (disaggregated by country, commodity and destination market as well as by youth and disability where possible) Number of women/total membership of MAWGs and IWGs | <ul style="list-style-type: none"> Comparing annual plan projections with actual output delivery Tally number of partners and ISP and disaggregate Activity monitoring as per each intervention plan, collated by National Coordinator for MAWG Activity monitoring as per each intervention plan, collated by National Coordinator for MAWG Semi-annual monitoring in each country collated from intervention monitoring data MAWG meeting minutes | <ul style="list-style-type: none"> PMO MRM lead using country monitoring data PMO MRM lead using country monitoring data National Coordinator or intervention lead National Coordinator or intervention lead PMO MRM lead using country monitoring data National Coordinator | <ul style="list-style-type: none"> Semi-annual Semi-annual Semi-annual monitoring in each country Semi-annual monitoring in each country Semi-annual Semi-annual | <p>Reported in semi-annual progress reports.</p> <p>Used for semi-annual portfolio reviews by program and for AQC and APPR by DFAT</p> <p>Also used where relevant for policy dialogue by DFAT Posts</p> |
| Value for money: | | | | | |
| <ul style="list-style-type: none"> Direct investment per beneficiary farming household <u>2/</u> Social return on investment <u>2/</u> Value of private sector partner investment leveraged by PHAMA Plus interventions <u>2/ 4/</u> | <ul style="list-style-type: none"> Total intervention cost including fixed overheads (e.g. PMO) divided by number of benefiting households Total attributable net income change (NAIC) of beneficiary farming households divided by PHAMA Plus direct intervention costs Private sector partner investment divided by PHAMA Plus direct intervention costs | <ul style="list-style-type: none"> Compare total intervention costs and number of benefiting HH, disaggregated by country, commodity & target market Compare NAIC and intervention costs, disaggregated by country, commodity & target market Compare partner investment and direct intervention costs | <ul style="list-style-type: none"> Collated by PMO with MAWG advice Collated by PMO with MAWG advice Collated by PMO with MAWG advice | <ul style="list-style-type: none"> Semi-annual Semi-annual Semi-annual | <p>Reported in semi-annual progress reports and used for semi-annual portfolio reviews by program and for AQC and APPR by DFAT</p> |

4/ DFAT Aggregated Development Result measure – reported annually through Aid Quality Checks and Aid Program Performance Reports

Each PHAMA Plus intervention will have its own simple results chain modelled along the overarching principles of the program logic model and the related theories that explain causal mechanisms. These will be used to identify intervention-specific monitoring indicators as well as those program indicators relevant to the intervention. Those will be used by the intervention team to monitor adequacy of progress and assess changes resulting from the intervention. A simple monitoring and results measurement plan will be developed for each intervention, which defines when and how outputs and intermediate outcomes will be assessed – using performance monitoring and/or evaluative studies. PHAMA Plus will report measured results that can be attributed to the program. Measurement and reporting of results will be fixed by the time frames set out in the Operations Manual. The starting point for monitoring will be when intervention activities start, but time series data based on existing country measures (e.g. per capita gross national income, mercantile and agricultural exports by value, volume and as a proportion of GDP) will be used wherever possible. Consistent with the DCED Results Measurement Standard, outcomes resulting from a PHAMA Plus intervention will be assessed for up to two years after PHAMA Plus activities under that intervention end.

Evaluative studies

The complex and diverse context for horticultural and agricultural exports in the Pacific and the resources available for PHAMA Plus result in a modular design that forms a portfolio of interventions delivering innovations, new approaches and practices that are implemented through private sector business partners, intermediate service providers or government authorities with market facilitation and biosecurity functions. Interventions will be developed using information from diagnostic studies and market analyses. Their performance and underlying market system assumptions will be tested using evaluative studies. Performance and lessons learned will be collected with case studies and evaluations that are communicated to stakeholders and used by DFAT and MFAT country posts and DFAT Regional Pacific teams to inform policy dialogue with partners and regional organisations.

Lessons learned will be used to refine the new approaches and practices and expand their adoption by other agencies and firms. At the same time, the lessons will be communicated to national and regional leaders and export sector influencers to inform policy dialogue and contribute to increased horticultural and agricultural exports from target countries. Evaluative studies are a strategic function that complement performance monitoring, will be resourced from the program budget, and delivered centrally by the PMO. However, local case studies and joint formative evaluative studies may be commissioned by country teams and use appropriate local specialists wherever possible.

In addition, DFAT will commission a *normative mid-term review* (independent progress review) around mid-term to assess adequacy of progress towards end-of-program outcomes, relevance of the portfolio of interventions and the efficiency of implementation. If this is timed for the second half of 2021, it will inform decisions about other interventions to be programmed from mid-term. An alternative approach DFAT could consider if monitoring demonstrates adequate progress, is a *summative evaluation* in Year 3 (similar to what PHAMA did for its 2017 Impact Report) to inform a regional/international symposium to reflect on lessons and results from PHAMA and PHAMA Plus since 2011.

Learning and knowledge management

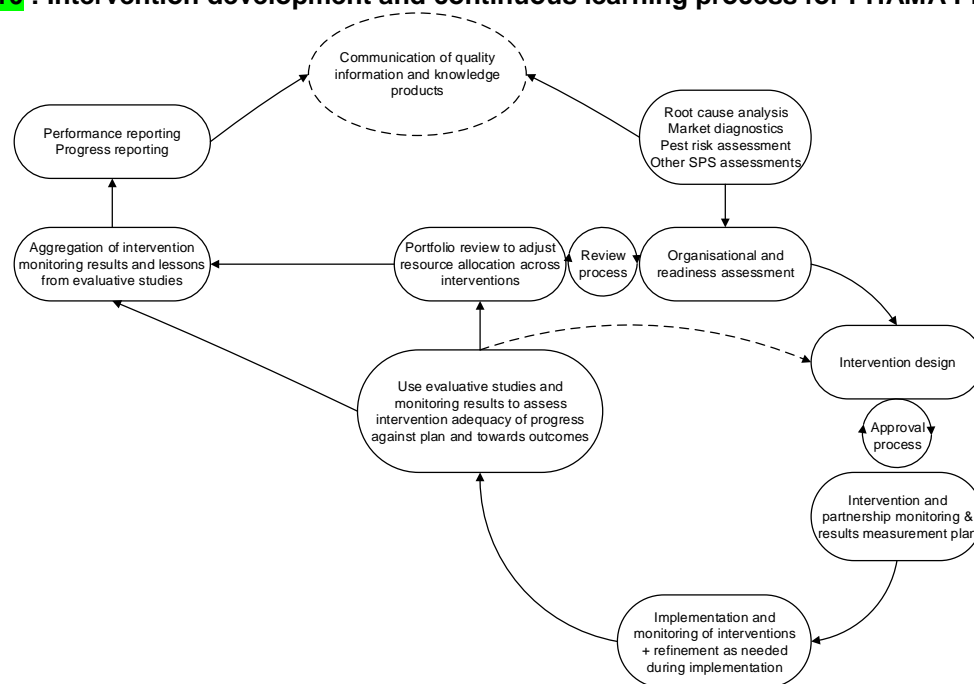
The managing contractor will collaborate with DFAT and country MAWG partners to select lessons learned that will be developed into knowledge products for different audiences (e.g. technical staff in national agencies, private sector leaders and technical staff, regional organisations, political influencers). Knowledge products will be made available through a PHAMA Plus website, building on the existing platform developed and used by PHAMA and other platforms once approved for release by DFAT.

The managing contractor will produce a communications strategy during inception and include it as an integral part of the PHAMA Plus Operations Manual. The strategy will direct delivery of learning and knowledge management. The focus of learning and knowledge management is to *influence* changes in the business enabling environment and market systems actors that will contribute to improved economic growth and improved rural livelihoods for Pacific peoples.

Influence is enabled by purposeful communication designed to meet the needs of different audiences in targeted Pacific Island countries and their export market system partners. The managing contractor will distinguish between *technical communications* (e.g. case studies of innovations and new practices complemented by institutional links, facilitation or capacity development) and *strategic communications* (e.g. policy briefs showing changed outcomes and efficiency linked to contextual and market system challenges faced by private sector business and country agency partners and regional organisations). Associated with this is discrete support for business and policy leaders and influencers with information products or visualised data that supports their informal engagement with political leaders needed to create an enabling environment for maintaining or gaining market access and improving the quality and productivity of Pacific Island supply chains.

The monitoring and results measurement system will provide a feedback mechanism for country MAWGs and coordinators as well as the PMO team to facilitate **reviewing, learning and decision-making** for improvement of program implementation and portfolio management. Because PHAMA Plus will operate in a dynamic and complex environment it will use a continuous learning mechanism (Chart 2-10). Country facilitators and coordinators, supported by PMO specialist staff and advisers, will work with partners to develop and implement interventions and continuously refine and improve their delivery. In addition, PHAMA Plus will periodically review the performance of its agency partners and portfolio of interventions, decide whether they are likely to achieve program outcomes, and adjust resource allocation accordingly.

Chart 2-10 : Intervention development and continuous learning process for PHAMA Plus



Each PHAMA Plus intervention will have its own summary results chain modelled along the principles of the program logic. These are used to monitor adequacy of progress and assess the results of each intervention. A brief monitoring plan is developed for each intervention, which defines when and how impact will be assessed. The PMO will report measured results that are attributable directly to, or are contributed by, the program. Measurement and reporting of results will be fixed within a specific time frame. The starting point for monitoring will be when intervention activities start. Consistent with the DCED Standard, the outcomes will be assessed for up to two years after PHAMA Plus support for an intervention ends.

The summary results chain for each intervention reflects how women and men in farming households will benefit and the total number of farming households benefiting and the total net additional attributable income over a two year period anticipated to be available to be “claimed” as a result. Changes in income and outreach beyond two years will not be claimed even though the benefits continue to happen after that period. This is because at the end of two years the change is likely to be part of the regular workings of the sub-sector and be influenced by other factors. There may be exceptions to this rule; for example some interventions may take more than two years after activities end to show any benefits.

PHAMA Plus will use statistically-designed, periodic intervention baseline studies and impact assessments to determine the number of farming households with net attributable income increases and the number of intermediate service providers with changes in turnover attributable to the program and the scale of that change. This will give robust and verifiable outreach and business data that demonstrate results and value for money. In addition, longitudinal income studies will be used to track income allocation by farming households in selected countries and sectors to see who in each household is benefiting from PHAMA Plus market interventions and by how much.

DCED audit of MRM system

If the Managing Contractor and DFAT decide to use a performance monitoring and results measurement system that is entirely aligned with the DCED Standard then it would be possible to consider a DCED audit of the system. If appropriate and resources are available for this, DCED auditors could be periodically engaged to conduct third-party, independent, performance audits of the PHAMA Plus MRM system. The audits will independently verify that results measurement documentation and processes generate credible information using mandatory and recommended control points set out in the DCED Standard. This would also allow PHAMA Plus results measurement to be benchmarked against international peers.

Annex 3
**Approach to, and
indicative,
interventions/ export
pathways**

Annex 3: Approach to, and indicative, interventions/ export pathways

This design does not prescribe export market interventions. The approach to developing market interventions is presented (Section 3.2, pp17-21 and Chart 15) and a summary example of an indicative intervention provided (Box 3, p21). Criteria for selecting interventions and ranking them is also provided (Box 2, p20).

A number of activities implemented under PHAMA will continue to their natural conclusion during the first year of PHAMA Plus. New interventions will be country-led and responsive to market demand and the priorities of participating countries. Building on the relationships, social capital and experience developed in PHAMA activities, the MAWG will oversee transition to a small number (typically 2-3 in each country) of multi-year interventions targeting specific export pathways suitable for development as “managed pathways” and demonstrating opportunities for inclusive, climate informed and resilient economic growth. During the first year of implementation, each country MAWG will lead a process of preparing up to three new market interventions with support from PHAMA Plus staff in each country (e.g. National Coordinator and National Market Systems Facilitator) and technical specialists including PMO regional staff (e.g. SPS/Biosecurity Specialist) and others drawn, as appropriate, from a pool of short-term national and international subject-matter specialists, DAWR/MPI, ACIAR/CRI, SPC/LRD and DFAT/MFAT.

Interventions will support women’s economic empowerment

PHAMA Plus interventions will support women’s economic empowerment. The background to this and four approaches to how this could be done are presented in Annex 8.

A market systems development approach is preferred

PHAMA Plus does not have the resources or mandate to work directly with farming households. Instead, the Program will work with key market system stakeholders (Chart 12, p11) and facilitate them to work with farming households where this is needed to improve the quantity and quality or export compliance for targeted commodities. This is different from PHAMA, which mostly used a direct delivery approach. This was an appropriate choice for initial interventions in the Pacific while social capital was built (e.g. MAWGs and IWGs) and responses were explored to the challenging geography and scale that limits the role of multi-national and larger private sector companies and intermediate service providers in the Pacific agriculture sector. The DFAT-financed Market Development Facility uses market systems development approaches in Fiji and PNG.⁶⁰

Given the purpose of PHAMA Plus and the diverse country contexts in the Pacific, a pure market systems development approach is not proposed. PHAMA Plus is unique in purposefully investing directly in business environment change (the biosecurity and market access regulations) and the market system (supply quality and productivity as well as export and processing pathways). Market systems development works where there are existing relationships with private sector partners and intermediate service providers that are ready to engage in activities that improve the quality and productivity of export products. PHAMA has built some such relationships – for example with exporters, HACCP certification firms; and input suppliers. Accordingly, there are opportunities for PHAMA Plus to use a purposefully selected blend of direct delivery and market systems development (Chart 13, page 12). In PHAMA this happens indirectly (e.g. with cocoa in Vanuatu; fish in Solomon Islands; HACCP certification in several countries; as well as taro and coconut oil in Samoa).

PHAMA Plus is designed for market systems facilitation to happen purposefully, partly to achieve end of program outcomes, and partly as a more effective way to achieve sustainability. There are opportunities for example, with appropriate facilitation from PHAMA Plus, for exporters of taro and cocoa with their farmer associations to act as change agents for improved quality and productivity in Samoa; for HACCP certification firms to drive changes in processing and packing facilities; and for the five leading exporters of kava from Vanuatu to use their position as intermediate service providers to adopt a more catalytic and practice role in development of the kava market for export and tourism. Similarly, coconut processors and traders, cocoa traders, and fish exporters in several countries could become private business partners or intermediate service providers with appropriate facilitation from PHAMA Plus. Their function would be to support demonstration and extension of good agricultural or post-harvest handling practices to farmer associations and farming households producing export commodities to markets targeted for intervention.

⁶⁰ See: <http://marketdevelopmentfacility.org/> Accessed November 20, 2017.

The logic of market systems development is presented in Annex 2 (Chart 2-1 and subsequent narrative). PHAMA Plus interventions will be designed to contribute to systemic change in each targeted market. Where relationships and market interventions have already started under PHAMA, there may be opportunities to invest further in market facilitation to achieve systemic change during implementation of PHAMA Plus. For new sub-sectors or commodities it may only be possible to progress part of the way towards systemic change. In each case, the Adopt-Adapt-Expand-Response framework⁶¹ (Annex 2, Chart 2-1) will form a foundation for assessing adequacy of progress and informing portfolio reviews and resource allocation decisions.⁶²

The results chain for each PHAMA Plus intervention will show schematically how women, youth and men producers will benefit and estimate the total number of producers benefiting and the total net additional attributable income over a two year period will be counted as a result. Changes in income and outreach beyond two years will not be counted even though the benefits continue to happen after that period. This is because at the end of two years the change is likely to be part of the regular workings of the sub-sector and be influenced by other factors. There may be exceptions to this rule; for example some interventions may take more than two years after activities end to show any benefits.

Approaches to certification of products for export

Exports of agricultural products, either fresh or processed, require that the competent authority within the exporting country provides supporting documentation to ensure that the product meets the quarantine and or food safety standards of the importing country. In the case of plant based products certification is usually in the form of a phytosanitary certificate issued by the quarantine authority and for animal or processed products a series of documents are required relating to food safety and associated standards issued by the department of health or other nominated authorities.

Importantly, the authorities responsible for the certification of plant and animal exports carry the major responsibility for implementation and management of operational procedures required to meet export protocols which are usually based upon international standards or as specified by the importing country. The capacity of PIC authorities to implement and manage export protocols varies considerably and tends to be constrained by a lack of budget and adequately skilled staff. This has in the past resulted in closure of some export pathways due to non-compliance and a loss of confidence in the exporting competent authority by the importing authority. In addition, the closure of export pathways will often require costly and timely remedial actions if exports are to recommence at some stage in the future. This leads to serious financial losses by farmers, processors and exporters associated with the pathway.

The challenge of maintaining compliant export pathways, as importing countries continue to strengthen import requirements to better protect the environment and human health is not limited to PICs. Australia and New Zealand export volumes of agricultural products continue to grow. To support strong export growth both countries continue to refine export management systems to provide efficient and cost effective services whilst ensuring that all exported product meets or exceeds importing country requirements. An increasingly important component of these systems is the use of accredited private sector companies to assist industry to implement and manage export pathway protocols.

Australian Authorised Officers

The Department of Agriculture and Water Resources (DAWR) has implemented an Authorised Officer (AO) scheme for the export of plant based products.⁶³ An AO is a trained and accredited individual that works as an Australian Government official under the Export Control Act 1982. AOs are trained and assessed to the department's work instructions and guidelines within the Plant Export Operations Manual. AOs will only be accredited to perform job functions that they have been found fully competent after a competency based assessment. Once accredited and appointed an AO can conduct plant export phytosanitary inspections on behalf of DAWR. DAWR is responsible for regulating AOs with ongoing verification of performance against objective performance standards. The AO must maintain their competency to ensure the department's processes continue to deliver consistent and quality plant export services to meet Australia's export legislative requirements and obligations under the International Plant Protection Convention (IPPC).

⁶¹ Nippard, D., Hitchins, R., and Elliott, D. (2014) *Adopt-Adapt-Expand-Respond: a framework for managing and measuring systemic change processes*. Briefing Paper, The Springfield Centre for Business in Development, Durham, UK. [pp6-8]

⁶² DFAT (2017) *Market Systems Development – Operational Guidance Note*. Department of Foreign Affairs and Trade, Canberra, Australia. See: <http://dfat.gov.au/about-us/publications/Documents/operational-guidance-note-market-systems-development.pdf> Accessed January 4, 2018.

⁶³ DAWR (2016) *External Authorised Officer Framework*. Department of Agriculture and Water Resources, Canberra, Australia. See: <http://www.agriculture.gov.au/export/controlled-goods/plants-plant-products/ao> Accessed December 2017.

New Zealand Independent Verification Authorities

The Ministry of Primary Industries has developed a series of operation standards to manage the export certification plants and plant based products. One of these standards outlines the role and functions of Independent Verification Agencies (IVA) to undertake pre-export verification services on behalf of MPI.⁶⁴ IVAs are required to meet various MPI standards and gain various ISO accreditations. IVAs may be accredited to perform various duties associated with an export pathway including audits of systems, design and implementation of pest management systems, oversight of phytosanitary treatments and phytosanitary inspection.

An alternative model for PIC export pathway certification

The Australian and New Zealand competent authorities responsible for export certification of plants or plant based products are increasingly moving towards the use of suitably accredited private sector actors to implement and manage export pathways. These private sector actors are subject to regular and rigorous audits and assessments by the competent authorities to ensure that procedures and records are compliant with exporting and importing government requirements. These systems are proving to be efficient and effective and are well supported by private sector players associated with various plant or plant based export pathways.

