



Australian Government

Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2016-17

Pacific Regional Program

September 2017



KEY MESSAGES

This Aid Program Performance Report (APPR) evaluates the achievements and development results of Australia's Pacific Regional aid program over the period July 2016 to June 2017. In 2016-17 the program represented \$129.3 out of the \$1,126.4 million allocated to the Pacific Aid Program. The APPR focuses on programs funded through the Pacific Division, but includes investments supported through other DFAT programs and those implemented by other Australian Government departments.

Key findings and results include:

- *Economic growth:*
 - The Labour Mobility Assistance Program (LMAP) supported an almost 40 per cent increase in participation of seasonal workers from 4,490 to 6,166 in 2016-17.
 - The Pacific Business Investment Facility leveraged over USD 5.3 million in private sector investment leading to 500 new job opportunities facilitated (219 of which were for women) with a further USD 4.7 million of funding applications in the pipeline.
 - The Australia Pacific Technical College (APTC) reached the milestone of over 10,000 Pacific Islanders (40 per cent women) having graduated with internationally-recognised qualifications.
 - Australia's support has enabled the World Bank to commit approximately \$450 million in new investments in the Pacific in the last financial year thereby increasing the total volume of its current projects in the Pacific to over \$1.5 billion.
- *Effective regional Institutions:*
 - Australia and the Pacific Community (SPC) signed a renewed Partnership Arrangement which has more realistic objectives and a greater focus on how Australia can and will support the Pacific Community as an organisation.
 - Australia's core and extra-budget funding and technical assistance enabled the Pacific Island Forum Secretariat (PIFS) to implement PIF Leaders priorities' and reform the organisation.
 - The Attorney-General's Department (AGD) provided technical and capacity development assistance on a number of Pacific law reform projects, including a new Nauru Police Bill, new Tonga cybercrime legislation, forensics reforms for the Federated States of Micronesia, a review of sex offences in Kiribati and draft legislation to address a range of frontline policing problems in Tuvalu, including underage drinking and road safety.
- *Healthy and Resilient Communities:*
 - Under Australia's new Pacific Regional Clinical Services and Workforce Improvement Program, the Royal Australasian College of Surgeons (RACS) deployed visiting medical teams to 10 Pacific countries in 12 specialised areas (e.g. anaesthesiology, cardiology, and gastroenterology). These teams conducted 884 consultations and 162 operations, and supported capacity building for 231 Pacific island health professionals.
 - As Co-Chair of the Green Climate Fund (GCF) Board, Australia has supported accessibility to funding with the GCF approving a further four projects in the Pacific, with a total value of \$184 million.
 - DFAT completed a stocktake of Pacific country programs to determine current expenditure and identify opportunities to mainstream climate change and disaster resilience across our investments.
 - Strong Australian support through the Climate and Oceans Support Program in the Pacific (COSPPac) has progressed regional capacity to deliver meteorological services.
- *Empowering women and girls:*
 - Pacific Women's Markets for Change (M4C) program provided financial literacy training inclusive of record keeping, business management and budgeting for 1,689 women market vendors and agricultural practices training for 845 women vendor-farmers, resulting in improved financial management and agricultural productivity.

The Pacific Regional program has achieved sound progress in 2017 given the challenging environment for aid delivery. Consolidation of the Pacific Regional program into a smaller number of larger and more effective

investments has continued with 66 investments in 2016-17 reduced from a July 2013 baseline of 98. This is a 33 per cent reduction. We will continue to rationalise the regional program to make funding available for new priorities of the government which will emerge from the Foreign Policy White Paper and Australia's step-up in engagement with the Pacific. Our aims and benchmarks will shift as a result of these processes to maintain alignment with DFAT's priorities in economic integration, gender equality, trade, foreign policy and complementarity with Pacific bilateral aid programs.¹

Gender equality is included in all objectives as well as being a stand-alone objective, in recognition of the need for both targeted and mainstreamed approaches.

CONTEXT

The Pacific faces a range of challenges. In many Pacific countries economic growth is not keeping pace with population growth, despite strong and diverse investments. Geographic distances and weak infrastructure reduces international trade incentives. Narrow production bases and an ongoing reliance on imported fuel supplies render the majority of Pacific island countries exposed to commodity price fluctuations. Overfishing, population growth and environmental factors threaten the sustainability of the fisheries resources on which Pacific island economies and communities depend. Employment prospects are low and the poorest Pacific countries have limited access to external labour markets.² The formal private sector is typically small with significant informal economies. The high degree of informality reduces taxation revenue that would otherwise be available to increase government spending on health and education. Greater regional integration is therefore necessary to leverage economies of scale.

We continue to boost effectiveness of regional institutions through a broad range of partnerships and provision of core funding to five major Pacific regional organisations: the Pacific Islands Forum Secretariat (PIFS), the Pacific Community (SPC), the Secretariat of the Pacific Regional Environment Programme (SPREP), Forum Fisheries Agency (FFA) and the University of the South Pacific (USP). Over the past year, regional institutions have made progress towards achieving sustainable budget management.

Progress towards the development of healthy and resilient communities is mixed. The burden of non-communicable diseases is increasing, and communicable disease outbreaks are common. Unmet need for family planning is high and in eight countries, the adolescent birth rate is increasing. Projections suggest that many Pacific Island Countries (PICs) will fail to meet the under-five mortality Sustainable Development Goal (SDG).

Widespread violence against women, their lack of visibility in formal leadership and decision-making roles and limited opportunities in the formal economic sector further weakens and reduces the region's capacity. Women represent 6.9 per cent of elected members to national parliaments, which is well below the global average of 23.3 per cent.³

Disability inclusive development remains a challenge for the region. An estimated 17% of people in the Pacific have some form of disability. Less than 10% of children with disabilities in the Asia Pacific region attend school and the rate of unemployment for persons with a disability in the Asia Pacific Region ranges from 50 to 90 per cent⁴. The growing epidemic of non-communicable diseases in the Pacific is increasing the rate of early death, illness and disability. Non-communicable disease (NCD) prevention and control is an important strategy for disability prevention in the Pacific.

Pacific Island Countries are particularly vulnerable to the effects of climate change, which exacerbate broader development challenges, heighten the risks to livelihoods, food security and compound security challenges. For example, in 2016 Tropical Cyclone Winston caused massive social and economic consequences, leaving 44 dead and a damage bill of more than \$2.5 billion. Four out of the 10 most disaster prone countries in the world are in the Pacific region (Vanuatu, Tonga, Solomon Islands, Papua New Guinea).⁵

¹ Australian Government (2016) Aid Investment Plan; Pacific Regional, 2015-16 to 2018-19, 10.

² World Bank (2016) *Pacific Possible: Labour Mobility*, p7.

³ Pacific Women (2016) <http://www.pacificwomen.org/about/about-pwspd/>.

⁴ <http://www.pacificdisability.org/About-Us/Disability-in-the-Pacific.aspx>

⁵ The World Risk Index 2016 https://collections.unu.edu/eserv/UNU:5763/WorldRiskReport2016_small.pdf

Australia remains the largest aid donor to the Pacific contributing 43 per cent of all official development assistance (ODA).¹ However, there is an increasing number of donors operating in the Pacific. As a part of Australia's broader aid program, the Pacific regional portfolio seeks to play a complementary role in overseas development alongside the work of bilateral and other donor investments.

In 2016-17, we have maintained a focus on investing in areas where a regional rather than a bilateral approach would be more effective. We have also retained the use of the Aid Investment Plan (AIP) to provide objectives. Looking ahead, the 2017-18 release of the Foreign Policy White Paper and Australia's step-up in engagement with the Pacific will reshape objectives and targets.

EXPENDITURE

Expenditure through the Pacific Regional program was \$165.4 million in 2016-17. The allocation for 2016-17 was 10 per cent less than the allocation for 2015-16, but expected to rise in subsequent years². In addition, since 2015-16, funding for the regional elements of Pacific Women Shaping Pacific Development is allocated from the Gender Equality Fund. In 2016-17, this amounted to \$13.5 million, an increase of \$500,000 from the previous year.

The Pacific Regional program includes activities where benefit can be attributed to particular countries. In 2016-17, this was \$79.6 million. This amount is counted towards the total ODA of these recipient countries.

Table 1 Total ODA Expenditure in FY 2016-17

Objective	A\$ million	% of total ODA
Pacific Regional		
Objective 1: Economic Growth	78.6	60.8%
<i>Private Sector Initiatives and Aid for Trade</i>	16.7	12.9%
<i>Labour Mobility</i>	4.1	3.2%
<i>Fisheries</i>	8.6	6.7%
<i>Education</i>	49.2	38.0%
Objective 2: Effective Regional Institutions	49.8	38.5%
<i>Regional Institutions (PIFs and SPC)</i>	20.8	16.1%
<i>Governance</i>	29.0	22.4%
Objective 3: Healthy and Resilient Communities	23.3	18.0%
<i>Health and Disability Support</i>	6.9	5.4%
<i>Climate Change Adaptation and Disaster Risk Reduction</i>	16.4	12.6%
Objective 4: Empowering Women and Girls	13.7	10.6%
Sub-Total Pacific Regional	165.4	128.0%
LESS flows attributed to Pacific countries	-79.6	-61.6
Regional and Global	31.9	24.7%
Other Government Departments	11.6	8.9%
Total ODA Expenditure	129.3	100%

PROGRESS TOWARDS OBJECTIVES

2016-17 progress ratings for Economic Growth and Empowerment of Women and Girls remained green. This is due to both benchmark achievement and clear investment level performance. Private sector development, aid for trade, fisheries and education programs all produced strong results. Continuing support will be needed to further mainstream gender equality considerations and responses in all Pacific regional investments following a moderate decline in Aid Quality Check ratings in 2016-17. *Pacific Women* continues to perform well, accounting for its green rating.

¹ OECD (2017) Development Assistance Committee.

² The Pacific Regional program accounts for 13.9 per cent of the Pacific Aid Program in 2016-17.

2016-17 progress ratings for the Effective Regional Institutions and Healthy and Resilient Communities and objectives remained at amber. In the climate change sector, progress towards effective regional institutions is slower than anticipated. Three of Australia's most important regional partners – the Pacific Islands Forum Secretariat (PIFS), the Pacific Community (SPC) and the Secretariat for the Pacific Regional Environment Programme (SPREP) – face significant financial challenges. These organisations have had to find savings, delay recruitment, enact financial reforms and re-prioritise their work programs. In health, regional governance is steadily improving and Pacific countries have begun to implement agreed regional commitments related to non-communicable diseases. However, Progress on tackling the unmet need for family planning remains slow.

The region is making slow but steady progress towards healthy and resilient communities. However Pacific Island countries are not using available climate science to ensure risk-informed development. In health, regional governance is steadily improving and Pacific countries have begun to implement agreed regional commitments related to non-communicable diseases. Progress on tackling the unmet need for family planning remains slow. WHO reports that nine countries (of 14 that are tracked) retained their status of meeting all seven of the International Health Regulation “core capacities”, an important measure of health security and country capacity to prevent, detect and respond to infectious disease outbreaks.

Table 2 Rating of the Program's Progress towards Australia's Aid Objectives

Objective	Previous Rating	Current Rating
Objective 1: Economic Growth	Green	Green
Objective 2: Effective Regional Institutions	Amber	Amber
Objective 3: Healthy and Resilient Communities	Amber	Amber
Objective 4: Empowering Women and Girls	Green	Green

Green. Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

Amber. Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

Red. Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

OBJECTIVE 1: ECONOMIC GROWTH



In 2016-17, we aimed to leverage and accelerate the value of private sector investment and trade through substantive improvements to the business environment in the Pacific. Increasing economic growth is challenging for many Pacific countries, which are challenged by small market size, remoteness and susceptibility to natural disasters. Economic diversification and increasing trade opportunities is pivotal. Our economic growth programs seek to support key drivers of the regional economy: private sector development; trade and investment; labour mobility; education and fisheries. This work contributes to Sustainable Development Goals (SDG) 4 (Ensure inclusive and quality education for all and promote lifelong learning); 8 (Promote inclusive and sustainable economic growth, employment and decent work for all); and 14 (conserve and sustainably use the oceans, seas and marine resources). The rating has remained green because of continuing good results, including leveraging of private sector investment, increasing fishing revenues, and APTC graduates.

Private sector development

The Pacific region's challenging business climate has led to low levels of formal private sector activity. Our programs seek to address these constraints by working to improve the business environment and directly leverage private sector investment to grow the region's businesses and to support job creation.

A major focus of our private sector programs is leveraging investment. Building on lessons from innovative pilot programs established in previous years, 2016 saw a further \$53.8 million in private sector investment leveraged through Pacific regional private sector programs. Since 2013-14, \$565 million investment has been leveraged across the portfolio, progress is well ahead of 2015-16 expectations (\$528 million). This compares to approximately \$34 million invested through the aid program over this period.

Key results:

- The Pacific Financial Inclusion Programme (PFIP) reached a major milestone, enrolling almost 1.5 million customers into a new financial service or product. Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.¹
- Since 2008, the program has enrolled 799,202 women, with clients having an average savings balance of USD 132. This reflects good progress in designing products that are meeting the financial needs of customers.
- The Private Sector Development Initiative (PSDI) is focused on reducing barriers to investment and entrepreneurship across the Pacific region. Over the past decade, PSDI has: supported company law and registry reforms, which has increased the annual rate of company formation in Samoa and Solomon Islands by 114 per cent; helped implement secured transactions law and registry reform in eight countries, enabling businesses to access finance using non-land assets; and supported the restructuring and/or privatisation of 67 state-owned enterprises, leading to improved financial and operational performance (the average return on equity improved from -5.6% in 2008 to 0.6% in 2014).
- Pacific Regional Agricultural Market Access (PHAMA) continues to support the agriculture sector, for example Solomon Island farmers participating in the cocoa drier PHAMA trials, received more than double the usual farm gate price due to improvements in quality, and PHAMA's support for marketing and linkages to international boutique buyers.
- In 2016 DFAT's Pacific Partnership with the International Finance Corporation mobilised an additional \$31 million, enabling extension of services to smaller Pacific nations. The Partnership facilitated access to off-grid solar lighting/charging for an additional 226,000 people in rural PNG, and expanded mobile banking products and financial literacy training, and improved access to basic financial services (financial inclusion) for an additional 112,000 people. The New Zealand/Tonga remittance product, "Ave Pa'anga Pau" (Send Money Home) voucher, was launched, creating a stable, secure and affordable new channel for vital remittances to flow.
- DFAT's pilot with The Difference Incubator (first reported in the 2015-16 APPR) delivered its first investments, facilitating two deals with Pacific enterprises worth a combined total of \$850,000. These investments, from an Australian private capital fund, will help a Samoan coconut factory and a Vanuatu coffee producer expand their operations and generate employment for farmers.
- To replicate and scale the successes of the pilot, DFAT established a new program to connect Australian and international investors to Pacific social enterprises. As of June 2017, the program (called the Pacific Readiness for Investment in Social Enterprise, or Pacific RISE) was supporting six partners, in addition to continuing work with The Difference Incubator, to scope products, organisations and social issues that have

¹ World Bank Group (2017) <http://www.worldbank.org/en/topic/financialinclusion>.

the potential to benefit from investment. There are a number of investments in the pipeline that we expect will deliver results in the next APPR reporting period.

Factors affecting progress and future action:

Private sector development investments are mainly on track and are achieving their anticipated results. Notwithstanding this progress, private sector development across the region depends on a range of factors. These include commercial decisions of firms, the business operating environment in particular countries (including governance, security, law and order), and international trends such as commodity demand and price fluctuations. For these reasons, we maintain a diversified portfolio of approaches and activities, with the knowledge that not all of our efforts will yield outcomes consistently across the board.

The challenge of ensuring a sufficiently diverse portfolio becomes even more acute when piloting new activities. We must demonstrate early successes to build confidence and momentum in new approaches, but private capital is generally risk averse. For these reasons, early results are often concentrated in lower risk and more commercially prospective contexts.

Our priority is to replicate successes that new program models have demonstrated. This will require further innovation within our program portfolio as we seek to expand the geographic reach and unlock the private sector potential in new and more challenging markets.

Aid for trade

The externally traded sector in the Pacific faces many of the same difficulties as domestic focused industries, with the added challenges of geographic isolation and weak transport networks that raise logistic costs. Our trade and investment-related assistance aims to help Pacific Island countries to become more active partners in, and benefit from, the regional and global trading system, in turn creating new opportunities for economic growth, jobs and rising living standards.

As negotiations for the Pacific Agreement on Closer Economic Relations Plus (PACER Plus) approached their conclusion (the agreement was signed in June 2017), DFAT accelerated our aid for trade activities to capitalise on the agreement's potential.

Key results:

- Australia's support for the Office of the Chief Trade Adviser (OCTA) helped build the capacity of Forum Island Country¹ (FIC) trade officials and ministries. OCTA provided advice and direct support for FIC participation in PACER Plus negotiations, including conducting independent research and analysis and coordinating negotiating positions. OCTA's work resulted in the successful conclusion of the agreement, which Trade Ministers jointly hailed as a "landmark trade and development agreement... that will make it easier for businesses to trade and invest across the region"².
- Alongside work to support PACER Plus, in 2016 DFAT's funding for the Pacific Islands Trade and Investment network (PT&I) helped facilitate exports worth approximately \$18.8 million and helped attract around \$8.4 million in investment. This included assisting 110 women-led businesses in 58 deals worth over \$2.9 million in exports.
- The Pacific Horticultural and Agricultural Market Access Program (PHAMA) worked closely with the Government of Tonga and its squash industry to help open export to China; enabled four successful cocoa industry training sessions in Solomon Islands; and supported consultations with 267 kava farmers in Fiji to help develop Kava standards and a quality manual to improve standards for export.

Factors affecting progress and future action:

Although growth in the world economy improved in 2016, shifts in international trade policies and mixed prospects for the prices of Pacific commodities provide some challenges for the trade outlook. Our programs will

¹ Cook Islands Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

² Joint Ministerial statement on conclusion of PACER Plus: <http://www.octapic.org/pacer-plus-a-landmark-trade-and-development-agreement-for-the-pacific-region/>

be sensitive to these developments, including by exploiting emerging opportunities in tourism and niche agricultural commodities.

Recognising that the process of ratification of multilateral trade agreements can take time, Australia will provide a package of immediate technical support for preparation, ratification and early adjustment in advance of the PACER Plus agreement entering into force. This will respond to a needs assessment undertaken by the Office of the Chief Trade Adviser (OCTA) and will enable signatories to reap early benefits from the Agreement.

Fisheries

Fisheries is a critical industry across the Pacific and is a key source of revenue and employment with the offshore tuna sector providing approximately US\$450 (A\$568 million) in direct revenue to Pacific Island governments in 2015. This is an increase of US\$100 million from US\$350 million in 2014¹. Foreign fishing access fees make an important contribution to FFA members' finances – representing around half of government revenue (excluding grants) in five Pacific island countries (FSM, Kiribati, Marshall Island, Nauru, Tuvalu) and 98 percent in one country (Tokelau).

Total tuna-related employment increased steadily between 2008 and 2015 rising from around 12,000 to 23,000 jobs. The level of employment between 2014 and 2015 is almost the same. The onshore processing sector accounts for around 11,000 jobs with women making up between 70 and 90 per cent of this workforce.

Despite increases in fisheries revenues, our ongoing investment in 2016-17 has been necessary to assist Pacific island countries to address key challenges including ensuring zone-based management, reducing illegal, unreported and unregulated (IUU) fishing; restricting fishing on high seas; and establishing high standards for employment in the sector. Due to the highly migratory nature of fish stocks, a regional approach is required to address these priorities outlined in the Regional Roadmap for Sustainable Pacific Fisheries ('the Roadmap').

Australia's core funding support to the FFA (\$5 million per year) has facilitated its successful engagement in the complex management of offshore tuna stocks, ensuring the integrity of the region's fisheries governance regime. Our support to the Fisheries, Aquaculture and Marine Ecosystems Division of the Pacific Community (SPC FAME) funds world-class stock assessments for offshore fisheries. FAME is the primary science provider for the Western and Central Pacific Fisheries Commission (WCPFC) and its 26 member countries through rigorous review process each year.