In light of the on-going challenges for implementation, management and certification of PIC plant and plant based export pathways it is recommended that a pilot scheme is trialled using suitably qualified and accredited private sector actors to work with PIC competent authorities to improve export certification. Suggested trial export pathways that could be used to pilot the use of independent verification authorities include:

- **Tonga water melons** - Tonga currently has access for fresh watermelons to New Zealand. Fresh watermelons are considered to be a host for a species of fruit fly present in Tonga and considered a quarantine pest by New Zealand. To manage the risk of fruit fly larvae possibly being exported with fresh water melon New Zealand requires a series of in-field sprays to control fruit flies, mandatory post-harvest fumigation with methyl bromide and a 100% inspection of all melons to be exported. Tongan authorities have successfully negotiated removal of the mandatory methyl bromide fumigation as the treatment damages the fruit, reduces shelf life and affects to profitability of the export pathway. To replace fumigation as a risk management measure Tongan farmers will be required to increase the in-field control for fruit flies, screen fruit for any damages or blemishes and ensure that all fruit is inspected and found free of fruit fly larvae. To support this proposal an operational work plan has been developed. Tongan producers and exporters are currently negotiating with Tonga quarantine authorities methods to best implement and maintain the new protocol and certify the consignments prior to export. It is suggested that a pilot program be developed to broker an arrangement between Tongan quarantine, producers, exporters and a suitably qualified private sector actor to establish and maintain the new export protocol to ensure certification of quarantine compliant water melons for export to New Zealand.
- **Leaf exports from Fiji** - Fiji currently exports various packaged leaves (drum stick [*Moringa* sp.] and taro) and some leafy green vegetables to Australia. The current import conditions require that the consignments are inspected and found free of pests and diseases of quarantine concern to Australia, soil and other contaminants. However, Australian interception data indicated that pests of quarantine concern are regularly detected within the consignments at upon arrival inspection by Australian quarantine authorities. Depending on the type of pests detected the consignments are either subjected to fumigation with methyl bromide which damages the consignment and reduces shelf life or the consignment may be re-exported or destroyed. All of these remedial actions result in considerable loss to the exporter and producers and greatly reduces Australian quarantine's confidence in Fiji's phytosanitary certification. It is suggested that a pilot program be developed to broker an arrangement between Fiji quarantine, producers, exporters and a suitably qualified private sector actor to ensure that the existing export pathway is improved to ensure that pests and diseases of quarantine concern are no longer routinely intercepted by Australian quarantine officials, thus threatening the viability of the export pathway to Australia.

Approaches to addressing access to finance

Agricultural finance is another opportunity for institutional innovation in PHAMA Plus interventions. It is difficult for smallholder farming households to access bank finance because banks tend to regard farming as risky and fragmented; and farming households in the Pacific often lack formal collateral – leading to high transaction costs of reaching smallholder farming households. An alternative model is **value chain finance**, which uses value chain relationships to overcome these barriers. For example, a bank issues a loan to farming households secured against a contract with a large exporter or processor, which is already known to the bank. By involving an established actor from the sector – with in-depth understanding of its risks and rewards, and long-standing relations with farming households – value chain finance reduces lending risks by leveraging relationships as assets, and reduces the transaction costs of lending by using value chain actors as loan assessors, distributors or collectors for financial services. This institutional innovation benefits the quality and productivity of farming household supply systems, is good for the business's relations with its suppliers, and increases the likelihood of farming households complying with export market protocols, which reduces the business's reputational, market and financial risks.

⁶⁴ NZMPI (2015). *MPI Certification Standards: IVA Requirements*. NZ Ministry of Primary Industries, Wellington, NZ. See: <https://www.mpi.govt.nz/.../7956-mpi-certification-standard-iva-requirements> Accessed December 2017.

Other programs operation in the Pacific to support financial inclusion and value chain finance. Where appropriate, National Export Market Facilitators will introduce locally active finance institutions (e.g. ANZ, BSP, Fiji Development Bank, VANWODS) and specialist programs (e.g. Pacific Financial Inclusion Program and Private Sector Development Initiative) to MAWGs and their technical support during intervention preparation to make links needed to support access to finance and/or value chain finance.

Indicative interventions

The following descriptions of indicative interventions highlight the importance of an integrated, multi-year results chain that describes the many activities that together form an intervention and in sequence deliver the anticipated outcome over the life of the program. The following are indicative examples of the proposed longer-term, multi-partner, approach to export market development. They are provided as indicative examples, without prejudice.

Indicative intervention – exporting quality kava from Vanuatu

PHAMA supports a number of activities to increase kava exports in Vanuatu and regionally. However, the nature of the supply chain challenges and opportunities mean that PHAMA cannot do everything alone. An integrated approach using a range of private sector business partners and government regulators – each playing to their strengths by performing their market functions – is needed. This summary description of a kava export development in Vanuatu as an indicative example of the longer-term, multi-partner, approach to export market development proposed for PHAMA Plus.

More than 20,000 farming households in Vanuatu grow kava commercially and around 45% of Vanuatu households are involved in some part of the kava value chain, mostly as producers. In 2016 more than 1,000 tonnes of dry kava was exported, and export demand in New Caledonia, Fiji and Kiribati as well as the USA is growing. This is reflected in rising prices and readiness of producers to adopt innovations to increase quality and productivity. Kava is one of the most important sources of cash income for rural households in Vanuatu and is particularly attractive to youth in remote locations (e.g. Ambae, Pentecost, Santo and Tanna islands). A 2017 *Kava Value Chain, Gender Equality and Social Inclusion Analysis* conducted in Vanuatu with support from PHAMA identified a number of opportunities to increase the productivity and quality of kava for export. Consistent with the 2015 *Vanuatu Agriculture Sector Strategy*, and 2015 *Vanuatu Kava Strategy (2015-2025)* opportunities identified by the analysis and given priority by the Government of Vanuatu and a representative group of kava producers included:

1. Nurseries and enhanced propagation methods to expand the production of 12 noble varieties of kava
2. Fast-track implementation of quality standard measures under the existing Kava Act and the National Quality Standards to assure the quality and safety of kava for export markets (including completion and use of Codex Standards for kava)
3. Improve access to financial services and financial literacy training for value chain actors (linking with complementary programs such as the *Pacific Financial Inclusion Program*, *VANWODS* and *SPBD Microfinance*), especially producers and their intermediate service providers (e.g. traders, exporter agents and nursery operators)
4. Facilitate social inclusion in the kava value chain, specifically the participation of women in higher level value-adding activities, as well as reinforcing their current roles in producing and processing kava (linking with complementary programs such as *Pacific Women* and the *Fairtrade ANZ Gender Inclusion Project*) and promoting a *2018 Kava Festival*
5. Identify new export markets and grow supply to them to ensure prices are maintained as current plantings become ready for harvest from 2020 – in part informed by a literature review of positive and negative effects of kava on human health
6. Discover innovations in garden inter-cropping with kava and food crops to enhance the quality and productivity of kava while also ensuring food security and reducing monoculture risks
7. Monitor kava planting and inventory existing plantations by age and variety, including post drought and post cyclone surveys
8. Reform institutions (e.g. Vanuatu Commodity Marketing Board with support from bilateral *Governance for Growth Program*) to resolve current ambiguities in the legal and regulatory framework, and especially to ensure that the export levy is used for the direct benefit of the kava industry.

These opportunities can be prepared as an integrated, multi-year intervention to be implemented by a range of partners under the coordination of the Vanuatu MAWG and its industry partners. Private sector drivers could include the 5 major exporters. Other partners are anticipated to include:

- ACIAR – lead opportunity 6, contribute to opportunity 1, building on current work in Vanuatu
- ADB and Pacific Financial Inclusion Program – lead opportunity 3, building on current work in Vanuatu and the region
- DARD and DoI – proactively support or lead opportunities 2, 4, 5, 7 and 8
- 5 dominant kava exporters – as private sector partners lead opportunities 1, 4, 5 and work with ISPs such as nursery enterprises in Ambae, Pentecost, Santo, and Tanna to support adoption of innovations from opportunities 2, 5, and 6
- PHAMA Plus – facilitate deals with private sector partners and support the MAWG to coordinate implementation and lead monitoring and results measurement for all opportunities.

Indicative intervention – exporting root crops from Fiji, Samoa and Tonga

Root crops (taro, cassava, yams and sweet potato) are widely grown throughout the Pacific region and are an essential part of the diet for the majority of Pacific Island people. Whilst the majority of production is for domestic consumption, exports of taro (Fiji and Samoa), cassava (Fiji, Tonga and Samoa) and yams (Tonga) are steadily increasing with support from the PHAMA program.

Fiji - Taro exports (to Australia and NZ) are the third largest agricultural export for Fiji. In 2014 37,000 taro farms produced 66,000 tonnes with an estimated export value of AUD12million. Cassava production in 2014 was 75,000 tonnes with 38,000 farms in production with cassava leaf and frozen tuber exported to Australia, NZ and the US. Yam production was estimated at 4,000 tonnes in 2014 with an estimated 6,500 farms.

Samoa - The Samoan taro industry was devastated after the introduction of taro leaf blight in 1993. However, the industry is recovering rapidly with the introduction of leaf blight tolerant taro varieties. Approximately 18,000 farms produced an estimated 20,000 tonnes of taro in 2014 with the bulk for domestic consumption. Some exports have commenced to NZ and the US and Samoa is trialling frozen taro exports to Australia.

Tonga - Approximately 8,000 tonnes of cassava, 4,500 tonnes of yams and 3,000 tonnes taro were produced by 10,000 households in 2015. Tonga has traditionally exported some root crops to New Zealand largely through informal channels such as church and family groups. However, formal exports into wholesale and retail outlets in New Zealand are increasing.

Importantly, root crops contribute significantly to the food security and incomes of large numbers of Pacific Island households. Significant export earnings are generated (in the case of Fiji taro) with potential to increase exports of other root crops from all countries. The processing of root crops to remove dirt/debris and skin (if product is frozen) creates employment opportunities within processing facilities especially for women and youth.

The private sector producers, processors and exporters are increasing exports of roots crops as demand for their product increases, however, issues of quality and consistent supply continue to impeded export growth. To address these issues the Fiji Ministry of Agriculture has set a high priority on the activities of a newly developed taro task force to better understand and improve the taro value chain and export pathways and the Samoan Ministry of Agriculture and Fisheries continues to place a high priority on increasing taro production with the view to increase exports to New Zealand, Australia and the US.

Common areas requiring improvements to promote sustainable exports of root crops from Fiji, Tonga and Samoa include:

1. A detailed understanding of the supply chains, key impediments and suggested areas for investment to increase quality and volume
2. Understanding the current status of production area soils and nutritional requirements to ensure sustainable production
3. Market research to better understand root crop varietal preferences for developing markets in Asia and the USA
4. Market research to understand potential returns on frozen root crops into specific markets
5. Facilitation of social inclusion in root crop supply chains, specifically the participation of women and youth in higher level value-adding activities, as well as reinforcing their current roles in producing and processing root crops
6. Improvements to processing, packaging, labelling and freezing techniques
7. Improving the performance of government authorities to promote, monitor and certify the production of root crops
8. Improving the ability of private sector to monitor crops, provide extension and identify any production related issues
9. Improving access to finance for producers, collectors/traders and processors
10. Ensuring there are mechanisms in place to provide rapid diagnostic services and response to pest and disease outbreaks and soil nutrition issues before they impact significantly on production.

These tasks can be prepared as an integrated, multi-year intervention to be implemented by a range of partners under the coordination of the Fiji, Samoa and Tonga MAWG and its industry partners. Private sector drivers could include the key producers and exporters in each country. Other partners are anticipated to include:

- ACIAR and local research partners – lead on tasks 1, 2 - some work has been completed on root crop supply chain analysis. Completed work to be collated, gaps identified and any additional analysis completed. Collaborate on tasks 8 and 10.
- PFIP, PSDI and other locally active financial inclusion specialists – lead on task 9
- PIFON – contribute to tasks 1, 5, 8, 9 and 10
- MDF (in Fiji and PNG) and other specialist value chain analysts – lead delivery of tasks 3 and 4, contribute to other tasks
- Ministries of Agriculture – proactively support or lead opportunities 5, 6, 7, 8 and 10
- Prominent root crop exporters – as private sector partners collaborate on tasks 1, 2, 3 and lead on 5, 6, 8 and 10
- PHAMA Plus – facilitate deals with private sector partners and support the MAWG to coordinate implementation and lead monitoring and results measurement for all opportunities.

Indicative intervention – cocoa from PNG, Samoa and Vanuatu

Cocoa production is an increasingly important source of income for smallholder farming households in Fiji, PNG, Samoa and Vanuatu. For example, there are approximately 150,000 households in PNG and 20,000 households in the Solomon Islands producing cocoa. The Fijian, Samoan and Vanuatu industries continue to grow through new plantings and plantation rehabilitation. Global demand for chocolate is forecast to continue to grow in the medium to longer term, with growing demand for niche and single origin chocolate. Growing demand offers a price premium incentive for Pacific producers who have traditionally supplied the bulk bean market.

To date PHAMA facilitated improvements to cocoa bean quality with innovations for fermentation and drying processes and improved market understanding (e.g. see: <https://fr-fr.facebook.com/LeCercleDuCacao/>) and profits for both bulk and niche markets. PHAMA Plus will continue this work and seek to complement other programs and initiatives to improve production, quality, processing and export marketing of cocoa beans.

Common areas requiring improvements to promote increased export cocoa profitability include:

1. Promoting good agricultural practices – side graft or rejuvenate with fine flavour varieties, soil management
2. Promoting good post-harvest handling practices – reduce smoke taint, improve fermentation process
3. Developing niche markets for highest quality beans – aiming for 5-10% of production to boutique/niche chocolatiers
4. Improving understanding of bulk markets and sales opportunities for improved prices (linked to commodity exchanges)
5. Linking growers to financial inclusion and enterprise financing (e.g. PFIP, PSDI, FDB) to increase quality & productivity
6. Facilitating social inclusion, specifically the participation of youth and women, as well as reinforcing their current roles in production, post-harvest handling and processing
7. Facilitating local production of fine chocolate for tourism and e-Commerce trade
8. Improving the ability of private sector to monitor crops, provide extension and identify any production related issues in a timely manner – including innovations such as block chain applications for record keeping and chain of custody
9. Ensuring there are mechanisms in place to provide rapid diagnostic services and response to pest and disease outbreaks and soil nutrition issues before they impact significantly on production.

These opportunities can be prepared as an integrated, multi-year intervention to be implemented by a range of partners under the coordination of the PNG, Samoa and Vanuatu MAWGs and their partners from industry, commodity regulators and export regulators. Private sector drivers could include the key producers, input suppliers and exporters in each country. Other partners are anticipated to include:

- ACIAR – has conducted previous work on tasks 1, 8 and 9. Completed work to be collated, gaps identified and any additional work required initiated.
- World Bank – Productive Partnerships in Agriculture Project through the PNG Cocoa Industry Board is currently conducting work in PNG on tasks 1, 5, 8 in several provinces. RDP in Solomon Islands conducts similar work.
- Leading exporters and/or multinational commodity traders (e.g. Olam, Mondelez, Nestle) could lead tasks 1, 5, 6, 7, 8, and 9
- Cocoa commodity regulators and national agriculture agencies could proactively support tasks 1, 2, 4, 6 and 8
- PHAMA Plus would facilitate deals with private sector partners and support the MAWG to coordinate implementation and lead monitoring and results measurement for all opportunities.

Approach to sustainability

The PHAMA Plus approach to sustainability is designed to operate at three levels:⁶⁵

- **Level 1: Sustainability of innovations and investment stimulated by the Program.** PHAMA Plus will work with MAWGs, private sector business partners to identify opportunities for innovations that can enhance access to export markets and increase the quality and productivity of export supply chains. To be selected, innovations will need to benefit smallholder farming households, processors, exporters and their intermediate service providers. Analysis and market diagnostics during preparation of an intervention will establish a viable business case for each innovation and then facilitate private sector business partners to invest in and operationalise it commercially. Sustainability will be ensured if the innovation generates a commercial return for producers, processors and exporters. Commercial viability and co-investment by private sector business partners are essential to sustainability because they motivate businesses to commit to continued delivery or support of the innovation. The acid tests of sustainability are: (a) a business continuing to invest in an innovation without any further program support, and (b) other businesses recognising the innovation's value and taking it up themselves. This "crowding in" (Annex 2) achieves further sustainability and scale, as the innovation expands to a critical mass of take up – the innovation becomes the new norm in a sector.

⁶⁵ Adapted from the design document for PRISMA-2 (see: <http://dfat.gov.au/about-us/business-opportunities/tenders/Pages/design-document-prisma-2-indonesia.aspx> Accessed December 19, 2017).

- **Level 2: Building on initial innovations to strengthen resilience.** PHAMA Plus will support MAWGs, selected private sector business partners and their intermediate service providers to anticipate, mitigate or respond to opportunities and threats. This will include semi-annual reviews of climate models and near-term weather forecasts (*e.g.* El Niño and La Niña events) as well as linkages to the Climate Change Interim Support Unit in the Pacific region. It will also bring together researchers (*e.g.* with ACIAR as convenor), financiers (*e.g.* with ADB or Pacific Financial Inclusion Program as convenor) and exporters and their customers to explore supply chain trends and opportunities for improved quality of productivity. For example, if sunburn blemish on Squash for the New Zealand export market is an increasing problem, agronomic innovations for better canopy cover could be explored with researchers and solutions tried and promoted through demonstration plots established with support from exporters and packing houses. Sustainability is not a static concept. Sectors change, so the actors within them must change as well if they are to survive and thrive. Having introduced a successful, sustainable intervention – a new way of doing things – PHAMA Plus will work with private sector business partners to ensure that the intervention is supported by other actors in the sector. This will mean strengthening other key functions or rules (*e.g.* export market protocols) that support the intervention. These supporting functions and rules ensure adaptability and resilience, but also contribute to further scale up by promoting take up of an intervention or reducing barriers to export market access. In addition, the Sustainability Roadmaps completed for each MAWG during 2017 will begin implementation during 2018 and continue during the transition period and into the first half of PHAMA Plus in an effort to ensure sustainability of this important public-private dialogue forum.
- **Level 3: Strengthening the export business enabling environment in the Pacific** – PHAMA Plus will produce analyses, knowledge products and lessons for DFAT, MFAT and regional organisations to use in their dialogue functions influencing policy and institutional behaviour to strengthen the export business enabling environment in Pacific Island countries. PHAMA Plus will inform changes to the business enabling environment by “influencing the influencers” – that is providing evidence to influence those organisations (*e.g.* national chambers of commerce and industry and civil society groups) and individuals (*e.g.* large businesses and traditional leaders) that have political influence in national economies. The Program and its partners will identify innovative, sustainable and cost-effective ways of achieving public policy priorities such as maintaining or gaining export market access, promoting inclusive economic growth, and enabling women’s economic empowerment that complement or reach beyond conventional government or aid-funded delivery mechanisms. PHAMA Plus is designed to use information from the monitoring and results measurement system as well as its analytical studies and diagnostics to equip decision makers in Government and policy influencers with the evidence to advocate for wider change in the export business environment in targeted Pacific Island countries. PHAMA Plus is designed to operate in an opportunistic, politically astute way to provide relevant evidence and analysis to regional and national agencies so they can strengthen the export business enabling environment.

Annex 4

Program Management & Implementation Arrangements

Annex 4: Program Management & Implementation Arrangements

The contractor selected to manage implementation of PHAMA Plus will propose management and implementation arrangements, which will be negotiated with DFAT and reflected in the contract for services. These management and implementation arrangements need to reflect the core functions of a managing contractor (Section 3.2, pp17-22 and Annex 9) as well as functional assignment between a central project management office (PMO) and country offices under PHAMA Plus (Chart 4-1) and lessons learned from implementing PHAMA in six Pacific countries (*e.g.* on-going usefulness of MAWGs, IWGs, and national coordination arrangements). The arrangements also need to address key differences between PHAMA and PHAMA Plus set out in this design (Section 3.1 and elsewhere), including:

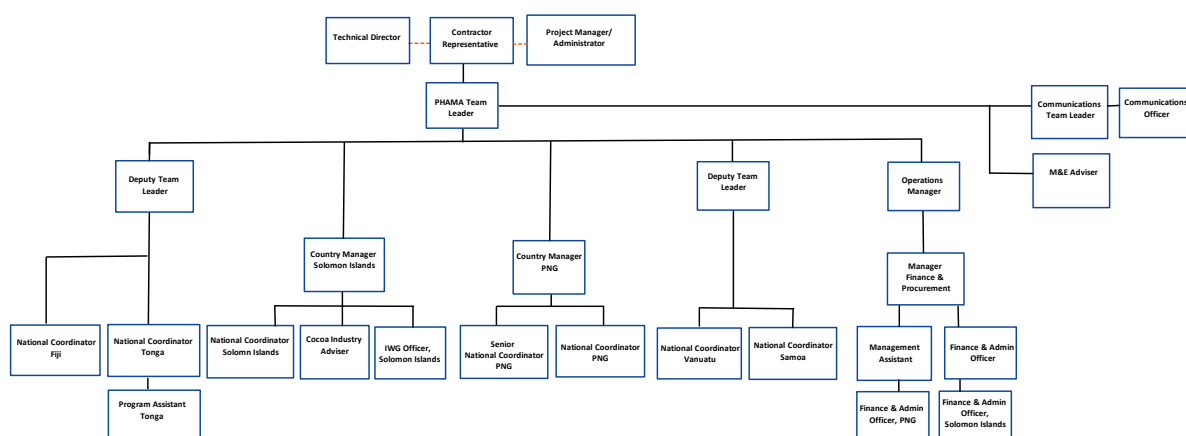
- a multi-country program
- a private sector-led program
- discrete, multi-year interventions (*e.g.* Box 2, p20)
- increased emphasis on quality and productivity
- a purposeful blend of market systems facilitation and direct engagement
- having budget flexibility
- influencing the influencers
- a Technical Advisory Group.