Sustainability in the inshore sector is crucial to ensuring food and livelihood security across the region. SPC-FAME is taking a lead role in responding to the growing challenges in the inshore sector and Australia's support is further discussed under Objective 3: Healthy and Resilient Communities.

Key results:

- **Economic returns:** Our core funding to FFA, has enabled it to successfully manage the foreign access fee scheme for the region. Revenues, employment and exports have all increased, despite some downward pressure on tuna prices. The value of access fees paid by foreign vessels to FFA members has risen sharply over recent years from less than USD 100 million in 2010 to approximately USD450 million in 2015 (the most recently available figure).²
- **Fisheries governance:** FFA conducted seven successful monitoring, control and Surveillance (MCS) operations in 2016-17 and has forwarded 264 cases/incidents to 10 member countries for information or action.
- **Australian policy engagement in regional fisheries forums** made important contributions to our fisheries development objectives, including by securing WCPFC endorsement of amendments to the Harvest Strategy work plan, which allows countries to agree on targets for long-term sustainability and profitability, and supporting a new WCPFC measure to strengthen observer safety on fishing vessels.

¹ There is historical delay in publication of fisheries revenue in the Pacific. 2016 data is not available until mid-2018.

² Forum Fisheries Agency (2016) Tuna Development Indicators

Factors affecting progress and future actions:

Challenges relate primarily to overfishing by modern, including foreign, fleets. This threatens the sustainability of the fisheries resources on which many Pacific Island economies and communities depend. We need to improve understanding of, and support for, the harvest strategy approach, particularly among 'distant water fishing nations'. Broader transparency and governance issues, and the high cost of doing business, affect the success of local industry development and employment generation.

In 2017-18, Australia will work with our regional partners to help implement the Roadmap, to improve sustainability and profitability in both the inshore and offshore fisheries sectors. Australia's aid investments will continue to work with our policy engagement to achieve our development objectives in the Pacific. The new Pacific Maritime Security Program, the implementation of the Niue Treaty Subsidiary Agreement and other moves to strengthen monitoring and surveillance data and information sharing in line with Australia's 'stepped-up' engagement in the Pacific will be key elements over the coming years. The development of harvest strategies for all key tuna stocks is an ambitious and lengthy process requiring the full cooperation of all WCPFC members.

Education

While the region has achieved positive results, such as increased school enrolments, the Pacific's low education and training outcomes constrain economic development. Employers remain frustrated that skills and attributes gained by the Pacific's secondary and post-secondary graduates do not align with job requirements. The Pacific Regional program will continue to complement the efforts of national systems to improve student acquisition of vital literacy and numeracy skills, and to better prepare post-secondary graduates for entry into the workforce.

In 2016-17, the regional education program saw strong progress in its support for provision of quality tertiary education. Australia is USP's largest financial partner and our core-funding supported the provision of quality, internationally-recognised higher education in the Pacific. Australia also funded the Pacific Community's (SPC) Educational Quality and Assessment Programme (EQAP) and a regional facility for Education Management Information Systems (EMIS).

Key results:

- In 2016 APTC reached the milestone of over 10,000 Pacific Islander (40 per cent women) graduates with internationally-recognised qualifications in areas of demand since commencing in 2007. In 2016, more than 1,100 Pacific Islanders graduated. More than 95 per cent are employed. APTC collects, analyses and uses data on disability inclusion, and in Stage 2, 58 (1%) of graduates stated they had a disability.
- The mid-term review of the USP Strategic Plan, funded by the Pacific Regional program, found there has been considerable progress made and the University is on track to meet its Strategic Plan targets. In 2016, 3,916 students (58 per cent women) graduated from USP. Eighteen programs have been internationally accredited and four have been granted recognition status. Improvements to USP's satellite campuses in 2016 have vastly enhanced the quality and accessibility of services for students.
- EQAP analysed data from the 2015 Pacific Islands Literacy and Numeracy Assessment, prepared tailored reports and presented results to ministers and senior officials in the 13 participating countries to improve regional awareness of education quality issues.¹
- The EMIS project supported innovation in data collection in Vanuatu and Kiribati by using tablets and the internet, which reduced the administrative burden on schools and data collection times.² This new approach has the potential to be adopted by other Pacific countries.

Factors affecting progress and future actions:

¹ SPC EQAP (2017). *Educational Quality and Assessment Programme Results Report for 2016* [unpublished]

² SPC (2017). *Regional EMIS Facility Annual Performance Report*. [unpublished] and <http://www.spc.int/blog/pacific-community-digitalizes-education-data-collection-in-kiribati/>

The regional education Sector Investment Plan (SIP) will provide a strong framework for guiding the development and management of investments in the sector. The SIP has a principle of inclusive development, promoting equal opportunities and outcomes for all, both in our investments and in policy dialogue with Pacific education systems.

In 2016-17, DFAT designed a future phase of APTC. Building on its record of achievement, APTC in Stage 3 will be more firmly embedded into Pacific TVET systems; more closely connected to the needs of Pacific employers; and more actively engaged in supporting labour mobility and migration for its graduates. APTC will also seek to foster improved graduate access to Australia's employment market. In 2017-18, DFAT will commence procurement and transition to the new phase.

In 2017-18, we will work with the USP to develop a targeted intervention to improve the quality of teacher training and development for the region. We will work with SPC and New Zealand to develop a strengthened program of support for EQAP, which will also integrate the EMIS objectives into its revised scope.

Labour Mobility and remittances

DFAT's support for labour mobility in the Pacific (and Timor Leste) is helping tackle high rates of youth unemployment, creating incentives for local investment in education and skills development, and significantly increasing incomes and remittance flows to the region.¹

DFAT's Labour Mobility Assistance Programme (LMAP) helps workers from the Pacific islands and Timor-Leste benefit from Australia's Seasonal Worker Programme (SWP), led by the Department of Employment. The focus on DFAT's investments in 2016-17 was on improving worker preparedness, increasing the development impact of earnings, and undertaking research on the social and economic impacts of seasonal work to inform future policy development and the management of labour mobility. With LMAP support for management of workers and pre-departure briefings, Tonga was able to continue sending over 2600 workers per year, the highest of any participating country. However, this high participation rate also created implementation issues for employers, varying quality of pre-departure briefing and insufficient support for workers to successfully reintegrate at home.

To maximise the development impact of workers' earnings through the SWP, DFAT funds the Pacific Financial Inclusion Program to support workers to better manage and use their savings productively, and Send Money Pacific to reduce the cost of remittances.

The Northern Australia Worker Pilot Program commenced in May 2016. It will bring up to 250 workers from Kiribati, Nauru and Tuvalu to work in Northern Australia for 2-3 years in low and semi-skilled occupations. The workers for the Pilot are drawn from a range of education facilities, including the APTC and supported by pastoral care arrangements in Australia.

Key results

LMAP supports Labour Sending Units (LSUs) in participating countries to improve the preparedness and productivity of seasonal workers. In 2016-17, key achievements included:

- contributing to the increase in participation in the SWP to 6,166 from 4,490 the previous year; the number of women increased from 623 to 890 in the same period;
- enabling the equivalent of \$30 million in remittances to the Pacific in 2016-17, based on World Bank estimates of an average of \$5000 remitted per worker per year;
- support for marketing to grow demand for seasonal workers helped expand the number of ni-Vanuatu seasonal workers by 79 per cent to 2,150, up from 1,198 in 2015-16;
- developing country specific marketing plans, implementing more transparent and objective selection screening processes, new or improved pre-departure briefing content, financial literacy training, and a pilot re-integration workshop for returning seasonal workers;

¹ World Bank (2016) Pacific Possible: Labour Mobility (p5-11).

- recognising the limited participation of women and people with disability in the SWP, pilot programs targeting Women in Agriculture (PNG) and Benefitting People with Disabilities (Vanuatu) commenced and are actively seeking participants; and
- commissioning tracer studies to understand the impact of the SWP on communities in PNG, Timor Leste and Vanuatu. 176 workers were interviewed and found overwhelmingly positive impacts of the SWP on home communities. The studies recorded high levels of satisfaction with the program and perceptions that skills learned in Australia would be of use at home.

DFAT led international engagement with sending countries to enable the commencement of the Northern Australia Worker Pilot program. Key achievements included:

- entering Memorandums of Understanding with the Governments of Kiribati, Tuvalu and Nauru;
- two tourism and hospitality industry employers in Northern Queensland are approved employers for the pilot and collectively employ 32 workers, of which 76 per cent are women;
- workers received DFAT funded pre-departure and on-arrival assistance to enable a successful transition to working life in Australia.

Factors affecting progress and future action

More Australian employers have come on board in the SWP in 2016-17, however employers and industry continued to push for further streamlining of the Programme.¹

Responding to individual country contexts has led to complex and differing implementation arrangements across the Pacific, which can be confusing for employers. However, trialling different approaches can provide evidence on the effectiveness of different models and participating countries can learn from one another. For example, Solomon Islands recently outsourced its management of the work ready pool for workers to increase the involvement of the local private sector.

Many sending countries have only made modest growth in sending seasonal workers, and even high labour-sending countries have identified the need to spread opportunities across provinces and districts to ensure benefits are equitably distributed.

LMAP made only limited progress in establishing a labour mobility information system in sending countries, due to challenges in developing common systems and aligning with New Zealand's assistance in this area. In 2017-18, Australia and New Zealand will pilot a joint database in Kiribati to streamline our approaches.

Uptake of the Northern Australia Worker Pilot program was slower than expected as potential participants recovered from the impact of Tropical Cyclone Debbie. However, momentum has increased with employers in the tourism and hospitality sector extending new offers of employment and employers in the fisheries industry looking to join the program. To boost demand and better prepare workers, DFAT is developing a tailored training package for prospective workers covering English language, customer service and soft skills. This will better prepare applicants and help meet employer expectations on the quality of workers available for employment.

As part of Australia's efforts to step-up its Pacific engagement, the Northern Australia Worker Pilot is due to be replaced by a broader Pacific Labour Scheme (PLS). Kiribati, Nauru and Tuvalu will retain priority access and from early 2018, access to the PLS will be progressively extended to other PICs. Alongside the PLS, a new Pacific Labour Facility (PLF) will support the administration of the PLS and provide pastoral care services for Pacific workers. The SWP will also be streamlined to increase uptake.