Chart 4-1 : Functional assignment between PMO and country offices

| Central PMO | Country facilitation and coordination |
|---|--|
| <ul style="list-style-type: none"> • Management systems – finance, HRM, logistics, safeguards • Administrative & logistics support to country teams • Portfolio performance management & regional reporting • Supervise and collate whole-of-program annual planning and competitive portfolio selection/management • Quality assurance and strategic review • GESI strategy, training and progress review • Safeguards strategy, training and progress review • Safeguards management and impact prevention • Climate and disaster risk management and resilience plan • Evaluative studies, regional diagnostics and analysis • Support progress and performance monitoring of country interventions • Support country communications and lead regional communications • Engage with Regional Pacific DFAT (post & desk) development cooperation, public diplomacy and political/ economic teams • Engage with DAWR, ACIAR, MFAT, SPC and other partners • Engage with complementary regional programs • Collate a register of regional technical specialists and research/evaluative study professionals | <ul style="list-style-type: none"> • Facilitate market intervention design and delivery • Negotiate partner relationships for interventions • Identify, commission and manage market analyses, diagnostics and evaluative studies to inform MAWG • Coordinate market access intervention design & delivery • Executive and other support for MAWG and IWGs • Negotiate and maintain private sector partner “deals” • Lead local technical review and quality assurance • Ensure GESI is integral to intervention design & delivery • Actively monitor safeguards, identify issues and report non-compliance to PMO • Facilitate country annual planning and competitive portfolio selection/management processes • Engage with bilateral post development cooperation, public diplomacy and political/economic teams • Engage with complementary country programs • Oversee partner due diligence and intervention acquittals • Local administration and governance • Compile a register of country technical specialists and research/evaluative study professionals |

The organisation used to implement PHAMA (at December 2017) is provided for information (Chart 4-2).

Chart 4-2 : Organisation used for PHAMA (at December 2017)



Annex 5

Key market access actors

Annex 5: Key market access actors and systems

The process of gaining, maintaining and improving market access involves technical, organisational and political input by key public and private sector institutions at both national and regional levels. The level of involvement of any institution is dependent on the specific market access issue being addressed, the mandated role of the institution and the capacity of the institution to deliver the required input/s. The key institutions and systems involved are outlined in this annex. Information is correct at December 2017 but should be checked before taking action.

Importing Country Agencies with Market Access Responsibilities

Australian Department of Agriculture and Water Resources (DAWR)

The Animal and Plant Biosecurity Divisions within the Department of Agriculture and Water Resources (DAWR) are responsible for consideration of international MA requests and determination of final import policy. DAWR maintains Australia's highly conservative approach to quarantine that ensures the level of risk from imported agricultural and horticultural commodities remains very low. Risk analyses may be conducted in response to new information about biosecurity risks or to an import proposal.

The analysis may be completed as a:

- **Biosecurity Import Risk Analysis (BIRA) under the *Biosecurity Act 2015*** – this is a risk analysis with key steps conducted by the department under the *Biosecurity Act 2015*. A BIRA will be conducted where relevant risk management measures have not been established, or exist for a similar good and pest or disease combination, but the likelihood and/or consequences of entry, establishment or spread of pests or diseases could differ significantly from those previously assessed.
- **Non-regulated risk analysis** – a risk analysis that does not meet the criteria for a BIRA is undertaken as a non-regulated risk analysis. This may include scientific reviews of existing policy or import conditions; or reviews of biosecurity measures in light of new scientific information.

Regulated risk analyses conducted before 16 June 2016 were completed under the Quarantine Act 1908 and were called an Import Risk Analysis. This legislation has been superseded by the Biosecurity Act 2015. The department is responsible for conducting BIRAs and other risk analyses. Industry and expert participants may be involved in the risk analysis process. The department must also comply with international trade and biosecurity obligations and apply Australia's Appropriate Level of Protection in a consistent manner. The steps of the Biosecurity Import Risk Analysis process are established in the Biosecurity Regulation 2016 and the Biosecurity Import Risk Analysis guidelines.

The department reviews import policy not only when there is a change in biosecurity risk, but also when there are technological advancements or process improvements that removes or minimises the biosecurity risk associated with a particular good. These reviews are often driven by industry or exporting country requests and usually result in more treatment options that importers can undertake to meet biosecurity requirements.

As part of the PHAMA program DFAT funded a Market Access Coordinator position within the DAWR Plant Biosecurity Division since 2011. The dedicated resource has ensured that PICT MA requests and emerging issues are considered in a timely manner. However, it should be noted that this funded position only deals with Australian import policy. It would be desirable for DAWR to expand the role and functions of this work to include operational areas such as assisting PHAMA countries to improve export certification processes and procedures.

Policy completed and market access achievements over the two phases of PHAMA include:

- **Fresh ginger from Fiji** - the import risk analysis for fresh ginger from Fiji was completed in January 2013 (PHAMA Phase 1). However, some additional work was required to finalise the import conditions before permits could be issued, which was finalised in August 2014. Once trade commenced, domestic industry opposition to ginger imports required considerable resources to manage, and the department needed to review the ginger import conditions. The review of ginger import conditions commenced in November 2014. While the review was completed in December 2015, it did not satisfactorily resolve all issues. Some additional work has been required for stakeholder management. There is ongoing research to determine the quarantine status of one of the pests of concern, which may require further work until June 2018.
- **Tahitian limes from the Cook Islands, Niue, Samoa, Tonga and Vanuatu** – this intervention was commenced in late 2012, but was suspended in September 2014 when resources were required for managing issues related to ginger imports. Work recommenced again in late 2015, with the formal commencement of the project announced in April 2016. The draft report was released on 6 June 2017. It is anticipated the project will be finalised in early 2018.
- **Handicrafts** – advice was provided on a range of plant parts and products used in the manufacture of handicrafts. This information contributed to the production of the Pacific Community's *Biosecurity Manual for Handicrafts* (2016), as well as handicrafts guides for tourists and vendors in PHAMA countries. Ad hoc

requests from PHAMA or biosecurity agencies in the region on specific plant products used in handicrafts were addressed to create or modify import conditions. The department also assisted PHAMA in preparation of educational materials for display on cruise ships (2014).

- **Coconut import conditions** – a brief review of biosecurity risks associated with coconut imports from Pacific Island countries was undertaken in 2016 to consolidate and simplify the import requirements. This will inform the broader review of import requirements and operational procedures for fresh coconuts being undertaken by the Plant Import Operations branch.
- **Pest risk analysis training** - pest risk analysis training was undertaken in Solomon Islands and Fiji in 2013. Training consisted of four-day workshops with staff from Biosecurity Solomon Islands, SPC and Fiji quarantine staff to determine how to assess biosecurity risk across a number of import pathways and develop appropriate phytosanitary measures.

While there were relatively few Australian market access gains over the period, Pacific Island countries report that the dedicated position within DAWR did result in improved communication and coordination with DAWR on market access and maintenance issues. However, some exports of plant based commodities continue to register as non-compliant with Australian import conditions upon arrival. There is an opportunity for DAWR to work with PHAMA Plus to improve export certification processes and procedures.

Current activities outlined for market access position in the 2017/2018 planning cycle include:

- **Tahitian limes from the Cook Islands, Niue, Samoa, Tonga and Vanuatu** – finalisation of risk analysis and implementation of import conditions. It is anticipated that trade will be permitted some time in 2018
- **Breadfruit from Fiji, Samoa and Tonga** – risk analysis underway. Final report expected early 2018 and it is anticipated that trade will be permitted some time in 2018
- **Fresh chillies from Pacific Island countries** – risk analysis to commence 2018
- **Provision of Ad-hoc technical advice** as required.

New Zealand Ministry of Primary Industries (MPI)

The NZ Ministry of Primary Industries is responsible for the consideration of requests for the import of risk goods into New Zealand and for the review of existing export pathways. Under the *Biosecurity Act 1993*, an import health standard (IHS) is required for importation of all biosecurity risk goods.

A new IHS will need to be developed if there is not an existing IHS for the commodity or the country interested in export is not included under an existing IHS. The development of IHSs follows a system very similar to Australia's risk analyses process and work is prioritised using the following criteria:

- strategic (fit with the NZ government's goals)
- net benefit (for NZ); technical (difficulty of the work)
- acceptability (of the result for New Zealanders)
- practicality (the availability of required resources).

To request the development of a new IHS, or to have new risk analysis completed to add countries to an existing IHS, designated request forms outlining the required information depending on the type of product or commodity must be completed and submitted to MPI. The forms may be downloaded from the MPI website and each form has instructions for completing and returning.

PHAMA countries enjoy access for a wide range of plants, plant and animal products into New Zealand, as outlined within the relevant IHS's. As a result a large part of MPI's work within PHAMA countries over the period of the program has been to focus on improvements to existing export pathways, especially where repeated non-compliances have resulted in temporary closure of export pathways. The heat treatment pathways for fruit fly host products from both Fiji and Tonga are areas that have received considerable MPI focus during the PHAMA program. It should also be noted that the New Zealand Ministry of Foreign Affairs and Trade (MFAT) co-fund some MPI activities within PHAMA countries as part of New Zealand's on-going commitment to foster economic prosperity within the region.

Food safety responsibilities in Australia and New Zealand

In addition to the biosecurity/quarantine standards that may apply to imported products, food safety related standards also apply to imported food and beverage items of animal or plant origin. These are particularly relevant in relation to processed product and MRLs on fresh product. International food safety standards are set by the *Codex Alimentarius Commission* and commonly referred to as the Codex standards. In general, Codex standards specify the requirements for food and beverage items imported into Australia and New Zealand.

In New Zealand, MPI has lead responsibility food standards as set out in the *Food Act 2014*. MPI Food Safety division also works closely with *Food Standards Australia New Zealand* (FSANZ) in the development of new food standards with particular attention given to food composition and labelling. FSANZ is a statutory authority

within the Australian Government health portfolio and is responsible for the joint Australia New Zealand Food Standards Code. The code provides guidance on labelling, additives, contaminants, pre-market clearance and microbial limits for both domestically produced and imported food substances.

Pacific Island Country Agencies with Market Access Responsibilities

Market access responsibilities within Pacific Island countries generally sit within government agencies responsible for agriculture (for animals, plants or plant based products) and competent authorities within health departments for foods and animal based products. The names of these institutions vary between countries.

The responsible agencies have a range of common roles including prioritisation of market access requests, development of market access submissions, bilateral negotiation of market access agreements, and implementation of stipulated export protocols. Due to lack of resources the ability of the Pacific Island country departments to manage market access issues for high-value agricultural and horticultural products is generally low. In addition, their ability to manage biosecurity operations (monitoring and surveillance for exotic pests and diseases, and incursion responses), which is closely related to and often underpins market access, is also generally low.

Industry Associations and Community Groups

Formal representation of industry interests through public private sector dialogue is a critical element of industry development and export focus. PHAMA facilitated the public private partnerships that drive market access processes through Market Access Working Groups (MAWGs) and for specific commodities in some countries through Industry Working Groups (IWGs). MAWG and IWG membership consist of key agricultural producers, processors, exporters, community groups and government representatives with a role in export related activities. They are well supported by all stakeholders, including government, exporters, other donor-supported programs, and the private sector and play a key role in identifying, prioritising and implementing market access related activities. The membership of the MAWGs and IWGs has changed over time as new private sector actors have emerged or roles and responsibilities for export related activities have changed within the private sector.

Pacific Regional Organisations

The Pacific Community

The Secretariat of the Pacific Community (SPC) is the principal scientific and technical organisation supporting development in the Pacific region. It is an international (regional) organisation established by treaty (the Canberra Agreement) in 1947 and is owned and governed by its 26 members including all 22 Pacific Island countries and territories.

The Pacific Community through its secretariat, provides the region with essential scientific and technical advice and services. The Pacific Community's headquarters are in Noumea, New Caledonia, and it has regional offices in Fiji and Federated States of Micronesia, a country office in Solomon Islands, and field staff in other countries and territories. It is one of nine member agencies of the Council of Regional Organisations of the Pacific (CROP).

The Pacific Community Strategic Plan (2016-2020) outlines three key development goals. Goal number 1 (*Pacific people benefit from sustainable economic development*) includes a focus to improve the pathways for export to international markets. Responsibility for international market facilitation sits within the **Land Resources Division** (LRD) of SPC. PHAMA funded LRD activities in this area for non-PHAMA countries since the program commencement in 2011. Much of this function is now funded the core SPC budget, to which both Australia and New Zealand make significant, untied, contributions. At the time of preparing the PHAMA Plus design, it was unclear whether or not LRD was ready to effectively sustain its market access support functions and so the design does not rely on SPC/LRD to improve pathways to international markets for member countries.

Pacific Plant Protection Organisation

The Pacific Plant Protection Organisation (PPPO) was founded in October 1994 as one of the Regional Plant Protection Organisations under the International Plant Protection Convention (IPPC). All Members of the Pacific Community (27 in total, including 22 Pacific Island countries and territories and 5 founding members) are members. PPPO exists to provide advice on phytosanitary measures in order to facilitate trade without jeopardising the plant health status of the importing members and countries. It is responsible for co-ordinating harmonisation of phytosanitary measures in the region; fostering co-operation in plant protection and other phytosanitary matters among and between members and countries and organisations outside the Pacific region; and acting for members in developing contacts with, and where appropriate providing input into, other global and regional organisations that have authority in such matters. PHAMA provided funding for the PPPO through SPC/LRD since the program commencement in 2011.

SPC/LRD is the designated PPPO Secretariat and supports the day-to-day affairs of the organisation. As such, LRD is required to pay particular attention to ensuring that the views and concerns of Pacific members are adequately taken into account in the development and implementation of regional phytosanitary measures. PPPO should be a key player in driving regional market access issues and promoting regional trade. However, the level of effectiveness in these areas is limited by resource and human capacity issues common to many other key Pacific Island country institutions. At the time of writing this design document terms of reference for a review of PPPO Secretariat roles, functions and service delivery were under development. It is understood that PPPO members are keen to explore options to develop a more efficient and effective PPPO and associated Secretariat.

Pacific Islands Forum

The Suva-based Pacific Islands Forum (PIF), formerly known as the South Pacific Forum, is now recognised as the premier regional policy-making body of the self-governing states in the Pacific. It comprises the heads of government who meet annually to develop collective responses to regional matters, including economic development and trade. The Forum's administrative arm is known as the *Pacific Island Forum Secretariat* (PIFS).

Pacific Trade and Invest

Pacific Trade Invest (PTI) is the Pacific regional trade promotion authority and is an agency of PIFS. PTI has offices in Australia, China, Fiji, Geneva, Japan and New Zealand. PTI aims to contribute to sustainable economic advancement of PIF countries by supporting private sector development in the region. PTI works closely with a network of government, peak industry bodies and non-government agencies to deliver a range of practical trade, export, tourism, and investment support services to businesses in the Pacific region, similar in many ways to those that might be provided by a Trade Commission. PTI has provided invaluable support to exporters and potential exporters from PHAMA countries to conduct export market assessments and feasibility studies, provide contacts and entry points into target export countries since program commencement in 2011.

Pacific Islands Private Sector Organisation

Pacific Islands Private Sector Organisation (PIPSO), established in 2006 under PIFS, aims to facilitate policy dialogue (including trade dialogue) within the private sector at a regional level. PIPSO members include peak National Private Sector Organisations (NPSOs) for each of the 14 forum island countries (usually the National Chambers of Commerce). To date agriculture and horticulture have been poorly represented within these higher-level fora, which is largely an indicator of the current level of under development of these sectors.

Emerging Market Access Issues

Australian retailers' food safety certification requirements

Exporters in several PHAMA countries have been working to improve the food safety standards of their export premises and their exported produce through the implementation of *Hazard Analysis and Critical Control Points* (HACCP) certified systems. In many cases implementation of HACCP systems is a necessary requirement for exporters of fresh and processed products into Australia and New Zealand. These systems have been implemented at considerable cost to processors and exporters but have been considered value for money investments, as export markets are gained or maintained.

The recent implementation of the *Harmonised Australian Retailer Produce Scheme* (HARPS) may add another layer of food safety certification and cost for exports to Australia. HARPS was initiated by Horticulture Innovation Australia to attempt to harmonise the food safety certification requirements for major Australia retailers of horticultural products. The HARPS system will require a single audit to meet all retailers' standards rather than the current requirements for multiple audits if producers are supplying several retailers with differing standards.

Movement towards harmonisation of standards is considered to be a positive step for producers, however, certification to CODEX HACCP standards is no longer considered an acceptable standard under HARPS.

There are transitional arrangements in place for vendors to move towards HARPS, but Codex HACCP will no longer be accepted by the Australian retailers participating in HARPS after 1st January, 2019. All vendors will be required to transition from Codex HACCP to one of the approved Global Food Safety Initiative (GFSI) based schemes (such as Global GAP or Freshcare) by January 2019. It is likely that HARPS requirements will impact Pacific Island country exporters of fresh fruits and vegetables to Australia at some stage in the future, however, the timing and extent of the impact are not known at this stage.

SPS programs/activities under development

SPS Pacific Regional Platform (SPS PRP)

A scoping study is currently underway to determine the feasibility of an SPS Pacific Regional Platform (PRP). The study is to deliver a comprehensive listing of recommendations encompassing all aspects of the establishment, operation and direction of regional facility to better communicate and manage regional SPS issues. The scoping study commenced July 2017 and is expected to conclude mid 2018 with key deliverables being: 1) recommendations for the establishment, operation and direction of the platform; and 2) a project proposal including a draft business plan.

The proposed SPS PRP would facilitate the development and deployment of scientific knowledge, tools, resources and capacity by existing Pacific institutions to better manage SPS capacity building needs, to facilitate trade, protect the environment and improve livelihoods. Where required, the SPS PRP will establish regional collaborative networks of plant health, animal health, and food safety agencies, the private sector, researchers, educators and donors from Pacific Island countries, Europe, Australia, New Zealand and any other interested parties, to achieve its aims and build regional capacity.

It is proposed that the SPS PRP initially focus on providing effective communication and coordination in the fields of food safety, animal and plant health and consequently, trade facilitation. The facilitation of SPS related dialogue and information exchange between the public and private sectors will aid existing institutions to implement SPS capacity building more effectively. It is intended that the platform will be a regional single window system for importers and exporters to address SPS issues and will work closely with the Pacific Plant Protection Organisation (PPPO) or equivalent, CODEX and OIE regional representatives.

ACIAR Pacific Plant Biosecurity Capacity Building Program

In early 2018, the Australian Centre for International Agricultural Research (ACIAR) will be starting work to develop a regional program to build plant biosecurity capacity in the Pacific region. The program will engage with ACIAR's eight targeted countries: PNG, Fiji, Solomon Islands, Vanuatu, Samoa, Tonga, Kiribati and Tuvalu, to offer training and capacity building in plant biosecurity issues pertinent to stakeholders in the region.

The overarching goal is the development of a strong network of plant biosecurity professionals and agencies in the region, among Pacific countries, Australia and New Zealand. This strengthened, coordinated and capable network will then work to ease the constraints that biosecurity risks place on the environment, agricultural production, import and export markets, food security, livelihoods, nutrition and economic development in the region.

The program is being developed in consultation with stakeholders from the eight ACIAR Pacific countries with the intention that it provide targeted and relevant capacity building opportunities tailored to the needs and circumstances of each country, industry and sector.

In contrast to traditional approaches that rely mostly on theoretical training in pest risk analysis, the program will build on the experiences from a previous ACIAR program, the Australia-Africa Plant Biosecurity Partnership and use participatory methods. These include market access simulations applying plant biosecurity principles and negotiation skills critical to achieving market access in horticultural commodities and plant products as well as technical training, and advocacy, promotion and communication of plant biosecurity. The proposed program is intended to run for three years from 2018 until early 2020 and will be funded by ACIAR. The proposed program complements PHAMA Plus, and particularly addresses some demands from public sector SPS actors that may be outside the PHAMA Plus mandate.

Annex 6

Risk Register, including Safeguard Risk Assessments

Annex 6: Risk Register and Safeguard Assessment

This rapid appraisal of risks is assessed against the December 2017 version of the DFAT Risk Management Guide, using the Risk Register Template and the Risk Assessment Matrix annexed to that Guide. It is an indicative start of the more thorough risk assessment that the contractor selected to manage PHAMA Plus will need to conduct for each intervention as it is prepared and for the program as a whole. This recognises the diversity of countries and interventions that PHAMA Plus will works with – each has different risk contexts that affect the significance of any risk impact and the most appropriate control measures. The contractor selected to manage the implementation of PHAMA Plus will prepare a full risk register during inception and update that as the plan for each intervention approved for implementation is finalised.

| Risk event – what could happen | Risk source – what could cause the event to happen | Risk impact – what would happen if the event occurs? | Has this risk occurred before? | Risk rating before any controls | | | Existing control/s – what is currently in place? | Overall control effectiveness | Proposed control/s | Person responsible for implementing control/s | Implementation date for proposed control/s | Target rating when controls are in place | | | Does this risk need to be escalated? |
|--|--|---|--|---------------------------------|-------------|-------------|---|-------------------------------|--|---|---|--|-------------|-------------|--------------------------------------|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| Operating Environment | | | | | | | | | | | | | | | |
| Management arrangements for PHAMA Plus not in place by the end of July 2018. | Delay in approval of design; inability to amend contracting arrangement for PHAMA; partner government delays. | Delivery gap between PHAMA and PHAMA Plus and loss of staff and in-country program support. | No | Likely | Major | High | No controls are currently in place | None to assess | Ensure that design, tender and PHAMA Plus contract arrangements are in place by June 2018. As a contingency extend PHAMA contract for 3 months of transition between July 1 and September 30, 2018. | DFAT | Before end March 2018 | Unlikely | Major | Medium | No |
| Insufficient combined DFAT Pacific regional, DFAT bilateral and MFAT funds to effectively deliver PHAMA Plus as designed. | Revision or reallocation of Australian and/or NZ aid budgets for the Pacific Region. Changes in sectoral priorities for aid investments in the Pacific. | Ineffective program and Australian / NZ government reputation damage. | No | Possible | Major | High | No controls are currently in place | None to assess | Design to include flexibility to scale-up the number and size of interventions if bilateral or other resources are allocated Use market systems development approaches that leverage private sector co-investment in larger interventions DFAT Regional to continue to work with DFAT Bilateral programs and MFAT to lobby for sufficient funds to meet estimated operating costs. PHAMA Plus and DFAT Regional to continue to engage and inform DFAT Bilateral on PHAMA Plus investment opportunities as Aid Investment Plans are developed. | DFAT/MFAT | Before end March 2018 | Unlikely | Major | Medium | No |
| There is insufficient time and resource dedicated by managing contractors to the transition period from PHAMA to PHAMA Plus. | Inadequate management of transition by DFAT Program Managers. Lack of cooperation between PHAMA contractor and PHAMA Plus contractor. | Delivery inefficiencies and loss of momentum during transition from PHAMA to PHAMA Plus | Not on PHAMA but it has on other programs (e.g. MDF) | Possible | Major | High | Current contract requires managing contractor to respond to DFAT directions | Adequate | A period of up to 3 months (July 1 – September 30, 2018) to transition from PHAMA to PHAMA Plus is built into contracting arrangements for contractor/s. | Contractor/s | From mid-2018 when transition period is about to commence | Unlikely | Major | Medium | No |

| Risk event – what could happen | Risk source – what could cause the event to happen | Risk impact – what would happen if the event occurs? | Has this risk occurred before? | Risk rating before any controls | | | Existing control/s – what is currently in place? | Overall control effectiveness | Proposed control/s | Person responsible for implementing control/s | Implementation date for proposed control/s | Target rating when controls are in place | | | Does this risk need to be escalated? |
|--|--|---|--|---|-------------|-------------|---|---|--|--|---|---|-------------|-------------|--------------------------------------|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| Loss of key PHAMA staff during transition to PHAMA Plus. | Uncertainty about commencement or strategic intent of PAMA Plus. Inclusion of all staff positions in competitive tender process for selecting managing contractor. | Loss of organisational relationships, reputation and experience, which would delay effective commencement of new program. | Not on PHAMA but it has on other programs (e.g. MDF) | Likely | Severe | Very High | Design excludes key positions from competitive process and encourages tenderers to engage existing staff for transition | Adequate | Statement of Requirements encourages tenderers to retain key staff (e.g. Country Managers and National Coordinators) for a period of 6 months as part of transition process. | DFAT/Design team | From mid-2018 when transition period is about to commence | Possible | Severe | High | No |
| DFAT, MFAT and/or its Pacific partners do not support design approach such as market systems development. | Uncertainty about strategic intent of PHAMA Plus and approach to be taken. | Difficulty in assessing tenders like-for-like. Implementation delays and a less effective program. | No | Possible | Moderate | Medium | Design team explained approach in aide memoire, design briefing and throughout consultation process. | Adequate | Continued and ongoing dialogue between DFAT and design team to ensure design concepts are well socialised and accepted prior to finalisation of design recommendations. | DFAT/Design team | From release of design in early-2018 | Unlikely | Moderate | Medium | No |
| Private sector stakeholders do not understand or adopt MSD methodology | MSD principles not adequately explained, insufficient resources dedicated to engaging private sector players | Poor uptake of PHAMA + by PICs | No | Possible | Moderate | Medium | PHAMA is evolving towards MSD approach where appropriate through on-going dialogue and planning between PMO and private sector partners | Adequate | On-going engagement with private sector to explain MSD approach and identify opportunities | Contractor | From inception | Unlikely | Moderate | Low | No |
| PHAMA Plus partner government agencies seek to incorporate PHAMA Plus office and staff into trade or agriculture ministries. | Pacific Island partner governments misunderstanding the strategic intent of PHAMA Plus and the value of private sector engagement to grow exports. | Reduced program effectiveness as a result of limited private sector engagement and reduced public-private dialogue. | Yes – in Vanuatu and Samoa | Likely overall (almost certain in some countries) | Moderate | High | DFAT dialogue with partners encourages private sector led approach and independent PHAMA operations | Adequate | Wherever possible PHAMA Plus offices to retain independence from government agencies. Co-location with Chambers of Commerce or other suitable non-government organisations should be considered where appropriate. | DFAT/Contractor | From mid-2018 when transition period is about to commence | Possible | Moderate | Medium | No |
| PIC Ministries with responsibilities for export pathway management and commodity certification are under-resourced and do not provide required services. | Lack of performance by biosecurity and SPS regulatory agencies – due to limited motivation, capacity and/or inadequate operating environment. | Non-compliance with export protocols and possible loss of export market access. | Yes – in several PHAMA countries | Likely | Major | High | DFAT and DAWR dialogue with partners, and PHAMA investment in dedicated DAWR officer to engage with PIC agencies | Adequate, but could be strengthened with better operational dialogue between DFAT and DAWR [+ MFAT-MPI] | PHAMA Plus engage ACIAR, DAWR, NZ MPI to provide training where appropriate. Opportunities for the use of Independent Verification Authorities (IVA) for export pathway management (in association with PIC Ministries) be considered to improve importing country confidence in PIC exports. | DFAT/MFAT engaged with DAWR/MPI with support from contractor | From inception, updated during preparation of new interventions | Possible (reduced likelihood if IVA are used) | Major | High | No |
| Smaller PICs join PHAMA Plus as a result of PACER Plus negotiations. | Un-managed expectations from small island state signatories to PACER Plus | Possible additional program inputs and activities beyond | No | Possible | Moderate | Medium | DFAT and MFAT have separate PACER Plus | Expected to be effective – | Resources designed for proactive liaison with PACER Plus Implementation Unit to | DFAT/MFAT in dialogue with | From inception, updated during | Possible | Moderate | Medium | No |

| Risk event – what could happen | Risk source – what could cause the event to happen | Risk impact – what would happen if the event occurs? | Has this risk occurred before? | Risk rating before any controls | | | Existing control/s – what is currently in place? | Overall control effectiveness | Proposed control/s | Person responsible for implementing control/s | Implementation date for proposed control/s | Target rating when controls are in place | | | Does this risk need to be escalated? |
|---|---|--|--------------------------------|---------------------------------|-------------|-------------|--|--|--|---|--|--|-------------|-------------|--------------------------------------|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| | | original designed resources. | | | | | programs and support an Implementation Unit | commencing mid-2018 | support programming their resources A small contingency fund is dedicated in budget support and potential PHAMA Plus activities for smaller PICs. | PACER Plus partners | preparation of new interventions | | | | |
| Crop failure due to pests and diseases, weather patterns/natural disasters and/or climate change. | Natural disasters (e.g. Tropical Cyclone Pam in Vanuatu) and extreme weather patterns (e.g. El Nino or La Nina events throughout the Pacific, but especially in PNG, Solomon Islands and Vanuatu) | Reduced achievement of results in certain commodities (e.g. kava, coffee, cocoa) and hinders adoption of quality and productivity changes in targeted export products. | Yes | Almost certain | Major | Very High | Monitoring weather patterns and storm events; disaster response and recovery support from Australia, NZ and others; effective insurances at national and enterprise levels | Adequate | Regular monitoring of medium-term forecasts for regional weather and river basin hydrology as well as natural phenomena and climatic/ weather patterns (e.g. SOI and IOD). Active monitoring of potential (forecast) and actual weather impacts (positive and negative) on quality and productivity. Several interventions across multiple sectors and commodities in a wide geography to spread risk. Ongoing context monitoring, risk control and management discussions with partners. Identify opportunities to support crop diversification through program interventions. Actively seeking private sector partners with technologies to mitigate these risks. | Contractor with national disaster and meteorological agencies and larger private sector business partners | From inception, updated during preparation of new interventions | Almost certain | Moderate | High | No |
| Public and or private sector partners do not endorse PHAMA Plus design. | Mechanism for public-private dialogue is disabled or made difficult. | Partners withdraw their support for MAWGs and/or IWGs; or the use of market systems development approach | No | Unlikely | Major | Medium | Design process for selecting, preparing and delivering interventions is specifically designed to mitigate this risk. | Anticipated to be effective (see especially selection criteria and intervention process) | Use PCC in January 2018 to workshop design and ensure mutual understanding of key approach and options. Ensure that there is ample opportunity for public and private sector consultation and design consideration. Ensure that there is strong engagement by the program with both public and private sector. | DFAT/MFAT and the contractor working with partners | From design consultations and updated from inception and during preparation of new interventions | Unlikely | Moderate | Medium | No |

| Risk event – what could happen | Risk source – what could cause the event to happen | Risk impact – what would happen if the event occurs? | Has this risk occurred before? | Risk rating before any controls | | | Existing control/s – what is currently in place? | Overall control effectiveness | Proposed control/s | Person responsible for implementing control/s | Implementation date for proposed control/s | Target rating when controls are in place | | | Does this risk need to be escalated? |
|--|--|--|--------------------------------|---------------------------------|-------------|-------------|---|--|--|---|---|--|-------------|-------------|--------------------------------------|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| Absorptive capacity of public and or private sector is low resulting in slow uptake/implementation of proposed interventions | Public and private sector have competing priorities for their time and do not devote sufficient time to PHAMA Plus interventions | PHAMA Plus not as widely utilised as anticipated resulting in poor program delivery outcomes | Yes in some countries | Possible | Major | High | On-going dialogue between PHAMA and public/private sector to ensure that absorptive capacity remains high | Effective | Continued on-going dialogue between PHAMA Plus and public/private sectors to ensure that absorptive capacity remains high. | Contractor/ PHAMA + Public and private sector partners | From inception | Possible | Moderate | Medium | No |
| MAWGS fail to agree on intervention priorities | Priority determination compromised by political or private sector bias | Interventions suggested that are not within PHAMA+ scope or do not meet intervention selection criteria | Yes in some countries | Possible | Major | High | On-going dialogue between PHAMA and MAWGs to ensure that approved interventions are within the scope of PHAMA and meet current selection guidelines | Effective | On-going dialogue between PHAMA + and MAWGs to ensure that approved interventions are within the scope and meet PHAMA + selection guidelines | Contractor/ PHAMA + MAWGs | From inception | Possible | Moderate | Medium | No |
| Whole of Australian government approach ineffective resulting in contradictory messages to Pacific stakeholders | Poor communication of issues and lack of agreement on issue/ priorities between DAWR and DFAT | Duplication of interventions within the regional, undermining of trade dialogues such as PACER + | Yes | Probable | Major | High | On-going dialogue between Australian government agencies regarding trade and market access priorities for the region | Ineffective | Higher level dialogue between Australian government agencies regarding trade and market access priorities for the region | DFAT DAWR ACIAR | Immediately and on-going | Probable | Major | High | Yes |
| Results | | | | | | | | | | | | | | | |
| Improved market access and supply chain arrangements fail to result in increased household incomes. | Significant drop in commodity prices, or increase in input costs and/or requirements reducing margins available for producers. | Reduced motivation for producers to participate in export markets, reducing the reliability of export supply chains. | Yes | Possible | Major | High | Design process for selecting, preparing and delivering interventions is specifically designed to mitigate this risk. | Anticipated to be effective (see especially selection criteria and intervention process) | Ensure that intervention-selection criteria prioritises real export potential and positive impact on net attributable household income change. Monitor net attributable income change for all interventions and use benchmark this in regular portfolio reviews. Ensure that market access pathway protocols are properly implemented over the longer term through the use of IVAs or training for certification authorities. Enhance communications outreach to farmers and producers to make sure they are aware of the market openings facilitated by PHAMA Plus. | Contractor/ PHAMA Plus + public and private sector partners | From inception, updated during preparation of new interventions | Possible | Major | High | No |

| Risk event – what could happen | Risk source – what could cause the event to happen | Risk impact – what would happen if the event occurs? | Has this risk occurred before? | Risk rating before any controls | | | Existing control/s – what is currently in place? | Overall control effectiveness | Proposed control/s | Person responsible for implementing control/s | Implementation date for proposed control/s | Target rating when controls are in place | | | Does this risk need to be escalated? |
|---|---|---|---|---------------------------------|-------------|-------------|---|---|--|--|--|---|-------------|-------------|---|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| | | | | | | | | | | | | | | | |
| Existing export pathway/s are closed. | Non-compliance by exporting PHAMA country and/or changed import protocols on demand-side. Changed demand-side market context. | Loss of in-country confidence in export markets and the program. | Yes – in several PHAMA countries | Possible | Major | High | DFAT and DAWR dialogue with partners, and PHAMA investment in dedicated DAWR officer to engage with PIC agencies | Adequate, but could be strengthened with better operational dialogue between DFAT and DAWR [+ MFAT-MPI] | PHAMA Plus team members establish and maintain strong working relationships with both public and private sector players associated with key export pathways to ensure that potential threats to existing pathways are identified and rectified in a timely manner. The program facilitates on-going bilateral exchange between exporting and importing countries to ensure that any non- compliance is reported by the importing country to the exporting country and measures are taken to rectify the cause of non-compliance in a timely manner. Pilot use of IVA (see above) | DFAT/MFAT engaged with DAWR/MPI with support from contractor | From inception, updated during preparation of new interventions | Unlikely (reduced likelihood if IVA are used) | Major | Medium | No |
| Interventions associated with export pathways and supply chains provide benefits to a small number of farmers and exporters. | Selection of commodities and interventions that benefit larger producers only (e.g. export beef) | Reduced motivation for smaller producers to participate in export markets, reducing the reliability of export supply chains. | Yes | Possible | Major | High | Design process for selecting, preparing and delivering interventions is specifically designed to mitigate this risk. | Anticipated to be effective (see especially selection criteria and intervention process) | Ensure that intervention-selection criteria prioritises commodities produced by smallholders, women and youth with export potential and having positive impact on net attributable household income change. Monitor who benefits for all interventions and use benchmark this in regular portfolio reviews. Ensure that targeted interventions are selected based upon a transparent set of criteria to ensure that anticipated economic benefits flow to maximum numbers of farmers, exporters and households. | Contractor/ PHAMA Plus + public and private sector partners | From inception, updated during preparation of new interventions | Unlikely | Major | Medium | No |
| PHAMA Plus fails to develop sustainable export pathways with | Costs or capacity required to comply with good agricultural | Reduced motivation for importers to source | Yes | Possible | Major | High | Design process for selecting, preparing and | Anticipated to be effective (see especially | The Program adopts a market systems development approach | Contractor/ PHAMA Plus + | From inception, updated during | Unlikely | Major | Medium | No |

[illegible]

| Risk event – what could happen | Risk source – what could cause the event to happen | Risk impact – what would happen if the event occurs? | Has this risk occurred before? | Risk rating before any controls | | | Existing control/s – what is currently in place? | Overall control effectiveness | Proposed control/s | Person responsible for implementing control/s | Implementation date for proposed control/s | Target rating when controls are in place | | | Does this risk need to be escalated? |
|--|---|--|---|---------------------------------|-------------|-------------|---|--|---|--|---|--|-------------|-------------|---|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| Fraudulent use of funds and or resources by program implementers and or stakeholders. | Corrupt staff or partners operating in an environment without adequate controls. | Loss of trust in program management and distraction from program delivery while corrective measures are taken. | No | Possible | Major | High | Contractor uses international good practice systems and policies. All staff and suppliers are required to comply with national and international regulations (e.g. Foreign Corrupt Practices Act). | Effective | Contractor to ensure that mechanisms are in place to minimise the opportunities for such fraud to be committed, such as paying suppliers directly rather than providing funds to the beneficiary to manage. Contractor to have a strong Fraud and Risk Policy to ensure that this risk is minimised. | Contractor supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Major | Medium | No |
| Reputation | | | | | | | | | | | | | | | |
| Budget constraints reduce the number of designed interventions. | Unmanaged expectations. | Loss of support for the program and for the Australian Government. | No | Possible | Moderate | Medium | DFAT and MFAT engage with private sector business partners and Pacific country partners | Adequate | Ensure good collaboration and transparency between DFAT and partners to manage any changes in aid funds. Ensure high levels of transparency in decision making process to ensure stakeholders understand how decisions are made. Ensure that the contractor is aware of political economic sensitivities as part of the intervention determination process. | DFAT and MFAT | From inception, updated during preparation of new interventions | Unlikely | Moderate | Medium | No |
| Partner relationships | | | | | | | | | | | | | | | |
| PHAMA Plus and or PACER Plus stakeholders are unhappy with the implementation of interventions and demand more control over the program. | Unmanaged expectations and/or poorly prepared or managed interventions in the agricultural, fisheries and forestry sectors. | Loss of support for the program and for the Australian and NZ governments. | No | Possible | Major | High | Design process for selecting, preparing and delivering interventions is specifically designed to mitigate this risk. | Anticipated to be effective (see especially selection criteria and intervention process) | Ensure close collaboration between DFAT and the contractor in the decision making processes to address expectations. Contractor and DFAT to maintain a high level of transparency in the decision making process to ensure that stakeholders understand how decisions are reached. Ensure that the contractor is aware of political economic sensitivities as part of the intervention determination process. Contractor to ensure that there are sufficient mechanisms in place | Contractor supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Major | Medium | No |

| Risk event – what could happen | Risk source – what could cause the event to happen | Risk impact – what would happen if the event occurs? | Has this risk occurred before? | Risk rating before any controls | | | Existing control/s – what is currently in place? | Overall control effectiveness | Proposed control/s | Person responsible for implementing control/s | Implementation date for proposed control/s | Target rating when controls are in place | | | Does this risk need to be escalated? |
|--------------------------------------|---|---|---|---------------------------------|-------------|-------------|---|----------------------------------|--|--|---|--|-------------|-------------|---|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| | | | | | | | | | to address potential market access related enquiries from smaller PICs associated with PACER Plus. | | | | | | |