World Bank leverage

DFAT, with New Zealand, has underpinned the World Bank's Pacific footprint by supplementing its operational and staffing budget (approximately \$5 million annually for the last 4 years) to help expand its investment portfolio and undertake technical and analytical work. This supplementation has enabled the Bank to commit over \$450 million in new investments thereby increasing its Pacific portfolio to over \$1.7 billion. In addition, the DFAT

¹ DAWR (2016) Working Holiday Maker Visa review. Accessed at: <http://www.agriculture.gov.au/ag-farm-food/working-holiday-maker-review>

supplementation funded the production of a significant analytical piece - Pacific Possible. This is research into transformative opportunities for the region over the next 25 years, to develop a common development roadmap for governments, donors and regional organisations. Pacific Possible identifies the biggest challenges and opportunities as tourism (including aviation), labour mobility, knowledge economy, fisheries, deep-sea mining, climate change and natural disaster preparedness, and non-communicable diseases.

OBJECTIVE 2: EFFECTIVE REGIONAL INSTITUTIONS



Regional Organisations

Australia partners with five major Pacific regional organisations: the Pacific Islands Forum (PIF), the Pacific Community (SPC), the Secretariat of the Pacific Regional Environment Programme (SPREP), Forum Fisheries Agency (FFA) and the University of the South Pacific (USP). Regional organisations play an important role in the Pacific. Their comparative advantage includes a convening mandate with political and bureaucratic leaders; their mandate for regional coordination on policy and programming; their key role in information gathering and dissemination through portals; provision of education, training and applied research; representatives of, and advocates for, often marginalised groups (eg women, people with disabilities and young people). Regional approaches are strategically relevant to the Aid Program as they can help set, and support countries to meet, norms and standards.

Organisations are effective when they are achieving their intended outcomes and effectively using resources, including those from donors. In 2016-17, we provided support for Pacific regional institutions to improve their governance, corporate administration and accountability to their members.¹ The rating for this objective has remained at amber. While there has been good results and progress with the governance investments there is still more progress to be made with strengthening regional institutions.

We also assisted regional organisations to implement projects, in particular in climate, disaster risk reduction and fisheries. This work contributes to SDG Goal 16 (Promote just, peaceful and inclusive societies) as well as supporting the Pacific to reach the other Goals mentioned in other Objectives in this APPR.

Key results:

- Australia's core and extra-budget funding and provision of technical assistance has enabled PIFS to implement PIF Leaders' priorities and to reform the organisation. PIF Leaders agreed at the 46th Leaders' Meeting in September 2015 in Port Moresby that Forum Foreign Ministers will meet annually from 2016, after the Forum Officials Committee Meeting, to assist and inform Leaders of relevant regional and international issues facing the region.
- In September 2016 at the PIF Leaders' Meeting in Pohnpei, PIF Leaders agreed on a united approach to climate change action and disaster risk reduction through a Framework for Resilient Development in the Pacific (FRDP), which brings together policy frameworks to address both climate and disaster risk reduction.
- In September 2016, SPREP enhanced its focus through a new Strategic Plan.
- In May 2017, Australia and SPC signed a renewed Partnership Arrangement to provide greater focus on Australia's support for SPC's corporate reforms.

¹ Pacific Regional Aid Investment Plan 2015-16 to 2018-19 available at <http://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-pacific-regional-2015-16-to-2018-19.aspx>.

- In 2016-17, FFA made efforts to advance corporate reform, including procurement and budgeting processes. In October 2016, FFA members endorsed revised Governance Policy and Financial Regulations. FFA also assisted three countries to ratify the Niue Treaty Subsidiary Agreement (FSM, RMI, and Australia), a framework for enhanced information sharing and cooperative enforcement activities to address illegal fishing.

Factors affecting progress and future actions:

Three of Australia's most important regional partners – PIF, SPC and SPREP – are facing significant financial challenges. These financial challenges have necessitated savings, delayed recruitment, financial reforms and prioritisation of their work programs. Australia, with other members, is helping these regional organisations to address their financial challenges including by providing tailored technical assistance.

The Office of Development Effectiveness' (ODE) 2017 Evaluation of the SPC-Government of Australia Partnership was a key opportunity for Australia to re-evaluate our strategic approach. Consequently, the following ODE recommendations have been actioned as at May 2017:

- Australia signed a renewed Partnership Arrangement with SPC which has more realistic objectives and a greater focus on how Australia can and will support the SPC as an organisation.
- Australian and the SPC finalised a revised Performance Assessment Framework (as part of the renewed Partnership Arrangement)
- Australia funded SPC to deliver a Financial Management Strengthening Project (AUD 600,000 over two years, 2017-2018) to improve direct project cost recovery in SPC

Governance

Supporting good governance in the Pacific is essential to the success of the Australian aid program's strategic objectives in the region. Good governance is fundamental to sustainable development as it is the basis for common rules and norms underpinning the rule of law. This is why the regional aid program continues to invest in government accountability, human rights and the media as important mechanisms to improve governance throughout the region.

The majority of Australia's governance assistance is delivered on a bilateral basis. Australia has a number of programs to deliver governance assistance at a regional or multicountry level, mainly in elections, technical advisor support, media, public administration and human rights.

In addition to DFAT's work, the Australian Federal Police (AFP) helps build effective regional organisations as a member of the peak regional police forum the Pacific Islands Chiefs of Police (PICP). AFP continues to be a major funding partner of the PICP Secretariat and regional forums of the PICP. Through the Pacific Police Development Program (PPDP), the Attorney-General's Department (AGD) contributes to effective governance and stability in the Pacific region, by improving policing and criminal law policy and legal frameworks and supporting their more effective implementation.

Key results:

- Throughout 2016-17, Australia continued to support Pacific electoral management bodies via the Pacific Islands, Australia and New Zealand Electoral Administrators Network (PIANZEA). PIANZEA provided training, conferences, exchanges, technical support and advice. PIANZEA strengthened the integrity of elections through election visitor programs; a regional boundary delimitations workshop; and electoral operations training across the Pacific.
- In June 2017, DFAT's Pacific Media Assistance Scheme (PACMAS) completed Phase 2 of the media development program (2011-2017). Key 2016-17 outcomes include the delivery of needs based training to media practitioners resulting in sector wide improvements; support to the Melanesian Spearhead Group's new communication policy and strategy; development and adoption of Samoa's new media Code of Practice, and technical support for nine Pacific island countries to develop and test their disaster broadcasting plans.

- Pacific Financial Technical Assistance Centre (PFTAC) has helped improve legislation: credit union oversight (Fiji, Tonga, Vanuatu); financial management (Fiji, Nauru); and revenue (Fiji income tax, Nauru business tax). Tax administration is now functionally structured in Niue, Palau, Tonga, and Vanuatu for better revenue and compliance outcomes. Fiji now prepares quarterly GDP data and National Accounts are more easily compiled in Tonga and PNG using tax and administrative data. With PFTAC assistance, Vanuatu and Micronesia now have stronger macroeconomic modeling and forecasting capacity.
- In 2016-17, the Pacific Association of Supreme Audit Institutions (PASAI) actively engaged with Legislative Committees, government entities and stakeholders of Pohnpei-Federated States of Micronesia and Tonga to strengthen the capacity of standing committee on Finance to provide support to public scrutiny of government finances on behalf of its citizens.
- In the financial year 2016-17, PACTAM2 engaged 65 advisers to work in nine Pacific island countries in the areas of health, governance, infrastructure, finance, tax, education, environment, climate change and water, sanitation and hygiene. In May 2016, a Pacific Technical Assistance Mechanism (Phase 2) Rapid Management Review assessed PACTAM2 to be an efficient and effective mechanism for providing technical assistance in the Pacific.
- The Pacific Leadership Program Phase 3 supported collective action led by Pacific Island leaders and coalitions in pursuit of policy and institutional changes and reforms. Key achievements include: passing of the Right to Information Bill by the Vanuatu Parliament following extensive community engagement by Transparency International Vanuatu; the first Public Private Dialogue in Tonga hosted by the Tonga Chamber of Commerce and Industry resulted in a Cabinet approved concept paper and a Green Growth Dialogue with over 100 participants; and training provided by the Women in Shared Decision Making coalition and the Department of Women's Affairs helped support the election of a woman as Deputy Mayor of Luganville.
- High-quality research strengthens the evidence base on which sound policy-making and program design rests. It is valuable for policy-making and program design and delivery by Australia, the Pacific and partners around the world. During 2016-17 DFAT, through the State, Society and Governance in Melanesia Program at the Australian National University, supported substantive research collaborations between Australian research institutions and academia, civil society and government partners across the region, including a major study of the 2017 PNG National Election involving over 250 Papua New Guinean researchers.
- Through the Cyber-Safety Pasifika (CSP) program the AFP has
 - trained 13 Pacific Police Officers from nine countries to ensure the ongoing delivery of the Cyber Awareness program to children and vulnerable communities in their respective countries
 - reviewed cyber based legislation in Pacific Island countries in partnership with the Australian Attorney General's Department; and
 - Delivered a basic cyber related investigations program to 20 Pacific Police to provide them with appropriate knowledge and skills to investigate these crimes.
- AGD supported the Pacific Islands Law Officers Network (PILON) to strengthen collaboration, coordination and cooperation between Pacific law and justice agencies to progress regional law and justice priorities. PILON's priority areas of sexual and gender based violence, cybercrime and environmental crime and corruption. At the request of PICP, AGD produced an overview of Pacific cybercrime legislation and a paper on information sharing in relation to criminal deportees.
- AGD continued to focus on building Pacific legal policy development and law reform capacity, through its two month Pacific Policy Twinning Program, this year hosting officers from Fiji, Solomon Islands, Papua New Guinea and Vanuatu. AGD also hosted seven Pacific law and justice officials for its Pacific Policy Champions Course. The participants reported an increase in their knowledge and skill base in legal policy development after they completed the respective programs. As a result of AGD's programs, 162 Pacific Island officials were trained or mentored during 2016/17 (77 females; 80 males; 5 gender unspecified).