Safeguard risk assessment

This rapid appraisal of safeguard risks is assessed against the January 2018 version of the DFAT Environmental and Social Safeguard Policy for the Aid Program and uses the Risk Register Template and the Risk Assessment Matrix annexed to that Guide. It is an indicative start of the more thorough assessment that the contractor selected to manage PHAMA Plus will need to conduct for each intervention as it is prepared and for the program as a whole. Separate safeguard assessments will be needed for each distinctly different activity/intervention (*e.g.* horticulture, agriculture, forestry or fisheries); or ecosystem (*e.g.* terrestrial, aquatic, marine). This recognises the diversity of countries and ecosystems that PHAMA Plus works in - each has different sensitivities which affect the significance of any impact and risk rating.

| Safeguard (SG) event – what could happen | SG Risk source – what could cause the event to happen | SG Risk impact – what would happen if the event occurs? | Has this SG risk occurred before? | Safeguard risk rating before any controls | | | Existing SG control/s – what is currently in place? | Overall SG control effectiveness | Proposed SG control/s | Person responsible for implementing SG control/s | Implementation date for proposed SG control/s | Target SG rating when controls are in place | | | Does this SG risk need to be escalated? |
|---|---|--|-----------------------------------|---|-------------|-------------|--|--|--|---|---|---|-------------|-------------|---|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| Environmental Safeguards | | | | | | | | | | | | | | | |
| Damage to biodiversity and natural habitats | Unsustainable agricultural and other production and processing practices. Improper use of fumigation and other biosecurity/SPS treatments. Improper use of production inputs (e.g. fertiliser, pesticides). Unsustainable harvesting (soil, water resource loss, erosion, sedimentation) of fish or forest products. | Potential environmental impacts (e.g. soil erosion & pollution, water pollution from pesticides/herbicides; land/forestry clearance for new production areas). | Yes (on other programs) | Likely | Major | High | Design process for selecting, preparing and delivering interventions is specifically designed to mitigate this risk. No species or ecosystems anticipated to trigger EPBC Act or national laws or regulations. | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions, management plans, monitoring. Intervention designs incorporate good agricultural practices/sustainable systems (e.g. integrated pest management) Partners and beneficiaries supported, as needed, to ensure they use good practices and sustainable systems. Intervention designs align with national environmental protection and related regulations and EPBC Act. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Major | Medium | No |
| Damage to climate and natural systems and processes (also including severe weather events, natural disasters) | Clearing forested land for expansion of agricultural production, overuse of surface and underground water resources for irrigation. Poor agricultural practices, unsustainable harvesting (soil, water resource loss, erosion, sedimentation) of fish or forest products. | Potential environmental impacts (e.g. soil erosion & pollution, water pollution from pesticides/herbicides; land/forestry clearance for new production areas). | Yes (on other programs) | Likely | Major | High | Design process for selecting, preparing and delivering interventions is specifically designed to mitigate this risk. Improved productivity and quality likely to reduce emissions per unit of productivity. Any rejuvenation of tree crops likely to be carbon neutral or better. What about increase use of water/soil resources likely if new horticultural/ agroforestry interventions are supported Existing land and fishery ecosystem uses supported so impact unlikely. | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions Intervention designs incorporate climate resilience and net neutral emissions No changed land, forest or fishery use without detailed impact assessment On-going monitoring of short/medium-term weather patterns and climate models for region. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Major | Medium | No |

| Safeguard (SG) event – what could happen | SG Risk source – what could cause the event to happen | SG Risk impact – what would happen if the event occurs? | Has this SG risk occurred before? | Safeguard risk rating before any controls | | | Existing SG control/s – what is currently in place? | Overall SG control effectiveness | Proposed SG control/s | Person responsible for implementing SG control/s | Implementation date for proposed SG control/s | Target SG rating when controls are in place | | | Does this SG risk need to be escalated? |
|--|--|---|--|---|-------------|-------------|---|--|---|---|---|---|-------------|-------------|--|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| Damage to natural and physical resources, including qualities and characteristics of locations, places and areas | Clearing forested land for expansion of agricultural production, overuse of surface and underground water resources for irrigation. Unsustainable agricultural and other production and processing practices. Improper use of production inputs (e.g. fertiliser, pesticides). | Potential environmental impacts (e.g. soil erosion & pollution, water pollution from pesticides/herbicides; land/forestry clearance for new production areas). | Yes (on other programs) | Likely | Major | High | Existing land, forest and fishery resource uses supported. Improved productivity as well as national regulations reduce incentive to expand to new areas (cheaper to intensify existing uses). | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions. No changed land, forest or fishery use without detailed impact assessment. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Moderate | Medium | No |
| Damage to heritage places impacting their social, economic and/ or cultural values | Clearing forested land for expansion of agricultural production, overuse of surface and underground water resources for irrigation. Unsustainable agricultural and other production and processing practices. | Damage to heritage values of places; social (population and demographics, public health and wellbeing, village settlements, housing, gender), economic (public services, livelihoods and employment, cost/benefit distribution between locals vs outsiders) and cultural aspects of the above, including those related to indigenous peoples. | No | Possible | Moderate | Medium | Existing land, forest and fishery resource uses supported so impact unlikely. | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions Intervention designs developed with local communities to ensure socio-economic and cultural appropriateness. No changed land, forest or fishery use without detailed impact assessment. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Moderate | Medium | No |
| Children, Vulnerable and Disadvantaged Groups | | | | | | | | | | | | | | | |
| Women and female or child-headed households negatively impacted | Poor design and management of interventions, inadequate consultation with and inclusion of women and female or child-headed households | Benefits from PHAMA Plus are not inclusive. Reduced motivation for smaller producers to participate in export markets, reducing the reliability of export supply chains | No | Possible | Moderate | Medium | PHAMA works with such households and uses a practical approach to WEE and inclusion as well as results measurement that has managed these safeguard risks in similar projects and contexts. | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions Interventions incorporate and apply good WEE and inclusion practices. Partners and beneficiaries supported, as needed, to ensure they use good WEE and inclusion practices. Intervention designs align with national WEE policies. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Moderate | Medium | No |
| Children negatively impacted | Poor design and management of interventions, inadequate assessment and management of activities involving children | Harm to children (e.g. exploitation in unsupervised, off-home farm work). | No | Possible | Moderate | Medium | PHAMA works with households and so partners and staff are likely to engage with children in community settings. | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions All staff and partners commit to DFAT Child Protection Policy in writing. Interventions incorporate and apply | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Moderate | Medium | No |

| Safeguard (SG) event – what could happen | SG Risk source – what could cause the event to happen | SG Risk impact – what would happen if the event occurs? | Has this SG risk occurred before? | Safeguard risk rating before any controls | | | Existing SG control/s – what is currently in place? | Overall SG control effectiveness | Proposed SG control/s | Person responsible for implementing SG control/s | Implementation date for proposed SG control/s | Target SG rating when controls are in place | | | Does this SG risk need to be escalated? |
|---|---|--|--|---|-------------|-------------|--|--|--|---|---|---|-------------|-------------|--|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| | | | | | | | | | good child protection practices. Partners and staff supported to ensure they understand and apply good practice child protection. Intervention designs align with national child protection policies. | | | | | | |
| The poor and people dependent upon the land of others for livelihood or residence disadvantaged or negatively impacted. | Poor design and management of interventions, inadequate consultation with and inclusion of poor and/or landless people. | Risk is increased productivity and introduction of good agricultural and other practices may impact the poor or people dependent on land owned by others. | No | Possible | Moderate | Medium | PHAMA works in countries with <i>kastom</i> land ownership and also with households in a locality. Commodity selection process targets the poor and disadvantaged where they have the ability and willingness to engage in export supply chains. Partners and staff do engage with poor and landless people. | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions All staff and partners commit to DFAT Child Protection Policy in writing. Interventions incorporate and apply good child protection practices. Environmental and social screening and assessment of proposed interventions Partners and staff supported to ensure they understand and apply good practice child protection. Intervention designs align with national child protection policies. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Moderate | Medium | No |
| People with disabilities disadvantaged or negatively impacted | Poor design and management of interventions, inadequate consultation with and inclusion of people with disabilities. | Risk is increased productivity and introduction of good agricultural and other practices may impact the poor or people disabled people. Occupational health and safety will be emphasised to prevent able-bodied people becoming disabled through injury. | No | Unlikely | Moderate | Medium | PHAMA works with households and so partners and staff are likely to engage with disabled people in community settings. | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions Interventions incorporate and apply good social inclusion practices. Partners and staff supported to ensure they understand and apply good social inclusions practices. Intervention designs align with national social inclusion policies. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Rare | Moderate | Low | No |

| Safeguard (SG) event – what could happen | SG Risk source – what could cause the event to happen | SG Risk impact – what would happen if the event occurs? | Has this SG risk occurred before? | Safeguard risk rating before any controls | | | Existing SG control/s – what is currently in place? | Overall SG control effectiveness | Proposed SG control/s | Person responsible for implementing SG control/s | Implementation date for proposed SG control/s | Target SG rating when controls are in place | | | Does this SG risk need to be escalated? |
|--|--|--|--|---|-------------|-------------|--|---|--|---|---|---|-------------|-------------|--|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| Indigenous peoples and other minorities disadvantaged or negatively impacted | Poor design and management of interventions, inadequate consultation with and inclusion of Indigenous peoples and other minorities. | Risk is increased productivity and introduction of good agricultural and other practices may impact indigenous peoples and other minorities. | No | Unlikely | Moderate | Medium | PHAMA works with indigenous households, mostly on <i>kastom</i> land – to the extent that interventions have positive impacts, any indigenous or minority participants are anticipated to benefit. | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions. Interventions incorporate and apply good social inclusion practices. Partners and staff supported to ensure they understand and apply good social inclusions practices. Intervention designs align with national social inclusion policies. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Rare | Moderate | Low | No |
| Displacement and Resettlement | | | | | | | | | | | | | | | |
| People in target countries and regions are displaced or resettled as a result of PHAMA Plus interventions. | Poor design and management of interventions, inadequate consultation with and inclusion of people to ensure they are not displaced or resettled. | People in target countries and regions are displaced or resettled as a result of PHAMA Plus interventions. | No | Unlikely | Moderate | Medium | PHAMA works mostly with households and their <i>kastom</i> land. No land acquisition, change to land access or resettlement anticipated. | Anticipated to be effective (see especially selection criteria and intervention process) | Environmental and social screening and assessment of proposed interventions. Intervention selection criteria exclude land acquisition, change in land access and/or resettlement. Partners and staff supported to ensure they understand and apply good displacement/resettle ment practices. Intervention designs align with national displacement/resettle ment policies. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Rare | Moderate | Low | No |
| Health and Safety | | | | | | | | | | | | | | | |
| Use of forced labour | Poor design and management of interventions. Inadequate implementation of safeguard processes. | Interventions rely on forced labour during implementation. | No | Unlikely | Moderate | Medium | Working mostly with households and their <i>kastom</i> land. No risk of forced labour anticipated. | Anticipated to be effective (see especially selection criteria and intervention process). | Intervention selection criteria exclude forced labour Partners and staff supported to ensure they do not engage forced labour. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Rare | Moderate | Low | No |
| Unsuitable forms of work which might impact on a child's health, wellbeing or opportunities for education. | Poor design and management of interventions. Inadequate implementation of safeguard processes. | Interventions rely on unsustainable child labour and/or child work unsupervised by parents or other responsible family members. | No | Unlikely | Moderate | Medium | PHAMA Plus works with households and children of those households are likely to engage in work related to interventions under parental supervision. | Anticipated to be effective (see especially selection criteria and intervention process) | Interventions incorporate and apply suitable and supervised child work practices. Partners and staff supported to ensure they understand and apply suitable and | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Rare | Moderate | Low | No |

| Safeguard (SG) event – what could happen | SG Risk source – what could cause the event to happen | SG Risk impact – what would happen if the event occurs? | Has this SG risk occurred before? | Safeguard risk rating before any controls | | | Existing SG control/s – what is currently in place? | Overall SG control effectiveness | Proposed SG control/s | Person responsible for implementing SG control/s | Implementation date for proposed SG control/s | Target SG rating when controls are in place | | | Does this SG risk need to be escalated? |
|---|---|---|--|---|-------------|-------------|--|--|--|---|---|---|-------------|-------------|--|
| | | | | Likelihood | Consequence | Risk rating | | | | | | Likelihood | Consequence | Risk rating | |
| | | | | | | | | | supervised child work practices. Intervention designs align with national child protection policies. | | | | | | |
| Potential health and safety hazards and risks on workers and communities. | Poor design and management of interventions. Inadequate implementation of safeguard processes. | Workers producing export products or contributing to their processing, treatment, transport or export are injured or poisoned during the production system. | Yes (on other programs) | Possible | Major | High | Risk of field workers being exposed to agricultural chemicals; all workers are exposed to physical injury from field and treatment/processing plant equipment. PHAMA Plus focuses on good agricultural practices, which include occupational health and safety management. | Anticipated to be effective (see especially selection criteria and intervention process) | Identify, assess and eliminate or mitigate health and safety hazards to workers adopting good practices in interventions. Ensure workers and others engaged in interventions are consulted on health and safety matters that may affect them. Provide an accessible way for affected people to raise health or safety concerns. Ensure workers have adequate information and training to enable them to implement interventions safely. Ensure that workers are provided with personal protective equipment to enable them to implement interventions safely. Management monitoring to include mechanisms for reporting and recording health and safety incidents and management responses. No use of asbestos and manage existing asbestos according to Australian and partner country standards. | Contractor and implementation partners supervised by DFAT | From inception, updated during preparation of new interventions | Unlikely | Major | Medium | No |

Environmental and social safeguards

During analysis and preparation all interventions will be screened for environmental and social risks and impacts assessed and managed for those that carry a medium-very high risk. As a minimum, DFAT requires assessment of, and integration of mitigation actions for, risks associated with:

- **Policy and regulatory setting.** Identify key national environmental policies and legislation, national development and action plans (e.g. National Biodiversity Strategic Action Plans), strategic environmental (and social) assessments for the sector, regional and international MEAs. It is important to refer to the legislation and regulations of individual countries for specific direction on how EIA should be conducted – including the types of developments that are subject to EIA; required EIA steps and procedures; EIA process timeframes; and the roles, authority and responsibilities of government ministers, government agencies, development proponents and other stakeholders.
- **Key safeguard issues.** Identify and assess investment and sub-project environmental and social safeguard impacts against relevant safeguards (Environment Protection, Children, vulnerable and disadvantaged groups; Displacement and resettlement; Indigenous peoples; and Health and safety); and note key strategies to avoid and/or mitigate risks and impacts. Detailed analysis of the context and safeguard risks and impacts should be conducted in early implementation as part of intervention design. Information should be sufficient to:
 - identify with confidence whether the investment or any interventions are likely to have a **significant impact on the environment** (refer DFAT's safeguard policy)
 - identify likelihood of a major breach DFAT's safeguard policy (this should be noted in the risk assessment as a risk to the investment meeting its objectives)
 - identify gaps in knowledge and how they will be filled
 - identify the need for specific safeguard resources/expertise.
- **Safeguard arrangements** (processes/mechanisms, responsibilities, timeframes). This should describe how the safeguard principles will be addressed, and potential environmental and social impacts will be identified, assessed, managed, monitored and reported in a way that is consistent with DFAT's safeguard policy, associated operational procedures and guidance. Interventions should be screened for environmental and social safeguard risks; any risks and impacts should be assessed; and appropriate management plans developed:
 - Where potential safeguard risks and impacts are not clear at the time of design (e.g. facilities), this process should be set out in an environment and social assessment and management framework, and any related operational guidance.
 - DFAT will review and approve the risk management and safeguard mitigation arrangements prior to completion of intervention designs; and be able to review safeguard documents developed for each intervention. An overview of the typical contents of an environment and social assessment and management framework should be included.
 - Environmental and social safeguards will be systematically addressed and integrated into other investment risk management, decision-making and quality/performance processes including management monitoring (Annex 2).
 - The program budget provides for short term advisers necessary to ensure safeguard issues are addressed in line with the safeguard policy.

Environmental protection

Management of environmental safeguards during implementation of PHAMA Plus will be guided by the DFAT Environmental Policy⁶⁶, Australian Government legislation,⁶⁷ and the laws and regulations related to environmental protection, water, agriculture, forestry and fisheries of participating countries. PHAMA Plus will assess potential environmental impacts during intervention analysis and design, and integrate measures and resources for environmental protection and management into the costs and delivery of proposed interventions. The managing contractor will regularly monitor environmental conditions associated with interventions and environmental management practices to inform continuous improvement and management of risk.

The contractor managing implementation of PHAMA Plus will use an integrated approach to environmental protection and management, including:

- An overarching Environment Assessment and Management Strategy (founded on a do-no-harm approach and Good Agricultural Practices).
- Full integration of environmental safeguards into the intervention design and management process (intervention concept notes, quality management, and risk management systems). Every intervention analysis will assess possible environmental impacts and the costs of managing delivery to reduce the risk of impact to an acceptable level. If the cost of environmental protection or risk of impact is high, then the intervention will not be considered for implementation. Regular monitoring of identified

⁶⁶ For example, see: <http://dfat.gov.au/about-us/publications/Pages/environmental-policy.aspx>

⁶⁷ The *Environment Protection and Biodiversity Conservation Act*, Cth. 1999. (<https://www.legislation.gov.au/Details/C2005C00338>)

environmental risks will be reported in semi-annual progress reports. Lessons learned will be shared across all PHAMA Plus countries implementing similar interventions to reduce risks and the costs of managing environmental safeguards.

- Conducting generic environmental impact assessments for sectors or geographies that have specific risks (*e.g.* expanded use of methyl bromide fumigation to comply with conditions for managed export pathways; export of pelagic fish from natural stocks; export of sawn timber from regulated forests; or introducing good agricultural practice use of inputs such as fertilisers or fungicides).

The PMO will engage environment experts to assess environmental risks, monitor intervention impacts on the environment and ensure protection measures are implemented as planned. If needed, the PMO may commission specific technical advice on emerging issues such as soil nutrient management in organic farming systems or the impact of changes in weather patterns and climate change.

The PMO and national teams will ensure PHAMA Plus interventions are managed to prevent or mitigate any risks associated with pesticides and other chemicals in food and agriculture with intervention plans that include integrated pest management, good practice management and standard operating procedures that align with international good practice. Partners and intermediate service providers will train farming households in these good practices and procedures and monitor their use with support from PHAMA Plus. Interventions introducing pesticides and other chemicals to improve the quality or productivity of export systems will meet Australian and New Zealand standards, or those of partner countries where they are equivalent or stronger. Interventions will only use inputs as licensed for use in partner countries (*e.g.* as per label) as well as comply with relevant good agricultural practice or, where certified, organic production standards.

Where ***animal husbandry*** is included in an intervention (*e.g.* PHAMA had a beef export activity in Vanuatu) animal welfare will be purposefully included in all components of the supply chain supported by an intervention design and the resources and costs required to deliver good practice animal husbandry included in the intervention budget. If the cost of good practice animal welfare or risk of harm to animals is high, then the intervention will not be considered for implementation. Regular monitoring of any animal welfare risks throughout the supply chain will be reported in semi-annual progress reports. Lessons learned will be shared across all PHAMA Plus countries implementing similar interventions to reduce risks and the costs of managing environmental safeguards.