Factors affecting progress and future actions:

In 2016-17, DFAT continued to rationalise regional governance activities to allow expansion of other priorities. Consolidation over the last year helped to reduce transaction across our governance portfolio.

OBJECTIVE 3: HEALTHY AND RESILIENT COMMUNITIES



Reflecting the Aid Investment Program objective, this section covers our investments in the health sector, as well as our support to strengthen resilience to the impacts of climate change. The rating for this objective will remain at amber this year. There have been improvements across investments, but further work is required to strengthen coordination. Performance benchmarks were partially met while at the investment level activities performed well across AQC ratings, with the exception of gender. This work contributes to SDG Goal 3 (Ensure healthy lives and promote well-being for all at all ages) and Goal 13 (Take urgent action to combat climate change and its impacts).

In health and disability support, we are committed to helping Pacific island countries strengthen regional health governance and promote regional norms and standards. We work with countries to strengthen regional health security; address non-communicable diseases; improve clinical services; increase access to sexual and reproductive health services; and promote disability-inclusive development.

In September 2016, Forum island leaders endorsed the Pacific Regional Framework on the Rights of Persons with Disabilities (PFRPD). The PFRPD was advocated for and submitted by PDF to the leaders through the Pacific Framework for Regionalism process. The PFRPD builds on the experiences with the Pacific Regional Strategy on Disability, supports PIC governments to promote and protect the rights of people with disabilities, and provides a regional modality to strengthen the coordination of regional interventions and partners to support national initiatives.

At the September 2016 PIF Leader's Meeting, the Prime Minister announced that Australia would spend \$300 million over four years on climate change and resilience support to the Pacific, comprising \$225 million of climate-smart investments in country and regional programs, and \$75 million in disaster resilience. This builds on our commitment to assist the region to implement the outcomes of the (July) 2015 PIF Foreign Ministers' Meeting on Disaster Management and the Sendai Framework for Disaster Risk Reduction. Australia also committed to help PICs to access the Green Climate Fund (GCF).

Pacific Regional Health

Australia's health and disability support helps women, men and children to lead long, healthy and productive lives. Our focus on supporting regional organisations, dialogue and cooperation accompanies country-level efforts to promote leadership on priority health and disability issues.

Addressing health challenges is central to helping the Pacific region remain stable while prospering economically. At country level, a strong primary health care system that delivers both prevention and early treatment to individuals and communities supports poverty reduction, productivity and women's empowerment.

The Pacific regional health program complements national health investments by focusing on challenges that benefit from a regional approach. This includes strengthening regional health governance and policy, and supporting those regional health functions that help countries to deliver quality and cost-effective health services. For example:

- Regional testing laboratories support national efforts to identify and respond to infectious disease outbreaks

- Specialised technical assistance (not available locally) supports countries to amend tax and regulatory frameworks as part of their NCD control efforts;
- Regional providers of clinical services support small countries where it is not cost effective or feasible to provide the full range of hospital services, or train the full range of specialised health personnel.
- Regional support and advocacy to improve access to sexual and reproductive health services creates momentum to accelerate national efforts.

Key results:

- Strengthening regional health security: Australia supported the Pacific Community (SPC) to coordinate the Pacific Public Health Surveillance Network (PPHSN). In 2016, SPC reported an increase from 90 to 100 per cent of Pacific laboratories referring outbreak-prone disease samples to regional reference laboratories, ensuring more accurate reporting of infectious disease outbreaks across the region.
- Strengthening the response to NCDs: SPC is working with countries to reduce the consumption of sugar-sweetened beverages (SSBs) which are recognised as a major contributor to the epidemic of obesity, which in turn drives the rise in NCDs. In 2016, five countries increased SSBs taxation with SPC's support.
- Providing clinical services: Under Australia's new Pacific Regional Clinical Services and Workforce Improvement Program, the Royal Australasian College of Surgeons (RACS) deployed visiting medical teams to 10 Pacific countries in 12 specialised areas (e.g. anaesthesiology, cardiology, and gastroenterology). These teams conducted 884 consultations and 162 operations, and supported capacity building for 231 Pacific island health professionals.
- Health workforce development: Australia provided core support to the College of Medicine, Nursing and Health Sciences at the Fiji National University, which produced 680 graduates, and accredited 5 postgraduate training sites in 2016 (Fiji, Kiribati, Samoa, Solomon Islands and Tonga).
- Improving sexual and reproductive health: Australia's support to the International Planned Parenthood Federation (IPPF) enabled women and girls in eight Pacific countries to access sexual and reproductive health services. IPPF delivered 201,487 contraceptive services in 2016, with a focus on rural, remote, poor and marginalised communities.
- Strengthening regional health governance: Establishing effective arrangements for delivering regional public goods and shared services in health is essential in the Pacific, where some health services will never be available at a country level and/or there are economies of scale for regional provision. SPC and WHO jointly convene the annual 'Heads of Health' meeting of senior officials which aims to facilitate engagement on priority regional health issues, development of common positions and standards, and effective regional cooperation. The meeting reviewed the indicators in the Healthy Islands Monitoring Framework, discussed regional issues including Zika and NCDs, and prepared for the Pacific Health Ministers' Meeting. DFAT's core funding to SPC contributes to this meeting.
- Promoting regional norms and standards: Australia supported the World Health Organization (WHO) to establish the Healthy Islands Monitoring Framework and its first baseline report, which allows a standardised and comparable approach to measuring performance in the health sector.
- The Royal Australasian College of Surgeons Pacific Islands Program provides specialised clinical services and support for national health sector capacity to prevent and reduce the incidence of disability (such as clubfoot, hearing loss, cleft lips/palates). For example, clubfoot is a congenital deformity that occurs in about one in every 1,000 live births. Without any treatment, a child's clubfoot will result in severe functional disability. National clinicians in Vanuatu are now trained to conduct clubfoot procedures and non-surgical management independently and adequately, and the Ni-Van community no longer needs to wait for the annual visiting medical teams to receive treatment.

Disability Inclusion

Australia is committed to disability inclusive development and provides regional support through partnerships with key regional organisations such as Pacific Disability Forum, Pacific Islands Forum Secretariat and Pacific Community. This is complemented by efforts to ensure bilateral programs are inclusive of and deliver benefits equally to people with disability.

DFAT has funded the Pacific Disability Forum (PDF) since 2012 to strengthen the voices of disabled peoples organisations (DPOs) advocating for the needs of people with disabilities at national, regional and international levels. This support has seen DPOs engaging in policy dialogue resulting in several PICs developing disability specific policies and the record number of PICs ratifying the CRPD (13 PICs at 30 June 2017).

Key results:

- Australia provided financial support to the Pacific Disability Forum to provide training to its member organisations, the national Disabled People's Organisations (DPOs). A 2016 evaluation found that Australian support has increased DPO capacity, and over five years this has contributed to substantial changes in awareness, political commitment and policy development in 22 Pacific Island countries. Support has contributed to an additional eight countries ratifying the Convention on the Rights of Persons with Disability (CRPD) since 2010, including Fiji in June 2017.
- Australia supported the development or review of CRPD-compliant legislation in four countries (Marshall Islands, Nauru, Vanuatu and Federated States of Micronesia).
- In 2017, DFAT funded the Fifth Pacific Regional Conference on Disability, held in Apia on 24 February, which integrated consideration of women, and disability as a concurrent theme.
- Disability inclusive sexual and reproductive health and rights (SRHR) services is a key deliverable of IPPF's Partnerships for Health and Rights program. This includes the expansion of services to reach people with disabilities, and enhancing clinic infrastructure to be disability friendly. Training in disability inclusion and planning is being rolled out across Pacific countries.

Factors affecting progress and future actions:

Despite very high levels of unmet need for family planning across the region, and little improvement over a decade, sexual and reproductive health fails to attract sufficient resources or attention at national level. There is a growing momentum to tackle non-communicable diseases and improve health security, yet progress at country level remains slow. Only one country (Palau) has increased tobacco taxation to the level recommended by WHO. In global terms, Pacific countries are leading on the introduction of measures to reduce consumption of unhealthy food and drink, such as 'sugar taxes', however evidence of the impact on these measures - on consumption and on health status – remains scarce.

In 2017-18, Australia will enhance coherence between bilateral, regional and global investments through the roll-out of a new DFAT Pacific Health Strategy (2018-30). We will support the planned scale up in DFAT's health security investments through working with PIC governments and technical partners to develop the Pacific Health Security Coordination Plan and through our continuing investments in the Pacific Public Health Surveillance Network (PPHSN) through the Pacific Community (SPC). Together, these investments will strengthen Pacific countries' ability to meet the IHR core capacities.

We will focus on strengthening regional health governance for issues that require regional collaboration through our support to the Heads of Health meeting and will scale up our assistance to countries to make health systems more efficient through public financial management support. We will look to continue our support to sexual and reproductive health, complementing DFAT global programs in health and gender and ensuring a strong focus on advocacy. In NCDs, we will continue to align our support behind the "NCD Road Map" agreed in 2014, and advocate for strengthened monitoring of progress towards it.

The 2016 evaluation of Australia's regional support for disability inclusion in the Pacific noted significant achievements by DPOs in the region. DFAT's Office for Development Effectiveness (ODE) is evaluating disability

inclusion in Australian aid. The evaluation is assessing the effectiveness of our international policy influence and integration of disability inclusion in aid programming. Together with costing of an implementation plan, these evaluations will be used to guide any future support for the Pacific Framework for the Rights of Persons with Disabilities 2016-2025, which was endorsed at the 2016 Forum Leaders meeting.

Climate change adaptation and disaster risk reduction

Pacific island countries are particularly vulnerable to the effects of climate change, which exacerbate broader development challenges and heighten vulnerability to shocks. Fiji's appointment as President of the United Nations Framework Convention on Climate Change (UNFCCC) 23rd Conference of Parties (COP23) will provide the opportunity to highlight the progress and particular challenges of the Pacific region. Australia provided \$6 million to support Fiji's Presidency of COP23, of which \$2 million was earmarked for regional consultations.