Annex 7

Terms of reference

Annex 7: Terms of reference

Contractor Representative

ARF Professional Discipline Category and Job Level: N/A

Duty Station: Suva and other PHAMA Plus locations

Background: The purpose of PHAMA Plus (2018-2022) is to contribute to improved economic growth and improved rural livelihoods for Pacific peoples. The program builds on the successes of the previous PHAMA program (2011-2018) to support Pacific Island countries to increase the export of high quality primary products and ensure a fair return on investments by women and men producers, traders, processors and exporters. The program will co-finance private-sector-led export market interventions, including to enhance quality and productivity for more resilient supply chains; and support strengthened performance of biosecurity sanitary and phytosanitary and commodity regulators is seen as value for money. PHAMA Plus is proposed to primarily focus on horticultural and agricultural exports from countries – Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu, but could also support technical studies and export analyses for other countries that sign the PACER Plus Trade Agreement. PHAMA Plus offers innovative solutions to market access issues and allows flexibility to adapt and evolve as an export development program. The main financial beneficiaries would be producers, agribusinesses, and exporters – some agribusinesses such as processing plants employ mostly women. Governments and industry groups would benefit from increased capacity and influence to navigate market access challenges. Pacific Island Countries would also receive the benefit of better balance of trade figures, economic growth and employment. Receiving countries would also benefit from the supply of high quality products.

Duties: The responsibilities of the Contractor Representative will include, but not be limited to:

- Leading on all aspects of contract management including contract negotiations, contract amendments, and delivery of contractual requirements
- Ensuring compliance with Commonwealth Procurement Rules (CPRs); DFAT policies; relevant Australian and Pacific Island country laws; and corporate quality management systems and processes
- Managing the program transition and mobilisation phases to support a well-executed and smooth transition from the current PHAMA program to PHAMA Plus
- Leading recruitment and contracting of personnel and providing strategic human resource management support throughout implementation to ensure the program is well-resourced and maintains value for money
- Facilitating contracting of partner agreements for on-going interventions at transition and facilitating efficient development of new partner agreements through corporate legal processes
- Providing strategic oversight and management support for all aspects of implementation including technical program approaches, operational and financial systems, financial approvals, budgeting and fiduciary controls
- Conducting quality assurance of all program performance management and reporting requirements
- As the primary contact point for DFAT, maintaining an effective and collaborative working relationship with DFAT in Suva, Canberra and Posts in each of the countries participating in PHAMA Plus; and ensuring the program remains responsive to emerging opportunities and changing priorities during implementation
- Maintaining strategic oversight of all aspects of program delivery and providing strategic direction and advice to address implementation issues
- Overseeing implementation of all key program strategies and providing regular updates to DFAT on their implementation
- Overseeing risk and safeguard assessment and management and providing DFAT with regular verbal and written updates on existing and new risks.

Key Relationships:

- Work closely with DFAT in Suva, Canberra and Posts in each of the countries participating in PHAMA Plus and the Team Leader
- Reports to, works with and receives strategic guidance from Officers of the selected Contractor.
- Coordinates periodically with complementary programs at regional (*e.g.* PFIP, PSDI) and country (*e.g.* Fiji MDF; PNG MDF, PPAP and PGF; Samoa MFAT Cocoa; Solomon Islands RDP and *Strongim Bisnis*; Vanuatu MFAT Beef) and whole-of-government (*e.g.* DAWR Solomon Islands Biosecurity Strengthening Program; and MFAT/ MPI Tonga HTFA/Horticultural SPS Program) levels.
- Coordinates regularly with DFAT (in Suva, Canberra and Posts in each of the countries participating in PHAMA Plus) on PHAMA Plus.

Qualifications and Experience:

- More than 20 years professional experience or equivalent combination of education and experience in international development
- Demonstrated skills and experience in contract and project management including performance assessment, budgeting and financial reporting
- Recent experience in the transition between program phases, negotiation of personnel contracts and interventions during a transition to a new phase of an on-going development cooperation investment
- Current understanding of relevant Australian and Pacific Island laws and regulations and the practical approach to compliance required in participating Pacific Island countries
- Strong understanding of DFAT policies, systems and requirements, including on gender, environmental and other safeguards, private sector engagement, and monitoring and evaluation
- Proven experience providing strategic direction and management support to multi-disciplinary teams
- Excellent verbal and written communication skills in English
- Speaking, reading and writing skills in Tok Pisin or Bislama a distinct advantage
- Experience implementing or managing export market systems development programs and/or complex donor programs.



Team Leader

ARF Professional Discipline Category and Job Level: Discipline D, Job Level 4.

Duty Station: Suva, Fiji with travel to program locations as required.

Background: The purpose of PHAMA Plus (2018-2022) is to contribute to improved economic growth and improved rural livelihoods for Pacific peoples. The program builds on the successes of the previous PHAMA program (2011-2018) to support Pacific Island countries to increase the export of high quality primary products and ensure a fair return on investments by women and men producers, traders, processors and exporters. The program will co-finance private-sector-led export market interventions, including to enhance quality and productivity for more resilient supply chains; and support strengthened performance of biosecurity sanitary and phytosanitary and commodity regulators is seen as value for money. PHAMA Plus is proposed to primarily focus on horticultural and agricultural exports from countries – Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu, but could also support technical studies and export analyses for other countries that sign the PACER Plus Trade Agreement. PHAMA Plus offers innovative solutions to market access issues and allows flexibility to adapt and evolve as an export development program. The main financial beneficiaries would be producers, agribusinesses, and exporters – some agribusinesses such as processing plants employ mostly women. Governments and industry groups would benefit from increased capacity and influence to navigate market access challenges. Pacific Island Countries would also receive the benefit of better balance of trade figures, economic growth and employment. Receiving countries would also benefit from the supply of high quality products.

Duties: The responsibilities of the Team Leader will include, but not be limited to:

- Leading and managing the delivery of all PHAMA Plus services and activities to maximise value for money and effectiveness, in coordination and collaboration with DFAT, MFAT and their Pacific Island partners
- Building and maintaining an effective organisation that delivers the expected results and achieves program outcomes and targets
- Building and maintaining excellent relations with all relevant external stakeholders, especially DFAT, private sector business partners and participating Pacific Island government partners as well as regional organisations such as SPC and civil society organisations such as PIFON and its country members
- Managing approval of all program interventions and oversight of all aspects of program delivery
- Leading the development of all key strategies needed for effective delivery of PHAMA Plus
- Managing the tactical delivery of key strategies using tools and approaches that efficiently deliver expected outcomes and targets
- Ensuring the program maintains a clear and consistent direction and supports transparent and consistent communication to external stakeholders
- Directly managing leaders of the program management office and country teams
- Leading the PHAMA Plus team, maintaining an appropriate businesslike, entrepreneurial, dynamic and lesson-learning culture across the whole team and be responsible for ensuring overall team cohesion and effectiveness

- Supervising, coaching and mentoring the PHAMA Plus management team, especially on strategic and critical aspects of implementation
- Overseeing and strategically leading development of knowledge products and other communications for economic and public diplomacy
- Identifying strategic opportunities and challenges at all levels, and working with the Contractor and DFAT to adjust PHAMA Plus strategy, staffing and resourcing accordingly
- Providing quality assurance of all reporting, strategies, interventions, and results measurement documents
- Oversight of PHAMA Plus financial and operational systems and ensuring they are used effectively and in accordance with DFAT requirements and program procedures
- Being the central point of day-to-day communication with DFAT Pacific Regional team in Suva
- Managing the identification of all major program risks and safeguard issues while leading team development, updating and implementation of an effective risk and safeguard management strategy
- Managing and leading response to safeguard issues relevant to the program including gender and women's empowerment, the environment, and animal welfare
- Oversight of effective, context-relevant, low-risk financial systems and quality reporting and forecasting
- Leading periodic, evidence-based portfolio review functions using information from the Monitoring and Results Measurement system
- Systematically using information from the Monitoring and Results Measurement system
- Leading program reporting requirements including the delivery of timely, accurate and high-quality reports that meet DFAT M&E Standards (particularly Standard 3)
- Overseeing Results Measurement in line with DCED standards during implementation
- Driving innovation and learning throughout implementation and contributing to DFAT's broader learning agenda for market systems development and private sector engagement.

Key Relationships:

- Reports to, works with and receives strategic direction from the Contractor Representative
- Works closely with the PHAMA Plus management team and their DFAT, industry and government partners
- Works closely with the PHAMA Plus Head of Operations and Finance
- Works closely with complementary programs at regional (*e.g.* PFIP, PSDI) and country (*e.g.* Fiji MDF; PNG MDF, PPAP and PGF; Samoa MFAT Cocoa; Solomon Islands RDP and *Strongim Bisnis*; Vanuatu MFAT Beef) and whole-of-government (*e.g.* DAWR Solomon Islands Biosecurity Strengthening Program; and MFAT/ MPI Tonga HTFA/Horticultural SPS Program) levels.
- Coordinates regularly, under delegated authority from the Contractor Representative, with DFAT on PHAMA Plus
- Manages the National Coordinators/Country Managers and the Head of Monitoring and Results Measurement.

Qualifications and Experience:

Essential:

- 15+ years professional experience or equivalent combination of education and experience in category D of the DFAT Adviser Remuneration Framework
- Outstanding theoretical base in export market systems development, with ability to conceptualise, design and implement major projects and to produce major/complex reports or studies
- Demonstrated professional leadership and ability to lead a team of development and export market facilitation professionals and ability to coach and mentor more junior staff
- Proven experience in management of large, complex, multi-country programs
- At least 5 years of experience in a management position in a larger economic growth or market systems development program
- Familiarity with international donor systems, Pacific Regional agencies and systems and their requirements
- Demonstrated experience in safeguards assessment and management, particularly environmental safeguards
- Knowledge of key cross-cutting issues and their application in market systems development program, particularly women's economic empowerment
- Proven experience in contributing to strategic direction and providing management to multi-disciplinary teams in a cross-cultural context
- Proven team leadership and coaching competence
- Excellent verbal and written communication skills in English.

Operations and Finance Manager

ARF Professional Discipline Category and Job Level: Discipline C, Job Level 3.

Duty Station: Suva, Fiji with travel to program locations as required.

Background: The purpose of PHAMA Plus (2018-2022) is to contribute to improved economic growth and improved rural livelihoods for Pacific peoples. The program builds on the successes of the previous PHAMA program (2011-2018) to support Pacific Island countries to increase the export of high quality primary products and ensure a fair return on investments by women and men producers, traders, processors and exporters. The program will co-finance private-sector-led export market interventions, including to enhance quality and productivity for more resilient supply chains; and support strengthened performance of biosecurity sanitary and phytosanitary and commodity regulators is seen as value for money. PHAMA Plus is proposed to primarily focus on horticultural and agricultural exports from countries – Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu, but could also support technical studies and export analyses for other countries that sign the PACER Plus Trade Agreement. PHAMA Plus offers innovative solutions to market access issues and allows flexibility to adapt and evolve as an export development program. The main financial beneficiaries would be producers, agribusinesses, and exporters – some agribusinesses such as processing plants employ mostly women. Governments and industry groups would benefit from increased capacity and influence to navigate market access challenges. Pacific Island Countries would also receive the benefit of better balance of trade figures, economic growth and employment. Receiving countries would also benefit from the supply of high quality products.

Duties: The Operations and Finance Manager will ensure that PHAMA Plus effectively and efficiently uses the resources (operational staff, funds, time and facilities), systems and procedures required to deliver results and achieve the program outcomes. The Operations and Finance Manager will be responsible for all day-to-day human resource (HR), financial and administrative management for PHAMA Plus, working with the Contractor and management team to ensure effective planning, coordination, fiduciary control and overall program delivery.

The Operations and Finance Manager will report directly to the Team Leader. The Operations and Finance Manager will consult the Contractor Representative and Contractor head office staff on compliance with systems and procedures and provide support for overall compliance of program operations and finance with contractual requirements and the Commonwealth Procurement Rules (CPRs).

In order to manage program operations and support functions to maximise program impact and responsiveness, the responsibilities of the role of the Operations and Finance Manager will include, but not be limited to:

General Management and Oversight

- Establishing and operationalising financial and program management systems and processes across all operational areas, building on lessons learned from PHAMA (2011-2018)
- Deploying appropriate procedures, tools and templates from the Contractor's systems for: (i) business partners, (ii) recipients of any grants, (iii) technical service providers, (iv) services providers, and (iv) short-term technical advisors, in line with DFAT and corporate requirements
- Producing regular management monitoring information including variance from plan for disbursement, activity and output delivery as well as reporting on any fraud, health and safety, or other HR incidents
- Providing sound and considered advice to the Team Leader on financial, HR and contract compliance issues
- Managing the efficient novation of any personnel contracts and activity agreements during the transition to PHAMA Plus
- Maintaining a current understanding of relevant Australian (*e.g.* ECBP Act, Corporations Act and related anti-bribery regulations linked to the US Foreign Corrupt Practices Act and the UK Bribery Act) and relevant Pacific Island country (*e.g.* employment, taxation and social security) laws and regulations and how to practically comply with these in participating Pacific Island countries (at least Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu)
- Ensuring all procurement/finance/grants administration is performed in a professional, transparent, and ethical manner in line with Commonwealth procurement regulations and conditions of any grant or partner implementation agreements
- Managing safeguards to protect procurement/grants/finance activities from fraud, waste and abuse
- Ensuring TORs for operations staff are appropriate for providing effective support to the program
- Assisting the Team Leader with the preparation of contractual milestone documents along with other reports and deliverables related to operations
- Coaching and mentoring the operations team to build existing capacity.

Administration and Operations

- Overseeing the establishment and maintenance of office facilities and related support infrastructure in Suva and sub-offices in agreed locations, likely Port Moresby, Apia, Honiara, Nuku'alofa and Port Vila
- Lead the financial management of all program operations, with a focus on financial controls and compliance with Contractor accounting and anti-fraud standards
- Enabling the delivery of effective administrative support to all aspects of PHAMA Plus operations including logistics, administrative support and procurement of goods and services
- Leading the production, dissemination, implementation and review of systems, policies and procedures, related to logistics, financial controls, HR management, and administration
- Reviewing and updating the Program Operations Manual and proposing changes that ensure its effectiveness and appropriateness and oversee distribution and training for all staff in its application
- Overseeing administration and office staff including performance management processes and ensuring appropriate processes are followed and approvals obtained and documented
- Supervising the preparation, maintenance and storage of program documentation and digital information, in line with corporate and DFAT record retention requirements and filing protocols
- Participating in strategic planning processes, activity planning, scheduling and budgeting as a member of the PHAMA Plus Management Team.

Interventions, Partner Agreements and Procurement Teams

- Leading the production, dissemination, implementation and review of systems, policies and procedures, related to interventions, partner agreements, and procurement
- Overseeing the staff responsible for administration of grants, partner agreements and procurement to ensure appropriate processes are followed and approvals are obtained and documented
- Managing the efficient novation of Partner agreements during transition to the new phase
- Periodically reviewing and adapting intervention plans, partner agreements and procurement documentation to ensure that it is fit for purpose and compliant with relevant Australian and participating Pacific Island country regulations.

IT

- Engaging required information technology (IT) support to ensure the program has appropriate ICT infrastructure to connect to Contractor financial management systems and support operations and implementation activities in the PMO and each of the participating Pacific Island country offices
- Protecting program information systems in all locations from virus, malware and other digital attacks and ensuring all staff and their information technology complies with Contractor standards for data protection and system integrity
- Ensuring all staff save, backup and store electronic information in a manner consistent with Australian privacy regulations and Contractor information management systems
- Supporting electronic data capture, analysis and storage for all aspects of the monitoring and results measurement system, including a Dashboard for summary management, progress and performance information that DFAT and MFAT will be able to access remotely.

Human Resources

- Overseeing the recruitment, contracting and mobilisation of local program staff in accordance with appropriate timeframes and HR processes
- Managing the efficient recruitment of any PHAMA personnel during transition to the new phase
- Developing, adapting and using key HR systems and processes from the Contractor, including those for staff budgeting and severance pay calculations, leave tracking, recruitment, payroll, performance evaluation, capacity development; and workplace health and safety
- Liaising with HR staff in the Contractor's Head Office to ensure all program staff are paid and accounted for in accordance with relevant labour, social security and income taxation laws and related regulations in participating Pacific Island countries
- Overseeing the effective HR management of all program staff
- Overseeing adaptation and use of the Contractor's performance management system for all program personnel
- Ensuring program staff are appropriately trained and working in compliance with new and established operational procedures and policies, including occupational health and safety requirements
- Providing considered advice to other members of the PHAMA Plus Management Team and Contractor Representative on management of staff and HR laws in participating Pacific Island countries.

Financial Management

- Leading financial management to ensure that program financial operations comply with DFAT processes and procedures, including the maintenance of accurate financial records for all program activities, as well as participating Pacific Island country regulations for accounting, goods and services and sales tax, stamp duty and income tax
- Using and adapting the Contractor's financial management and reporting systems to effectively manage financial transactions throughout the program
- Providing the Contractor and other members of the participating Pacific Island countries Management Team with regular information to enable effective monitoring and management of all contract budget lines, interventions and the program budget
- Overseeing program finances to track expenditure, forecast accurately and ensure the availability of funds to support project operations as well as responding to DFAT requests for financial information
- Supervising and ensuring value for money and compliance with Commonwealth Procurement Rules in contracting, procurement and management of Partners, sub-contractors and service providers
- Contributing to financial reporting for DFAT.

Essential Qualifications and Experience:

- At least 10 years' experience in a senior operational management position, preferably in international development. Experience in operational management of multi-country development programs essential.
- Relevant qualifications in accounting (*e.g.* CPA) or program management (*e.g.* Certified to PMI 6 or above)
- Outstanding practical experience in project management and operations with theoretical foundation a definite benefit
- Demonstrated ability to use and adapt Contractor corporate systems, tools and processes for the effective and efficient management of program operations and activities
- Successful track-record in delivery of multi-country, intervention portfolios through a Contractor in the Pacific or similar development context
- Demonstrated ability to lead finance and administration professionals and to coach and mentor staff
- At least 10 years' experience working with AusAID/DFAT (or equivalent) at a senior level across program operations and contracts with DFAT Contractors
- Good understanding of participating Pacific Island country labour, taxation and social security regulations (at least in Fiji, PNG, Samoa, Solomon Islands, Tonga and Vanuatu)
- Proven leadership, management and organisational skills for operations management in a cross-cultural context
- Excellent written and verbal communication skills in English
- Strong representation, communication and interpersonal skills.

Annex 8

Economic Empowerment and Social Inclusion

Annex 8: Economic Empowerment and Social Inclusion

This annex summarises:

- Australia's new policy on gender equality and empowering women and girls
- some global context relevant to gender equality and social inclusion in the Pacific
- some practical approaches to gender equality and women's economic empowerment that have informed this design and could be used by those implementing PHAMA Plus.

The annex also discusses social inclusion for disability, youth and the impact of this inclusion from climate and natural disasters. It also provides examples of success stories of women's economic empowerment from other market systems development and similar programs.

Definition - Gender Equality and Economic Empowerment

The UNFPA provides a simplistic explanation of the terms:

- **Gender equality** implies a society in which women and men enjoy the same opportunities, outcomes, rights and obligations in all spheres of life. Equality between men and women exists when both sexes are able to share equally in the distribution of power and influence, have equal opportunities for financial independence through work or through setting up businesses and enjoy equal access to education and the opportunity to develop personal ambitions.⁶⁸
- A critical aspect of promoting gender equality is **empowerment of women**, with a focus on identifying and redressing power imbalances and giving women more autonomy to manage their own lives. Furthermore, Women's empowerment is vital to sustainable development and the realisation of human rights for all.⁶⁸ In addition, the WEAMS Framework states that the two terms are sometimes conflated, but while they represent two different concepts they however still fit together.⁶⁹

Policy Context

To address GESI concerns and opportunities the Pacific Leaders Forum endorsed the Pacific Leaders Gender Equality Declaration in 2012.⁷⁰ Since the Declaration, Pacific Forum countries have made extra effort to progress legislation, policies and their delivery in practice. The 2012 Declaration has in many ways made Forum countries committed to addressing the agenda, as it is broadly impacting on social and economic development. In support of the Declaration, the Pacific Women Shaping Pacific Development Program supported by Australia is implementing gender programs throughout the 14 Pacific Island Forum countries (PIFC).⁷⁰

In 2014, the Australian Government approved a new development policy and strategic framework for its aid program. The new policy and strategic framework, includes gender equality and empowering girls as one of the six foundational pillars for delivery. In addition DFAT strengthened its policy direction by working closely with and through the private sector.⁷¹ In the same year, Australia's aid program released ten key performance targets of which Performance Target 4, about empowering women and girls, states that more than 80% of investments, regardless of their objectives, will effectively address gender issues in their implementation.⁷²

In 2016 the Australian government published a new Gender Equality and Women's Empowerment Strategy that identifies women's economic empowerment as one of its three priorities; aside from enhancing women's voice in decision making, leadership and peacebuilding and ending violence against women and girls,⁷³ recognising that women's economic empowerment it is a driver of economic growth and prosperity.⁷⁴

Disability

Some 15% of the global population live with a disability and people with disability and their families are disproportionately affected by poverty.⁷¹

Aid investments that purposefully include people with disability represents good development practice, contributing to poverty reduction and economic growth and creating inclusive development outcomes.⁷¹ In addition, in low-income countries, the average employment rate for women with disability is 20% compared to

⁶⁸ UNFPA <http://bit.ly/2aMttXt>

⁶⁹ Jones, L. (2016) *The WEAMS Framework - Women's Empowerment and Markets Systems: Concepts, practical guidance and tools*.