Key results:

- In 2016-17, the GCF approved a further four projects in the Pacific, with a total value of \$184 million. This brings the total of approved Pacific projects to US\$251, which is 11 percent of the Fund's project portfolio. Australia has worked to actively increase the Pacific's engagement with the Fund. In 2016 we co-hosted a GCF Pacific Regional Meeting in Fiji, as well as the 15th GCF Board meeting in Samoa, which was the largest climate finance meeting in the Pacific to date.
- Delivery on the 2015 PIF commitments on disaster management includes the Climate Risk and Early Warning System (CREWS) Steering Committee adopting a Pacific Regional project to strengthen the Regional Specialised Meteorological Centre based in Fiji. The Centre will also provide services to the Cook Islands, Kiribati, Nauru, Niue, Tokelau and Tuvalu. In addition, Australia provides funding to Australian and International NGOs which support and work with local and national actors to implement preparedness and response activities. The Australian Humanitarian Partnership (AHP) is a new five-year (2017-2022), \$50 million partnership with six Australian NGOs and their consortium partners, to strengthen the ability of local communities and organisations in the Pacific to prepare for and respond to crises.
- With strong regional ownership of meteorological services and increasing capacity within regional organisations, the Climate and Oceans Support Program in the Pacific (COSPPac) has started to transfer the delivery of National Meteorological Services (NMS) and products to the region. The Bureau of Meteorology (BoM) has signed RoUs with the Pacific Community (SPC) and SPREP. NMSs have valued the continuation of service delivery during the transition time.
- The Pacific Risk Resilience Program (PRRP) has allowed development planners (at all levels) to access and use climate and disaster information, such as user-friendly risk maps that translate complex climate and disaster data into tailored user friendly products. In Solomon Islands, a new Geographical Information System (GIS) post and Risk Information Unit have used risk maps to inform planning of a number of projects, including drought recovery and community development planning in Guadalcanal province, and preparedness work (mapping of available water sources) for future El Nino events. In addition, Fiji's Ministry of Agriculture and the Food Security and Livelihood Cluster used data on vulnerability to climate change and food security to inform the delivery of their TC Winston recovery effort.
- The Interim Climate Change Support Unit (ISU) completed a review of regional and bilateral programs to identify investments related to climate change in the Pacific. The review showed that we are largely on track to meet the commitment of \$300 million over four years, and there is room for improvement in terms of the quality of climate change integration. The ISU worked with Pacific Posts to develop and commence implementation of a work plan for integrating climate change into bilateral activities.
- DFAT has supported workshops for Pacific Women Climate Change Negotiators in partnership with the Women's Environment Development Organisation (WEDO). Workshop activities focus on developing

negotiation, communication and leadership skills with the aim of strengthening participants' capacity to effectively engage in UNFCCC processes.

Factors affecting progress and future actions:

In 2016-17, DFAT commenced design of a new regional Australia Pacific Climate Change Action program, informed by consultations across the region. The related gender and social inclusion analysis found that the differential impacts of climate change are insufficiently addressed in our investments in the Pacific. The new program will provide targeted support to address gender mainstreaming in our climate change activities.

As Co-Chair of the GCF (until late 2017) and Board member, Australia has continued to use its leadership role to advocate the particular needs of the Pacific region, and for approval of Pacific projects. In July 2017 Australia will co-host a GCF Pacific Regional Structured Dialogue in Tonga, to bring together Pacific ministers, GCF focal points, implementing entities, civil society and the private sector to help PICs build their internal capacity to access the GCF. PICs have criticised the slow disbursement of funds for approved GCF projects, which is related to finalisation of the necessary legal agreements with implementing partners.

Australia supported regional organisations, including the SPC and SPREP, to develop a Framework for Disaster and Climate Resilient Development that was endorsed in 2016. In 2017-18 we will support implementation.

Sustainable fisheries for food security and nutrition

The increasing demand for coastal fisheries resources from growing populations, combined with a decline in fish from overfishing, habitat destruction and climate change impacts, is creating a food security crisis. Within 15 years, an additional 100,000+ tonnes of fish per year will be needed across the region for good nutrition. Without changes in practice, up to 75 per cent of Pacific communities will not be able to meet their food security needs from coastal fisheries by 2030. Through partnership with SPC FAME (\$2.4 million annually), Australia helps scale up and coordinate regional efforts to improve coastal fisheries conservation and management in line with the region's *New Song for Coastal Fisheries* (2015). The importance of coastal fisheries to food security, communities and health issues, particularly non-communicable disease, was highlighted at the PIF Leaders meeting in September 2016.

Australia, through the Australian Centre for International Agricultural Research (ACIAR), is working to help implement the *New Song for Coastal Fisheries* through funding for a community-based fisheries management (CBFM, Phase I) project. Through this project, we are helping communities in Kiribati, Solomon Islands and Vanuatu to manage their inshore fish resources sustainably. An independent evaluation of the CBFM Phase I project will be included in the 2017-18 APPR. The project will be scaled-up (in terms of geographic coverage and depth) through CBFM Phase II (\$6 million, 2017-2021), with a focus on stronger development and gender outcomes.

Key results

- PIF Leaders tasked SPC (September 2016) to coordinate with National Fisheries Agencies, regional agencies and community groups, to strengthen support and resourcing for coastal fisheries management. The 10th Heads of Fisheries meeting (March 2017) and 102nd Forum Fisheries Committee Officials meeting (May 2017) endorsed the establishment of a Coastal Fisheries Working Group to promote proactive engagement, cooperation and effective use of resources for coastal fisheries management at the national, sub-national and community levels.
- Coastal fisheries and ecosystem data management systems were utilised by 10 Pacific island countries and territories to enter and manage their coastal data. Pacific Fisheries Ministers endorsed the 2017 Coastal Fisheries Report Card (July 2017), which has been amended to harmonise regional reporting on the coastal fisheries goals and objectives in the *New Song for Coastal Fisheries* and the *Regional Roadmap for Sustainable Pacific Fisheries*.

- In partnership with ACIAR, we supported 28 villages and 7400 people in community based fisheries management (CBFM) pilot sites in Kiribati, Vanuatu and Solomon Islands to strengthen inshore fisheries management for food security and livelihoods. To date, 21 high quality documents were produced for use by regional and national agencies to enhance fish identification and sustainable management by communities (e.g. fish identification books designed for community reference and use).

Factors affecting progress and future actions:

Population growth, overfishing and climate change impacts threaten inshore fisheries. The sector struggles to secure funding for development and management of coastal resources, compared to the lucrative offshore fishing industry. In 2017-18, Australia will work with regional partners to help implement the *New Song* to enhance coordination and sustainability in the inshore fisheries sector. The increased incidence of Vietnamese vessels fishing illegally bêche-de-mer and other species in FFA members' waters will require stronger coastal monitoring and surveillance systems.

OBJECTIVE 4: EMPOWERING WOMEN AND GIRLS



Under this objective, we are primarily reporting on Pacific Women Shaping Pacific Development (*Pacific Women*) which is DFAT's largest gender equality program. However we have included results achieved through other sectoral programs in recognition of the whole of aid program response, through both mainstreamed and gender-specific work. In addition, DFAT is implementing a comprehensive response to gender inequality across the Pacific through all elements of the Department's work: foreign and strategic policy; economic diplomacy and trade; and the aid program.

We continue to work to reduce violence against women and increase access to justice and support services for survivors of violence, help to increase women's leadership and decision-making opportunities; expand women's economic opportunities; and work with Pacific communities and organisations to change the legal and social environment to enable women's empowerment and child protection. This work contributes to SDG 5 (Achieve gender equality and empower all women and girls).

In addition to DFAT, the AFP seeks to actively improve gender outcomes across the Pacific Police Development Program Regional (PPDP-R) program by mainstreaming gender in operational policing; supporting women in policing in the Pacific Region; and supporting the elimination of violence against women. Conducting gender analysis of Pacific Police agencies and of the AFP PPDP-R program and mainstreaming gender across all PPDP-R program activities has produced a more gender balanced participation rate. AGD also played an active role as a member of the PILON Sexual and Gender Based Violence Working Group by supporting PILON in the development of principles for dealing with vulnerable witnesses and victims of sexual and gender based violence, and monitoring and evaluation frameworks for sexual and gender based violence legislation.

Key results:

- In December 2016, DFAT supported a Pacific Regional Consultation on Prevention of Violence against Women and Girls with forty-two participants from seven countries, including a representative from the Pacific Disability Forum. The outcome was agreement of six principles to underpin efforts in the region to ensure best practice approaches to prevention of violence against women and girls.
- Numerous Pacific faith-based organisations are using the DFAT-funded Uniting World Gender Equality Theology approach within communities in Fiji, Solomon Islands, Vanuatu and PNG. This approach works with churches and communities to reinterpret biblical passages, which have been used to justify women's lower

position in the family, and the community. This sharing of resources and a common approach to biblical messaging shows great potential, not just for faith-based organisations but women's organisations across the region.

- Research on the ability of women and girls to meet their menstrual hygiene needs was completed in Fiji, Solomon Islands and Papua New Guinea. As a result of the community consultations in Solomon Islands, a woman-owned business was established in Honiara to produce and distribute reusable sanitary pads.
- Twenty seven Pacific Clerks and senior parliamentary staff from 13 Pacific Islands Countries and Territories and from the Autonomous Region of Bougainville attended a Facilitators Workshop in November 2016 to prepare them to deliver the "Outrigger – Navigating Gender Equality Through Pacific Parliaments" training program in their own parliaments. Some Pacific Clerks have indicated a potential role in their civics education and community outreach programs for the Outrigger because of its focus on gender equality and parliament. A closed Facebook Group for the Outrigger has been created to support parliamentary staff to share their progress.
- Through the We Rise Coalition, DFAT through *Pacific Women* is supporting coalitions for change that are inclusive of girls, young women, lesbian, bisexual and transgender women, as well as women with disabilities. The inaugural Pacific Feminist Forum hosted by We Rise brought together 130 women of diversity from across 13 countries. The forum marked a key contribution to regional movement building and resulted in unanimous endorsement of the first Pacific Feminists Charter for Change. This charter sets a framework for feminist organising, movements and policy work on key gender equality challenges in the Pacific.
- Business advisory support provided by the Pacific Business Investment Facility for women owned/managed businesses has far exceeded targets, making up 41 per cent of the PBIF services (double the target of 20%). Two women owned/managed businesses were supported to access commercial finance.
- The Pacific Leadership Program's support for coalitions for change continues to yield results for women in the Pacific, with a record number of women contesting seats in recent local government elections in Tonga following training and accompaniment by the Women in Leadership coalition. Two women candidates were successfully elected, including the first ever woman District Officer in Tonga.
- With funding from the AFP, the Fiji Women's Crisis Centre has designed and delivered four Gender & Human Rights training programs for Pacific police at all levels. In total 20 men and 24 women have been trained.
- The AFP also encourages the nomination of female representatives when selecting members for PPDP-R activities. This aims to provide females with the opportunity to further develop their skills/careers. This has resulted in gender targets being exceeded for females on the majority of the activities throughout the year.
- AFP provides to the Pacific Islands Chiefs of Police (PICP) to support their Women's Advisory Network (WAN). In 2016-17 AFP supported Pacific female police officers to participate in and contribute to the PICP Women's Advisory Network including: PICP WAN Seconded Project Officer 2016 & 2017; WAN Chairs Workshop 2016; WAN Conference 2017; PICP WAN members attendance at the Australian Council for Women and Policing (ACWAP) Awards 2016; and International Women's Law Enforcement Conference and follow up mentoring 2017.

Factors affecting progress and future actions

Working towards women's equality and empowerment is a highly complex, challenging and long-term process. Concerted effort is required due to the entrenched nature of gender inequality in the Pacific; the multiple social, legal and economic barriers to women's empowerment; the potential for backlash against Pacific women and the need to build the capacity of Pacific implementation partners. Greater focus is needed to reach the most marginalised and vulnerable populations, including women with disabilities; younger and older women; people with varied sexual orientation or gender identities. In recognition of the increased vulnerability of women and

girls with disability, DFAT drafted disability inclusion guidance for Pacific Women investments, and commenced a trial of the Washington Group Set of Questions as part of service provision for survivors of violence in Tonga.

Much of the expenditure through the regional component of *Pacific Women* has delivered an improved legal environment through support to legislative reform and training for duty officers; strengthened policy frameworks through working with governments to develop gender policies and budgets; improved coordination, voice and capacity of civil society organisations through convening meetings and training; and funding research to better understand the causes, consequences and effective responses to gender inequality. This outcomes and impacts of this foundation work can be difficult to quantify, and much of the benefit is reaped by the bilateral programs which have improved environments for their activities.

The three year evaluation of *Pacific Women* found that the program is achieving overall good progress towards the year 3 objective “By the end of the first three years of the program, the capacity, resources and relationships are established and action in key result areas is evident across the country and regional program activities”. Good groundwork has been achieved across the program in generating capacity and in generating knowledge and understanding of gender inequalities but gaps remain, especially in how to approach women’s economic empowerment and inclusive leadership and decision making. More needs to be done to ensure all capacity support, is focused on transferring skills into Pacific organisations and individuals. In all outcome areas, the ability of the program to provide sufficient coverage to lead to lasting change is a major challenge.

Evaluations undertaken of two programs funded by *Pacific Women* – the Pacific Women Parliamentary Partnerships Program and the SPC implemented Progressing Gender Equality in Pacific Island countries and Territories – will inform new phases of support to women’s formal leadership and our partnership with SPC.

We will use research results through *Pacific Women* to improve access to appropriately trained counsellors, and counselling services in the region.¹ This will provide opportunities to work with the education and health programs towards improve the level of training provided in the Pacific to women. A paper on the legal barriers to gender equality in the Pacific is in the final stages of preparation, and will be used to support advocacy on legal reform.

PERFORMANCE BENCHMARKS

The Pacific Regional program achieved six of the seven benchmarks outlined in the 2015-16 Pacific Regional Aid Investment Plan. Economic Growth benchmarks were exceeded for fishing revenue, APTC graduates, and private sector investment. While only partially achieving the benchmark on management of climate finance, a further \$184 million in funding was allocated to the Pacific under the Green Climate Fund. The partial achievement is based on monitoring and governments to inform decision-making and risk management do still not use evaluation in 2016, which identified that climate data.

In 2016-17, all benchmarks were reviewed in response to the 2015-16 Office of Development Effectiveness (ODE) Quality Review of the *Pacific Regional Aid Program Performance Review 2015-16*. Investment managers reviewed each benchmark’s; level of ambition, strategic relevance against the four Aid Investment Program objectives, integration of a gender dimension – including disaggregation, clarity and capacity to be measured. This has resulted in a more detailed contextual explanation of progress at Annex B, and the addition of new benchmarks relating to Objective 2: Effective Regional Organisations.

These changes will enable the benchmarks to better correspond to the outcomes and indicators of Partner Regional Organisations including the Pacific Community (SPC) and the Pacific Islands Forum Secretariat (PIFS) Performance Assessment Framework. We consider using them in the APPR will better align our reporting processes.

The following table provides benchmarks for the years up to 2018-19.

¹ Pacific Women Shaping Pacific Development (2017), Review of Counselling Services, p. 9.

Performance Benchmarks 2016-17 to 2018-19

			2016-17	2017-18	2018-19
Objective 1: Economic Growth					
1.	Collective action managing regional resources delivers economic benefits to Pacific governments	5% annual increase in revenue flowing to Forum Fisheries Agency Pacific island member governments from offshore tuna fisheries (draft Roadmap aim \$475 million by 2020-21)	US\$400 million (A\$528 million)	US\$420 million (A\$555 million)	US\$440 million (A\$580 million)
2	Australia Pacific technical College (APTC) provides more Pacific Islanders with internationally recognised qualifications in areas of demonstrated labour market demand.	Additional 1000 Pacific islander graduates per year with internationally recognised qualifications.	1,000 graduates	1,000 graduates	1,000 graduates
3	Aid program attracts new private sector investment that contributes to Pacific development outcomes.	Private sector investment leveraged.	US\$400 million (A\$528 million)	US\$450 million (A\$594 million)	US\$500 million (A\$660 million)
Objective 2: Effective regional institutions					
4	Collective ownership of regional organisations by Pacific island country members.	Pacific island country members engaged in decision-making at Pacific Regional Organisation governing body meetings	50%	55%	60%
5	Regional organisations have prioritised and consolidated programs focused on their comparative advantages	Regional organisations have defined clear, sensible priorities for the organisation	n/a		
		The predicted budgets of regional organisations compare well to expected expenditure	n/a		
Objective 3: Healthy and resilient communities					
6.	Pacific island countries are able to meet the challenge of climate change and risk reduction	Pacific governments are able to access and use information on climate change impacts in national planning	SPREP successfully hosts seasonal climate outlook software and resources 14 member countries.	Climate change and disaster resilience integration plans developed for 9 Pacific Country programs.	9 Pacific Island Country programs have commenced implementation of integration plans, as evidenced by the number of new investments addressing climate and other disaster risks and resilience

7.	<i>Collective action managing regional fisheries resources delivers economic benefits to Pacific countries</i>	<i>Pacific governments provide more resources (financial and human resources) to holistic community-based fisheries management approaches.</i>	<i>28 villages (7400 people) benefit from holistic community-based fisheries management approach</i>	<i>Pacific governments report on monitoring and evaluation indicators under the A New Song for Coastal Fisheries</i>	<i>ACIAR provides evidence of holistic community-based fisheries management approach in at least 3 countries.</i>
8.	<i>Pacific island government national surveillance systems effectively monitor outbreaks of infectious diseases</i>	<i>Number of Pacific island countries meeting all seven International Health Regulation core capacities.* (Currently 9 out of 14). Our aim is to maintain or increase this number each year.</i>	9+	9+	9+
Objective 4: Empowering women and girls					
9.	<i>Improved participation in decision making for women in the Pacific.</i>	<i>Number of women supported to take on leadership roles at the community, provincial and national level.</i>	5,000	5,500	6,000

*See www.who.int/topics/international_health_regulations/en/

MUTUAL OBLIGATIONS

Under the Pacific Regional program, Australia has a set of mutual obligations through its multi-year partnerships with major Pacific regional organisations. These are specified in the performance assessment frameworks attached to the Partnership Agreements. Australia holds regular High Level Consultations with relevant regional organisations to track performance against the Partnership and mutually agree future actions. Australia also works closely with other members to strengthen governance, corporate administration and performance assessment capability of regional organisations to improve their effectiveness, efficiency and ability to report on outcomes. We remain focused on improving the accountability of regional organisations to all members and giving particular recognition of the needs of smaller island states.

In 2016-17, Australia has continued to consolidate and strengthen these partnerships. We have provided consistent and reliable core funding. We have actively contributed to strategic planning and prioritisation including the development of new multi-year strategic plans for PIFS, SPC and SPREP. DFAT provided flexible, specialist support to regional organisations to progress key issues including the development of results frameworks, monitoring and evaluation and review of regional meetings. The first evaluation of the SPC – Australia Partnership Agreement has been published. We will take the opportunity with current Funding Agreements ending in the next year for the PIFS, SPC, USP, FFA, and SPREP, to further leverage improved performance and development results in a consistent manner.

PROGRAM QUALITY AND PARTNER PERFORMANCE

Overview

To ensure our investments are working effectively and achieving value for money, 11 evaluations were undertaken in 2016-17 (see Annex C). These were undertaken in the economic growth, fisheries, risk resilience, education, and gender equality sectors. Four evaluations are scheduled for 2017-18 in gender equality and agriculture.

Substantial progress has been made with consolidation to maximise efficiency of the Pacific Regional program. Consolidation of the Pacific Regional program into a smaller number of larger and more effective investments has continued. We will continue to manage the program to ensure that we can respond to new government priorities particularly in trade, climate change, private sector development and gender equality.

Analysis of Aid Quality Checks (AQC)

Aid Quality Check (AQC) satisfactory ratings for effectiveness increased from 84 per cent of investments in 2016 to 87 per cent in 2017, rebounding slightly from the downwards pressure on investments in 2016 towards more robust scoring. Efficiency and monitoring and evaluation scores dropped from 82 to 77 per cent, and from 73 to 68 per cent respectively. Sustainability saw the most encouraging gains increasing from 85 to 91 per cent, however this score needs to be closely monitored in the 2018 AQC process given the challenges to sustainability in the Pacific. Gender remains the poorest performing criteria, with a continued downwards slide dropping a further nine percentage points from 78 to 67 per cent.