⁷⁰ Pacific Women Shaping Pacific Development, Regional Activities Summary, 2014, [p2.]

⁷¹ Commonwealth of Australia, DFAT, *Australian aid: promoting prosperity, reducing poverty, enhancing stability, June 2014*. <http://dfat.gov.au/about-us/publications/Pages/gender-equality-and-womens-empowerment-strategy.aspx> [p24]

⁷² Making Performance Count: Strategic performance target no. 4. [p28]

⁷³ Department of Foreign Affairs and Trade, (2016) *Gender Equality and Women's Empowerment Strategy*. Government of Australia. [p10] <http://bit.ly/1UncUE3>

⁷⁴ *Ibid*, p25

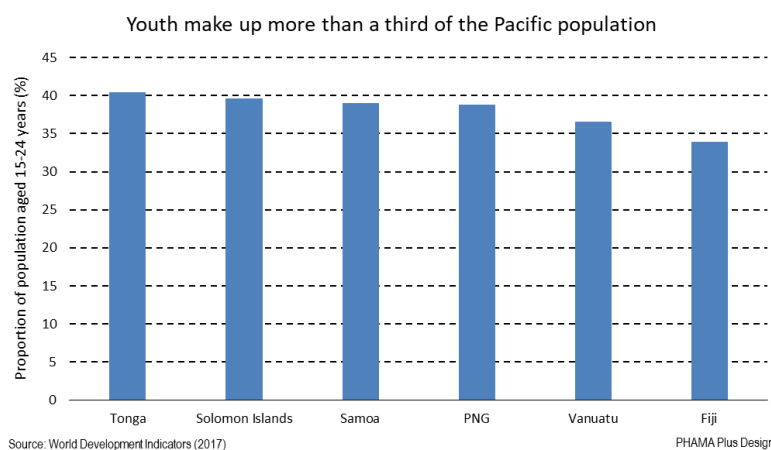
59% for men with disability (and 32% of women without disability).⁷⁵ Lower rates of labour market participation among people with a disability, significantly impacts the link between disability and poverty.⁷⁵

The Australian aid policy states that aid will promote disability-inclusive education, help remove physical barriers through investments in infrastructure and enable people with disability to access services including supporting disabled people's organisations in developing countries in giving people with disability a voice.⁷¹ Also it will continue to work with partners to tackle the stigma that surrounds disability, a causing factor as one of the largest barriers to full participation in community and economic life.⁷¹

Youth

The United Nations (UN) General Assembly defines youth as individuals aged between 15 and 24 years old.⁷⁶ According to this definition, more than a third of the population in countries targeted by PHAMA Plus are youth (Chart 8-1). In the Pacific, youth may be individuals who are unmarried, financially dependent, not working or even whose parents are still alive. Definitions of youth in each country are set by the country's national youth policy.⁷⁶

Chart 8-1 : Youth - more than a third of people in targeted PHAMA Plus countries



In a 2006 policy paper (*Addressing the Youth Challenge*) the Secretariat of the Pacific Community (SPC) identified a lack of opportunities and rural-urban migration as “contributing or main factors for rising crime, in particular among young men.”⁷⁶ Pacific Islands Forum Secretariat (PIFS) and United Nations Development Program Pacific Centre (UNDP-PC) initiated three multi-stakeholder consultations in partnership with the University of the South Pacific, FemLINK Pacific and the Pacific People's Building Peace Network/Citizens Constitutional Forum in 2007.⁷⁶ The consultations identified unemployed (Chart 8-2) and alienated youth as one of seven issues that resonate as causes for actual and potential conflict across the Pacific region. Furthermore, they highlighted how unemployed young men have been mobilised by leaders in conflict situations and in political unrest in Fiji, Papua New Guinea, Vanuatu and the Solomon Islands and recommended conducting research into youth, unemployment and conflict in the Pacific.⁷⁶

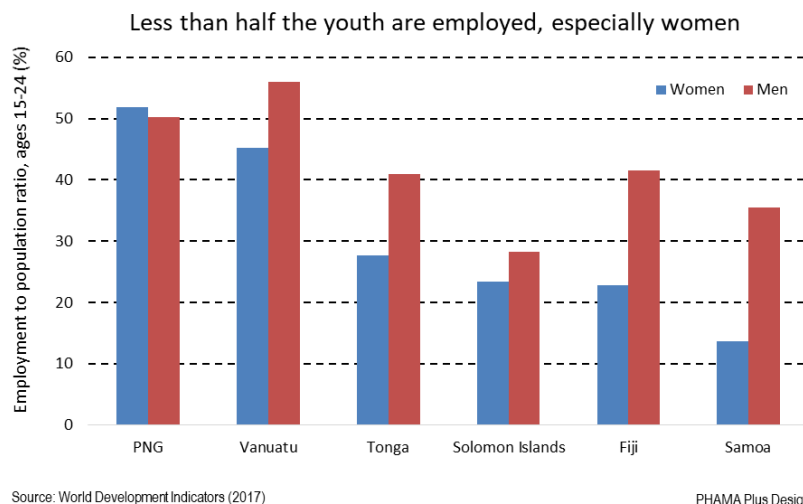
Analysis of conflict in Federated States of Micronesia (FSM), Kiribati, Samoa and Vanuatu by PIFS in 2012 identified the need to address youth involvement in crime and civil unrest as part of a long-term conflict prevention strategy. It reported that in the four countries, the ‘generation gap’, combined with a lack of prospects of formal employment and substance abuse, led to problems in both rural and urban areas, with a rise in crime and other negative behaviour in urban areas in particular.⁷⁷

In 2008, the issue of marginalised youth affected by insufficient employment and social engagement opportunities was identified as part of PIFS' research on criminal deportees, which noted that the issue of criminal deportees relates to the broader issue facing all countries in the Pacific around young people at risk of crime. The report also noted that a collaborative approach between government, law enforcement and social agencies was needed to address the issue of offending young people in general, for example through counselling and rehabilitation programs.⁷⁷

⁷⁵ World Health Organisation & World Bank (2011). World Report on Disability. Geneva.

⁷⁶ PIFS (2011) Urban youth in the Pacific: increasing resilience and reducing risk for involvement in crime and violence. Pacific Island Forum Secretariat, Suva, Fiji. [Note: The definition of youth was made during preparations for the International Youth Year (1985), and endorsed by the UN General Assembly through A/36/215 and resolution 36/28, 1981].

⁷⁷ Urban Youth in the Pacific: Increasing resilience & reducing risk for involvement in crime & violence. www.youthmetro.org/uploads/4/7/6/5/47654969/urbanyouth_in_the_pacific.pdf

Chart 8-2 : Youth - less than half are employed in PHAMA Plus countries

PHAMA Plus consultations reinforced the findings reported above. Several PHAMA countries are attempting to address youth concerns. For example in Samoa, it was working on establishing Samoa Youth Council and Young Women's Association, through the Ministry of Youth and Religion. The FAO is currently assisting Samoa with a Youth Enterprise Program – delivered in partnership with the Samoa Chamber of Commerce and Industry – to address some of the concerns.

Gender Issues - Global Context

Gender equality concerns continue to gain global and international attention. For example the UN Secretary General's High-Level Panel on Women's Economic Empowerment and Australia's appointment of a Special Ambassador for Women and Girls, including countries agreeing to rectify regional and international commitments in efforts to address gender.⁷¹ Additionally, the United Nations, Commission on the Status of Women for its 61st Session in March 2017, focused on, "Women's economic empowerment in the changing world of work".⁷⁸

In 2015 the International Development Association (IDA) commissioned a Mid-Term Review on Gender Equality Progress. The Report noted a number of areas for improvement to better address gender equality, including broader gender gaps and highlighted that IDA countries face *critical gaps in economic opportunity*.⁷⁹ Women are disadvantaged in IDA countries on different indicators related to the labour market – participation, employment status and job quality – and these differences matter for development. Furthermore, globally, women tend to participate less than men in the paid labour market. For example; the female labour force participation rate in IDA countries – similar to the global average for women- was about 20 percentage points lower than that of men in 2013 (58 compared to 80%) and little progress had been made since 2000, when the difference was 25 percentage points (55 compared to 80%).⁷⁹

With regards to entrepreneurship, only 20 percent of firms in IDA countries have female participation in ownership and the share of firms with female top managers is low, at about 12 percent.⁷⁹ In addition, financial services are rapidly expanding, but big opportunities remain to increase financial inclusion. Among adult women in IDA countries, the share with an account at a financial institution increased by 4 percentage points on average between 2011 and 2014 – yet more than 79% remain unbanked.⁷⁹

The United Nations Secretary General's High Level Panel on Women's Economic Empowerment "Leave No One Behind Report", identifies seven (7) primary drivers for Women's economic empowerment (WEE).⁸⁰ These drivers make it possible for women and girls to gain the skills and resources they need to earn more money and expand their businesses. In addition they challenge the negative stereotypes that limit women's access to work, while empowering them to make and act on financial decisions at all levels: household, community, national and international.⁸⁰ PHAMA Plus is designed to explicitly address four of these drivers (**Chart 8-3**).

⁷⁸ For information on the 61st Commission on the Status of Women: <http://www.unwomen.org/en/csw/csw61-2017/>

⁷⁹ IDA Resource Mobilisation Department (DFIRM) Development Finance (DFi) September 28, 2015

⁸⁰ UNSGHLR (2016) *Leave no one behind: A Call to Action for Gender Equality and Women's Economic Empowerment*. The United Nations Secretary General's High Level Panel on Women's Economic Empowerment, NY, USA. See: [www.womenseconomicempowerment.org/assets/reports/ UNWomen% 20Full% 20Report.pdf](http://www.womenseconomicempowerment.org/assets/reports/UNWomen%20Full%20Report.pdf)

Chart 8-3 : PHAMA Plus addresses 4 drivers of WEE



Source: UNSG HLP (2016) *Leave no one behind - Taking action for transformational change on Women's Economic Empowerment*. United Nations Secretary General High Level Panel, New York, USA. [p4]

Global evidence clearly demonstrates that gender equality, economic growth and sustainable development are interconnected and mutually reinforcing.⁸¹

In addition, literature shows that Gender inequality persists in the Asia-Pacific region, and is undermining economic growth, human development and poverty reduction. It's estimated that Asia-Pacific region is losing up to US\$47 billion annually because of women's limited access to employment opportunities.⁸² This poses adverse impact on economic growth. Gender equality facilitates women's economic empowerment; which generates great gains for human development and economic growth aside from it been a basic human right.⁸³

Experience notes that intervention programs need to be adaptable, acceptable and sustainable to improve current poverty thresholds, including opportunities to earn more stable incomes, access resources and develop capacity to make financial decisions.

Gender: Pacific Context

The Pacific Island Countries and Territories are estimated to have the second highest rates of vulnerable workers; (in the subsistence economy, working for family, own account workers or in the informal economy) of all developing country groupings. Pacific women are more likely than men to be in vulnerable work (84% versus 71%)⁸⁴, while also balancing domestic work (unpaid) and caregiving, with lower average earnings.

Culturally, women usually perform a greater share of food growing and in-shore fishing activities, hence limiting their availability for formal employment. While performing the greater share of the baseline in the market supply chain, women also dominate many small-scale market operations, where hours are long, profits are often low, and market conditions difficult. Research notes that, between 75% and 90% of all market vendors in the Pacific are women.⁸⁵

Similarly, in the formal space, women in the Pacific continue to be under-represented in Parliament, comprising approximately 5% of parliamentarians compared to the global average of 22% percent.⁸⁶

⁸¹ Institute of Development Studies Working Paper, 2013, Gender Equality and Economic Growth: Is there a win-win? Brighton.

<http://onlinelibrary.wiley.com/doi/10.1111/j.2040-0209.2013.00417.x/pdf>

⁸² International Labour Organisation (ILO) and ADB, *Women and labour markets in Asia: Rebalancing for gender equality*, 2011, ILO and ADB, Bangkok, Thailand. [p1].

⁸³ DFAT (2017) Australia Advancing Women's Economic Empowerment through Aid, Trade and Economic Diplomacy. [p6].

⁸⁴ United Nations (2012) *World Millennium Development Goals Report*.

⁸⁵ http://www.forumsec.org/resources/uploads/attachments/documents/2013_Pac_Regional_MDGs_Tracking_Report_FINAL.pdf

⁸⁶ Inter-Parliamentary Union, *Women in National Parliaments – World Average*, 1 February 2014, viewed 28 April 2014

<http://www.ipu.org/wmn-e/world.htm>

Furthermore rates of domestic violence are alarming, with approximately two in three women in some Pacific countries experiences physical and/or sexual abuse by their intimate partner.⁸⁷ Hence gender equality is critical to development in all aspects, for the Pacific region.

Below are some snapshots around the Pacific region on gender equality and empowerment:

- A 2016 study found that a third of all Pacific exporting companies has a woman as a proprietor. The number has increased in the last two years.⁸⁸
- In Solomon Islands the annual turnover at the Honiara Central Market is between US\$10-16 million with women responsible for about 90% of this marketing activity – as both bulk buyers and as retailers.⁸⁹
- In Samoa, 80% of the private sector is comprised of micro businesses, of which women are estimated to head over 40%.⁹⁰ Even though the United Nations Information Service reports that 98% of women in Samoa are literate,⁹¹ however, financial infrastructure is poor and access to bank accounts and credit is limited for Samoan women.⁹⁰
- Countries with the highest proportion of women employed in the non-agricultural sector include Cook Islands (47%), Kiribati (47%) and Tonga (48%).⁹²
- In Melanesia, women occupy only a third of jobs within the formal economy, and men typically earn 20% to 50% more than women because they are working in jobs that attract higher salaries.⁹³
- Yet, across the Pacific, men outnumber women in paid employment (outside the agricultural sector) by approximately two to one (2:1)⁹⁴
- The 2012 Economist Intelligence on Women's Economic Opportunity Index, rated Fiji with the highest overall score of 81/128 countries of the seven Pacific Island countries in the 2012 Index, but still performed below the global average in every category and on most indicators. The scores were based on 29 indicators and 5 category scores, assessing 128 countries.⁹⁵
- In Papua New Guinea although labour participation rates are relatively even,⁹² more women are engaged in subsistence farming than men.⁹⁶ Moreover crops are cultivated separately by women and men, who reap different rewards with women's crops earning half that of men's.⁹⁷

Hence, research shows that if women had the same access to credit, markets and technology as men, the returns to women, particularly in the informal sector, would significantly increase.⁹⁸ In other words, higher income for women and increased control over income leads to increased spending on food and education and hence, results in improved outcomes for children's education, health and nutrition, and leads to greater sustained poverty reduction.⁹⁹

In addition, the World Development Report states "By eliminating barriers to women's full participation in certain sectors or occupations, labour productivity could be increased by as much as 25% in some countries through better allocation of skills and talent".⁹⁹

GESI and WEE lessons from other Pacific Programs

Some Pacific programs include successful WEE interventions. For example, the UN Women's six-year multi-country Markets for Change (M4C), which supports women's decision-making and enhancing safety, including building more inclusive markets that promote women's economic empowerment. Additionally, the project works on the structural and systemic barriers that constrain women's full potential, such as gender-blind local government regulations, as well as supporting women's agency through offering market vendors new skills training in finance and leadership. This particular program focuses specifically on the informal sector.¹⁰⁰

⁸⁷ Secretariat of the Pacific Community, Solomon Islands Family Health and Safety Study: A study on violence against women and children, 2009, p. iii, viewed 28 April 2014 <https://www.spc.int/hdp/index.php?option>

⁸⁸ <http://www.pacifictradeinvestment.com/resources/export>, Pacific Export Survey, 2016.

⁸⁹ International Finance Corporation in Partnership with AusAID (2010). Economic Opportunities for Women in the Pacific. [p1].

⁹⁰ Hedditch, S., and Manuel, C., (2010). *Gender and Investment Climate Reform Assessment*, Pacific Regional Executive Summary, International Finance Cooperation, Sydney, Australia. [p2].

⁹¹ Women's economic opportunity 2012 A global index and ranking. [p19].

⁹² Asian Development Bank (2016) Gender Statistics: The Pacific and Timor Leste.

⁹³ AusAID,(2012). Women's Economic Empowerment in the Pacific: Gender Situation Analysis, Australian Agency for International Development, Canberra.

⁹⁴ DFAT, Development assistance in the Pacific.

⁹⁵ The Economist, Economist Intelligence Unit Ltd, Women's Economic Opportunity: A global Index and Ranking, Findings and Methodology, 2012.

⁹⁶ Pacific Community (SPC) Stocktake of the Gender Mainstreaming Capacity of Pacific Island Governments (2012) Papua New Guinea.

⁹⁷ World Bank *et al.* (2013) Papua New Guinea Country Gender Assessment 2011–2012.

⁹⁸ OECD (2012). Women's Economic Empowerment: The OECD DAC Network on Gender Equality.

⁹⁹ World Bank (2011). World Development Report 2012: Gender Equality and Development. Washington.

¹⁰⁰ UN Women, Women's Economic Empowerment, Markets for Change, Pacific Women, Economic Empowerment 2014. p2

For example in Port Vila, Vanuatu, most women market vendors consulted were happy to sell their produce at the market however were not aware of concepts like costs efficiencies, or didn't mind if logistics and overhead costs were greater than revenues earned. They expressed their main concern was to bring food and consumables (e.g. sugar, tea, flour, Omo) home to their families. Most said they did not usually take account of stock brought in, and anticipated revenue they would make.¹⁰¹

Additionally the Women's Empowerment and Market Systems Framework (WEAMS), has recently integrated lessons learned from Making Markets Work for the Poor (M4P) WEE Framework and has adopted a more neutral "market systems" terminology.¹⁰² A growing wealth of global experiences in recent years has helped other programs adopt and evolve the M4P concept and raised it to another level. For example the Market Development Facility in Fiji, Timor-Leste, Pakistan, Sri Lanka and Papua New Guinea, AIP-PRISMA in Indonesia, Katalyst and M4C in Bangladesh, to mention a few.¹⁰³

The shift from the Millennium Development Goals (MDG's) to Sustainable Development Goals (SDG's) has imposed development partners and program implementers alike, to think more in terms of comprehensive performance targets for women and girls.⁶⁹ Specifically, SDG 5: Achieve gender equality and empowerment for all women and girls, which include nine target indicators.

Equally, more donors are demanding clear targets and results for women's empowerment and associated gender budgeting hence to ultimately achieve greater gender equality in the economic realm. For example, the UK government passed legislation in 2014 requiring gender equality reporting on DFID disbursements.¹⁰⁴ Similarly, Australia's new strategic Framework mentions that more than 80% of investments, regardless of their objectives, will effectively address gender issues in their implementation.¹⁰⁵

PHAMA Plus Design: HOW TO DELIVER GESI AND WEE

PHAMA Plus design consultations noted an array of options on how the proposed program could best deliver GESI and WEE. The significant experience over a decade using the M4P WEE Framework and more recently modifications adapted through the WEAMS framework provided feasible options, as these concepts have been trialled and positive lessons gained.¹⁰⁶ The WEAMS Framework concurs that it is still best to adapt the key M4P WEE frameworks (now WEE Framework) for PHAMA Plus, the integration of some of WEAMS Framework guides and tools as being the most appropriate, as PHAMA Plus program continues to focus around agriculture sector supply chain and market systems. Furthermore experiences demonstrate that gender equity and women's economic empowerment is fundamental to foundations of progressing development and overcoming poverty. Therefore, the more reason for women's economic empowerment to be integrated to program designs from the outset.¹⁰⁷

The Paradigm Shift

The Women's Empowerment and Market Systems (WEAMS) framework emphasises that in order to truly integrate and empower women in market systems, programs need to actively influence market systems to change in this direction.¹⁰⁶ Reviews of applied approaches affirm a paradigm shift is needed to take place in the culture of organisations as well as for the recipients.¹⁰⁷

The original M4P WEE Framework stressed that women's roles and controls, access and agency, and gender dynamics must be considered right from the start.¹⁰² Why Market systems? In the Pacific region, women contribute significantly to agriculture and related commodities market supply chain process; from growing, nurturing to selling, including assisting with access or export. Market systems development, is aimed to empower women through activities that shift systems to be more favourable for women who are participating or who could/would participate in those market systems.¹⁰²

¹⁰¹ Port Vila PHAMA Plus consultations 29/12/17

¹⁰² Update of: Jones, L. (2012) Discussion Paper for an M4P WEE Framework: How can the Making Markets Work for the Poor Framework work for poor women and for poor men? See Springfield Papers: [www.beamexchange.org/resources/655/Jones, L. \(2016\): Concepts, practical guidance and tools](http://www.beamexchange.org/resources/655/Jones,%20L.%20(2016)%20Concepts,%20practical%20guidance%20and%20tools)

¹⁰³ Coffey International (2012) M4P and Women's Economic Empowerment - Phase 2: Guidelines for Incorporating Wee into M4P Programs. <https://beamexchange.org/resources/145/>

¹⁰⁴ The Guardian <http://bit.ly/2b1mZa9>

¹⁰⁵ Making Performance Count: Strategic performance target no. 4. Pg.28

¹⁰⁶ Jones, L. (2016) Op cit. [p8].

¹⁰⁷ Jones, L. (2016) Op cit. [p4].

Options for PHAMA Plus

Four preferred options are identified here for consideration during inception of the next phase of PHAMA Plus. Given the diversity of countries and the portfolio of designed interventions anticipated to evolve during the first year of implementation, this design is not prescriptive. Rather, the contractor engaged to manage implementation should integrate GESI and WEE into the analyses, processes and designs used for preparing interventions.

1. Gender equity and social inclusion be a key component of PHAMA Plus program

Gender equity is defined by the Food and Agriculture Organisation (FAO) as ‘a means to fairness and impartiality in the treatment of women and men in terms of rights, benefits, obligations and opportunities’.¹⁰⁸ In other words, access to resources, goods, services and decision-making as its key strategic objectives in agriculture and rural development for the next 10 years (2009-2019). By creating social relations where neither of the sexes suffers discrimination, gender equity is aimed at improving gender relations and gender roles, which will ultimately achieve gender equality.¹⁰⁸

It must be understood that the essence of equity is not identical treatment, – treatment may be equal or different, but should always be considered equivalent in terms of rights, benefits, obligations and opportunities. Since male predominance in the family, public policy and institutions – not only in rural areas, but worldwide – has long obscured women’s interests and concerns, a key strategy for gender equity lies in women’s empowerment.

Therefore, development must encompass rural women’s long-term needs and aspirations, their decision-making power, and their access to and control of critical resources such as land and their own labour. This can be done through gender analysis work.

Gender analysis is the study of the different roles of women and men in order to understand what they do, what resources they have, and what their needs and priorities are.¹⁰⁸ By understanding how different members participate in and are affected by development interventions –who stands to gain and who stands to lose – gender analysis helps planners to avoid costly errors of the past and design programmes and projects that are effective, efficient and equitable.

For example, gender analysis can reveal that if weeding and harvesting crops are considered “women’s tasks”, a programme to increase cash crop production may add to women’s burdens and provide few benefits. A better investment may be piping water to rural households, thus giving women more time for small livestock production and horticulture.¹⁰⁸ In emergency projects, gender analysis differentiates between potential impacts on girls and women – such as increased risk of malnutrition – and on men and boys, who may risk recruitment into conflicts.

Conducting gender sensitisation and gender analysis along critical areas of the supply chain process can produce greater wins for all stakeholders along the market systems supply chain for; producers, exporters and family small holder farms which ultimately addresses poverty and enhance living standards for communities. Program planning through comprehensive analysis, can provide realistic and targeted interventions, can be measurable and have greater ownership and continuity by recipient communities.

Social Inclusion

Greater provision of employment opportunities for young people (youth) and peoples with disability is imperative for keeping them occupied, building self-esteem, increasing productivity and revitalizing the economy. Support for employment in the agricultural sector through subsistence farming or related activities may be an option.¹⁰⁹ A number of stakeholders throughout the consultations agreed for the need to address this sector of population and to engage them more.

In addition, including youth and people with disability representatives as members of PHAMA Plus working committees, and through a comprehensive conduct on youth and disability analysis, it can assist identify appropriate pathways and interventions to strengthen youth and disability engagement. Moreover, it will demonstrate the program has been inclusive in its implementation. For example in Cambodia an estimated two million people live with disability. They often face discrimination and are less likely to get an education or stable employment. Moreover, women with disabilities in Cambodia face many additional intersecting forms of discrimination.¹¹⁰

In Cambodia, the Australian Government focuses on inclusive participation through women’s empowerment. It incorporates disability inclusion across all program areas, focusing on assisting disability groups, building the evidence base for disability-inclusive development, and funds

108 Bridging the Gap, FAO’s Program for Gender Equality in Agriculture and Rural Development. 2009, [p8].

109 Urban youth in the Pacific: increasing resilience and reducing risk for involvement in crime and violence / Cameron Noble, Natalia Pereira and Nanise Saune. - Suva, Fiji : UNDP Pacific Centre:PIFS, 2011.

110 Commonwealth of Australia, Department of Foreign Affairs and Trade, Australia advancing women’s economic empowerment through aid, trade and economic diplomacy, January 2017.

rehabilitation.¹¹⁰

2. Adapt key dimensions from the WEE and WEAMS framework tools and guides

The WEE and WEAMS tools and guides are recognised internationally as good practice and have been the main framework dominating the agenda on gender equality and promotion, in private sector programming which have built on, from the M4P WEE Framework.¹¹¹

The original M4P WEE Framework suggests relevant dimensions for women's economic empowerment for market systems programs. The Following key dimensions are used to guide programs in achieving and measuring WEE outcomes:¹⁰²

- Economic advancement – increased income and return on labour
- Access to opportunities and life chances such as skills development or job openings
- Access to assets, services and needed supports to advance economically
- Decision-making authority in different spheres including household finance
- Manageable workloads for women.

These dimensions have been tested and are proven to be non-negotiable dimensions of women's economic empowerment.¹⁰² Moreover, women require access in order to achieve economic advancement such as increased income, but empowerment cannot be claimed if women do not have any control over that income or if their workloads have become unmanageable.¹⁰² Therefore, while the original non-negotiable dimensions are essential, partners have also found it necessary to expand these dimensions to suit context or sector-specific needs, for instance the Australian aid program's focus with regard to its agricultural development programs.¹⁰²

Below is an example of AIP-Rural outcomes using these non-negotiable dimensions:¹⁰²

| The 5 Dimensions of Women's Economic Empowerment | | How these are Measured in AIP-Rural (as of December 2016) |
|--|---|--|
| OVERALL OBJECTIVE: | | |
| 1 | Economic Advancement (often measured as net income) | An average increase of >135% of net attributable income changes from agriculture to 44,000 households or 109,000 farmers |
| IMPROVED ACCESS OUTCOMES: | | |
| 2. | Access to opportunities and life chances such as skills development or job openings | 204,000 female farmers with increased access to new markets or inputs |
| 3. | Access to assets, services and needed supports to advance economically | 55,500 female farmers that have benefitted from the use of new assets or services and increased their incomes |
| STRONGER AGENCY OUTCOMES: | | |
| 4. | Decision-making authority in different spheres including household finances | The % of the 849 service providers which are female (to be measured in Semester 1, 2017) |
| 5. | Manageable workloads for women | 39 Focus Group Discussion and workload analysis leading to tailor made actions plans for each intervention |

#3. CARE's Global Pathways Program

Another option for mainstreaming gender equality and empowerment is to adapt the successful model developed by CARE in its Global Pathways program, for better community and organisational understanding and advocacy. This approach would be best suited for rural communities and partnered private sector organisations who have had little sensitisation on gender equity and economic empowerment.

For example, CARE's global Pathways Program pioneered a participatory mid-term evaluation (that drew on key concepts from outcome mapping) to focus on changes that affect women at the household level and in the normative environment. The Pathways approach is based on a global theory of change that addresses the underlying causes of poverty and women's exclusion in agriculture. Countries like; Mali, Ghana, Tanzania, Malawi, India and Bangladesh, as well as Ethiopia have used this model.¹¹²

A key objective of this process was not just to measure change, but also to transform both the organisation (CARE), a (Paradigm Shift) and the communities, to support the internalisation of gendered understanding and to build the capacity for change.¹¹² In addition, the focus of the evaluation was on women and men's understanding of 'empowerment'; changes in women and men's behaviours and thinking; changes in community leader's practices and views; and decision making in the household and at the community level.

¹¹¹ DFAT (2017) PRISMA 2 Design Document Annex 10: Gender Equality and Women's Economic Empowerment. [p2].

¹¹² CARE (2016) *Global Pathways Program Overview Document*. CARE International. See: http://www.carepathwaystoempowerment.org/wp-content/uploads/2013/01/Pathways_Program-Overview_9_17_12.pdf Accessed January 7, 2018.

By engaging the staff in the process, it transformed their view of gender relations and their vision of what is possible to achieve. Moreover, the experience helped to create a shared vision – together with the community and validated some of the intangible aspects of equality that matter to communities (relationship changes).¹¹²

Hence, the participatory approach allowed program staff to experience the discussion first hand, to deepen their understanding of gender dynamics, and to develop the ability to design and implement interventions with a more nuanced gender lens.¹¹²

For the communities, it was also a transformative process. Since progress is mapped by the communities when the information is assessed and taken back to the community for validation, they are engaged in the setting the agenda going forward and determining steps to take action. In the participatory process, visual tools can be used for reflection and self-assessment – especially if community leaders are engaged in the process. And, visual participatory tools (decision-making tree and empowerment drawing) enabled women to reflect critically about what “empowerment” means to them – and to feel pride in changes that they had been making. Visual tools also helped women to realise the extent to which they were excluded from key decisions – and enable them to make a decision to change this situation.¹¹²

Key lessons from the participatory evaluation process:¹¹²

- Social transformation can be delicate and unpredictable - needs to be closely monitored
- The very processes of monitoring gender can promote change among staff and communities
- Meaningful indicators of individual behaviour change can make “gender” more accessible
- Transformative tools require commitment, ownership, buy-in and understanding of their value
- Participatory evaluations require investment in skills, reflective capacity, time and mentorship
- Participatory evaluations can be more sustainable and indirectly contribute to capacity from both ends (organisation and community).

Five common and closely inter-related domains of change were identified by CARE, which has impacted to achieve the Care Pathways goal:¹¹²

- **Capacity.** Women need the knowledge, skills, self-confidence and conviction required to succeed in agriculture, business and their roles as individuals and members of their households and communities.
- **Access.** Women need access to and control over productive assets and services including land, water, tools, inputs and both financial and extension services.
- **Productivity.** Women need the opportunity, knowledge and skills required to enhance the productivity of their land through sustainable agriculture.
- **Household Influence.** Women farmers need enhanced influence over household decision making, particularly decisions related to the household division of labour, the use of household income and decisions affecting the food women and their families prepare and consume.
- **Enabling Environment.** Both formal policies and informal cultural norms and expectations have significant impact on women’s potential. Both must be acknowledged and affected to achieve household resilience and women’s empowerment.

4 Gender Mainstreaming

Adopting a three-pronged approach to gender mainstreaming is useful for market systems programs.

- An **integrated** development approach that involves gender as a theme “in all planning phases and processes” and is a minimum requirement for gender mainstreaming. That is, economic development approach programs were advised to incorporate gender aware research, analysis, planning, implementation, and monitoring and evaluation;¹¹³
- A **targeted** approach that supplements the integration of gender and contributes to women’s economic empowerment. The intent is not to isolate women from the mainstream, but to utilise targeted strategies to enhance integration efforts over the longer term;
- A **dialogue** approach speaks to the need for a gender perspective to be internalised by implementing organisations, partners and other stakeholders. This may involve policies and procedures, gender sensitive practices (such as parental leave) or ongoing dialogue and awareness raising.¹¹⁴

For example the M4C in Bangladesh funded by the SDC (Swiss Development Corporation) adapted a three-prong approach to gender mainstreaming used; Targeting, Integration and Dialogue. The objective of M4C was to assist reduce poverty and vulnerability of households in ten districts of northern Bangladesh by facilitating market systems that enhance opportunities for employment and income generation for men and women.¹¹⁴

¹¹³ UNFPA <http://bit.ly/2aMttXt>

¹¹⁴ SDC (2003a) *Gender Toolkit Sheets* 1-10 SDC/FDA (Federal Department of Foreign Affairs), Bern: SDC/FDA.

Targeting: The project facilitated improvement of productive skills and creation of employment for women by partnering with three handicraft companies that trained women, offer inputs and market linkages. A 2014-15 assessment showed that trained women used their income for various purposes - to support family expenses (more than 63%), children's primary education (43%) and for own savings (23%).¹¹⁴

Integration: M4C emphasised inclusion of women in producer groups formed by sub-contracted local NGOs and farmer groups formed by partner maize-contractors as integration approaches. This provided women with the opportunity to receive information on quality inputs and cultivation practices, enabled them to be more productive and reinforced their position within their families and communities.¹¹⁴

Women (44% of total participants) got involved in farmers' meetings, field days etc. due to their relevance and encouragement by the Agro-input companies/ traders. Facilitation for women in unconventional roles like demo farmer and input retailers further boosted their confidence and enhanced the recognition of their role in agriculture and as potential service providers within the sector.¹¹⁴

Dialogue: M4C promotes dialogue at many levels: as part of interventions M4C encouraged its public and private partners and service providers, and sub-contractors (local NGOs) to mainstream women in program activities; hold seminars, inviting donors, policy makers and practitioners to; discuss and share learning's, through participation in industry events and publication of learning papers and cases.¹¹⁴

While documented literature is noted above, additionally the design could add value through the following:

- Conduct Regional exchange programs on specialist activities to help exposure and enhance learning
- GESI Mainstreaming
- Establish dialogues across programs with similar activities so to streamline resources, share technical expertise for example; Pacific Women, Market Development Facility, PGF, UN Women's M4C, World Banks PPAP (particularly if funding PHAMA Plus is reduced)
- Identify a couple of role model activities as agents of change and trial some of the approaches mentioned above as case studies, and track progress and impact over time for possible roll out
- Dialogue with and use financial institutions to support establish savings accounts for women and assist build capacity on financial literacy, and general financial accountability.

Annex 9

Private sector assessment

Annex 9: Private sector assessment

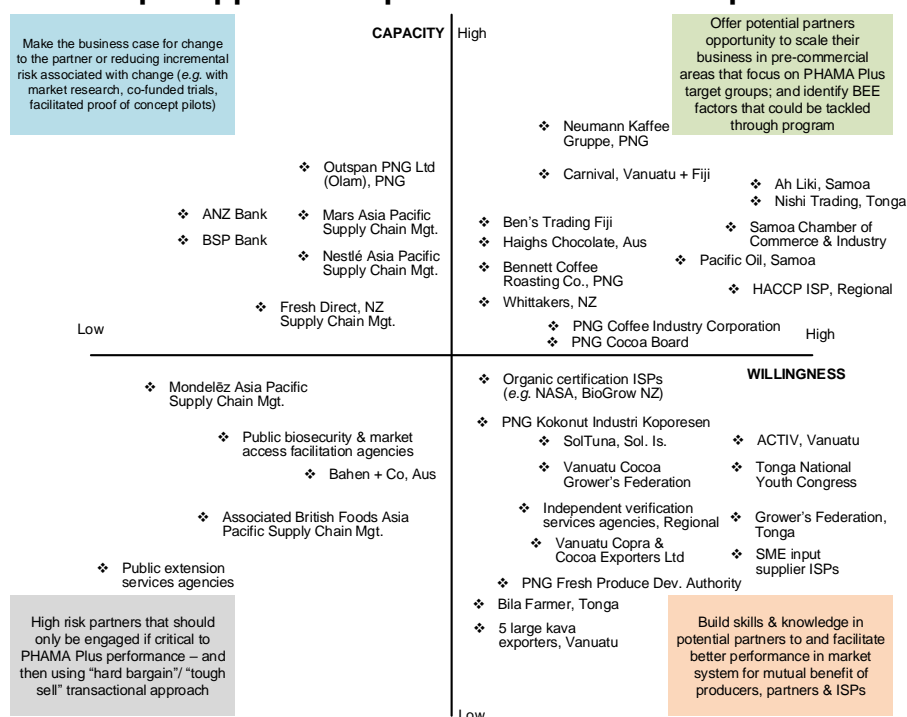
More than 25 women and 50 men from the private sector in 8 countries were comprehensively engaged during preparation of this design.

PHAMA Plus will engage with the private sector to analyse market opportunities, design interventions and implement interventions selected for investment (Section 3.2, pp17-22). The program will mostly deliver results through private sector partners, using a market systems development approach (Section 2.2, pp12-13). The importance of the private sector as a partner was demonstrated in PHAMA, and acknowledged in the representation of key private sector actors in the Market Access Working Group in each country as well as in Industry Working Groups. Those lessons and the social capital developed from implementation of PHAMA will be used in PHAMA Plus. To progress toward sustainability, achieve the scale required for secure export supply chains, and to deliver results under the quality and productivity outcome area, PHAMA Plus will engage private sector business partners and intermediate service providers in targeted export markets more purposefully than PHAMA did. In addition, this design emphasises inclusion by purposefully supporting private sector business partners to engage smaller-scale, commercial farming households – which are also private sector actors. Associations and other civil society groups representing smallholder farming households will be represented on country MAWs (e.g. Fiji Women Entrepreneurs & Business Council, Fiji Crop & Livestock Council, PNG Fisheries Industries Association, Samoa Root Crop Farmers' Association, Tonga National Youth Congress).

PHAMA Plus is designed to maintain access to current export markets and gain access to new export markets to increase the net income of farming households supplying goods for exports and their private sector intermediaries (e.g. input suppliers and financial service providers), packers and processors, and exporters. The program is designed to increase the business turnover of private sector market actors (e.g. input suppliers, financial service providers, packers and processors, exporters).

Field work discussions with more than 30 private sector businesses and intermediate service providers in 8 countries identified a number of potential private sector partners that PHAMA Plus could work through to facilitate market systems change for market access as well as improved supply chain quality and productivity. A rapid appraisal of their capacity (skills, knowledge and financial resources) and willingness to engage with PHAMA plus (Chart 9-1) suggests there are several entry points in each targeted country.¹¹⁵

Chart 9-1 : Rapid appraisal of potential PHAMA Plus partners



Adapted from: PRISMA (2016) *Deal making guidelines for private sector partners*. Promoting Rural Incomes through Support for Markets in Agriculture (PRISMA) Program, Surabaya, Indonesia. See: https://aip-rural.or.id/data/uploaded_file/08.12.16_Deal%20Making%20Guidelines_1.2.pdf Accessed December 9, 2017.

¹¹⁵ Adapted from: PRISMA (2016) *Deal making guidelines for private sector partners*. PRISMA Program, Surabaya, Indonesia. See: https://aip-rural.or.id/data/uploaded_file/08.12.16_Deal%20Making%20Guidelines_1.2.pdf Accessed December 9, 2017.