Value for money continues to be achieved in the Pacific Regional program through strong continued achievement of effectiveness and efficiency ratings. The Pacific Regional program has successfully exceeded the strategic target for value for money demonstrating effectiveness and efficiency in more than 85 per cent of investments.

Between 2016 and 2017, the proportion of satisfactory ratings for gender deteriorated from 78 per cent to 67 per cent. This suggests greater attention is needed to meet the 'empowering women and girls' strategic target of 80 per cent, but also identifies the need to improve monitoring and evaluation. Often investments do not have sex disaggregated data or evidence of the benefits of their programs to women and girls. In 2017-18, we will consider how to better account for the multiple variations in results we see in performance on gender depending on whether reporting is against AQCs, benchmarks, objectives or overall gender outcomes across the Aid Program.

Performance of key delivery partners

The Pacific Regional program conducted 15 Partner Performance Assessments (PPAs) in 2017, which assessed the performance of partners in more than \$450 million in contracts. Overwhelmingly, it was demonstrated the performance of partners in the Pacific Regional program was strong. In particular, our partners were assessed as having activities with strong policy alignment and approach to risk management. In all five criteria, each receiving a rating between 1 and 6, the 10 PPA's scores averaged more than 4.6 in every criterion, increasing from 4.4 in 2016. No partner received a score of less than four in any criterion, increasing from a minimum score of three in 2016. 10 of the 15 PPAs conducted were of multilateral organisations, such as UNDP (three), UN Women (two), UNICEF (two), the ADB (two), and World Bank (two), and the other five were commercial suppliers or international NGOs. The assessments of these partners' performance were consistent with the average of the Pacific Regional program. There have been some issues with the quality and timeliness of partner deliverables. The low level of responsiveness to DFAT requests by some investments identified in 2015-16 has improved in the 2016-17 year.

Risks

The 2015-16 APPR Quality Review identified the need to strengthen the quality of risk descriptions and to link significant risks to the achievement of aid objectives. Instead of generic risks, they have been revised to address the significant risks to the achievement of objectives.

Over 2016-17 program managers attended risk management training and were required to regularly discuss risks with their stakeholders. Better records have been retained and these discussions have resulted in issues raised being dealt with in a timely manner.

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?	For emerging/ongoing risks provide a Risk Rating (low, medium, high, very high)
Continued pressure on the Pacific regional budget resulting from the increasing number of policy commitments, for example, climate change, PACER Plus implementation, and promotion of labour mobility.	Savings have been identified in existing and new investments.	Further savings will be identified and other options such as alternative funding sources and adjusting the scheduling of implementation of some investments will be investigated.	Medium
Failure of Pacific Regional Organisations and multilateral organisations to implement reforms and improve effectiveness affects program implementation.	Strong participation in working groups and provision of tailored technical assistance to support reform efforts.	Pacific Regional Governance and Organisations Branch will explore incentives for institutional reform.	High. Australia alone cannot direct outcomes in the regional organisations and progress so far has been slow.
Poor cooperation between regional and bilateral programs reduced effectiveness in Pacific Regional program.	Worked to ensure bilateral Aid Investment Plans reflected regional contributions to development relationships.	Pacific Performance and Quality Section will carry out an independent knowledge management audit to improve cooperation and knowledge sharing.	Medium. It remains difficult to coordinate across the full range of programs.
Humanitarian emergencies and disasters disrupt programs	New Risk	Climate change and disaster resilience built into aid programs (managing climate and other disaster risks), scenario planning and disaster response plans.	Medium - High

MANAGEMENT RESPONSES

Four of the six management responses identified in the 2015-16 APPR were achieved in 2016-17. We achieved our responses related to consolidation, ensured our investments met the test for regionalism, carried out spot checks on AQC ratings and delivery of evaluations.

There is no Performance Assessment Framework (PAF) for the Pacific Regional program. We decided to shift our focus to better support and provide input into the soon to be released Foreign Policy White Paper and step-up in Pacific engagement policy. These will reshape our benchmarks and targets for 2018-19 and beyond. We will then be in a better position to consider a PAF.

In 2017-18 as the Pacific Regional program shifts to implement new Aid policies and priorities, DFAT will continue to identify opportunities to better integrate gender and disability into all investments, with a particular focus on economic growth investments, including through the scale up of investments by the multilateral development banks.

We will continue to focus on strengthening the coherence between regional and bilateral programs and strengthen the alignment and complementarity of activities.

ANNEX A - PROGRESS IN ADDRESSING MANAGEMENT RESPONSES

Describe progress made against management responses in 2015-16 report

Management responses identified in 2015-16 APPR	Rating	Progress made in 2016-17
In 2016-17, we will continue with our work to consolidate the number of activities in order to improve effectiveness and efficiency of the Pacific regional program. This will involve reducing investments as some come to completion as well as transitioning our support for some activities to new management arrangements and funding support. This is required to make further funding available for new and emerging priorities of the government, including the implementation of the Pacific.	Achieved	DFAT has continued to consolidate and reduce Pacific regional governance activities to improve effectiveness and efficiency. Consolidation of the Pacific Regional program has continued with the number of investments in 2016-17 reduced to 66 from a July 2013 baseline of 98. ¹ This is a 33 per cent reduction.
We will ensure that our future investments in the regional program are consistent with the Framework for Pacific Regionalism.	Achieved	DFAT reduced funding for and scaled down the objectives of regional governance programs to better align the programs with the Government's strategic priorities. For example, the Pacific Media Assistance Scheme (PACMAS) Phase 3 (2017-2019) design prescribes the four thematic activity pillars to reflect the APPR's key objectives (and government strategic priorities): 1) Increased economic growth; 2) Healthy and resilient communities; 3) More efficient regional institutions and 4) Empowerment of women and girls. DFAT has consulted the Framework For Pacific Regionalism Test in the design of new activities, including the Pacific Islands, Australia and New Zealand Electoral Administration Network (PIANZEA), the Pacific Community's Regional Rights Resource Team (RRRT), the International Monetary Fund's Pacific Technical Assistance Center (PFTAC) and the Pacific Media Assistance Scheme.
There is currently no Performance Assessment Framework for the Pacific Regional program. We will consider developing one in 2016-17.	Not achieved	There is no Performance Assessment Framework (PAF) for the Pacific Regional program. We decided to shift our focus to better support and provide input into the soon to be released Foreign Policy White Paper and Australia's step-up in engagement with the Pacific. These will reshape our benchmarks and targets for 2018-19 and beyond. We will then be in a better position to consider a PAF.
In 2016-17, we will continue to make progress with the government's strategic targets, in particular expenditure on aid for trade and empowering women and girls. We will complete an audit of gender equality in regional programs and make recommendations on actions for program improvement in order to meet the 80 per cent strategic target.	Partially achieved	A gender audit of regional economic growth programs is underway and will be used to identify the extent to which they align with DFAT's Gender Equality and Women's Empowerment Strategy and identify entry points and actions that will strengthen gender equality outcomes within each program and the Economic Growth portfolio.

¹ During 2016-17, DFAT proposed and USP agreed to move full responsibility of the Pacific Islands Legal Information Institute (PacLII) and the Pacific Islands Centre for Public Administration (PICPA) to the USP. DFAT funding for PICPA ended in June 2017 and PacLII will conclude in June 2018. The Pacific Ombudsman Alliance and the Pacific Public Sector Program (Transition Phase) also completed their activities in 2016-17.

We will also assess the robustness of 2016 AQC scores through a spot check, collaborating where possible with Office of Development Effectiveness' Annual Spot Check of AQCs.

Achieved

We carried out a spot check, collaborating where possible with Office of Development Effectiveness' Annual Spot Check of AQCs.

We will deliver evaluations scheduled for 2016-17 in line with guidance from the Office of Development Effectiveness. In addition, we will ensure management responses from the previous year's evaluations are implemented.

Achieved

We delivered evaluations scheduled for 2016-17 in line with guidance from the Office of Development Effectiveness, and have implemented management responses.

Note:

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

Annex B - Progress towards Performance Benchmarks in 2016-17

Aid objective	2016-17 benchmark with 2017-18 updates	Rating	Progress in 2017-18
Objective 1: Economic Growth		Achieved	.
Collective action managing regional resources delivers economic benefits to Pacific governments	5% annual increase in revenue flowing to Forum Fisheries Agency Pacific island member governments from offshore tuna fisheries (A\$528 million)	Achieved	<p>The region significantly exceeded this performance benchmark despite lower fish prices. The value of access fees paid by foreign vessels to FFA members has risen sharply over recent years; from less than \$100 million in 2010 to approximately USD450million in 2015, (the most recently available figure). The sharp increase has come from the dramatic rise in the number of days ships are given licences to fish in the region through the Vessel Day Scheme (VDS)¹.</p> <p>The Pacific Regional program is aware of the challenges in attribution of increasing fisheries revenue to its investments in core funding to the Forum Fisheries Agency. Despite this, our core funding directly supports FFA members to establish the enabling environment to effectively manage and monitor the VDS. It is therefore of strategic relevance to the Aid Program Objectives outlined in the Aid Investment Plan.</p> <p>Gender is incorporated in this benchmark by the establishment of FFA's Gender Equity Framework, which is in the early stages of implementation.</p>
Australia Pacific technical College (APTC) provides more Pacific Islanders with internationally recognised qualifications in areas of demonstrated labour market demand.	Additional 1000 Pacific islander graduates per year with internationally recognised qualifications.	Achieved	<p>In 2016-17 more than 1000, Pacific islanders graduated with internationally recognised qualifications, including over 40 per cent females. As skills, shortages dampen economic growth and the region's ability to build healthy and resilient communities this benchmark remains of strategic relevance.</p> <p>The targets for 2017-18 will continue to exceed 1000 graduates. We will also be moving into a transition phase to a third stage of the APTC, which will refocus the objectives, sectors and graduate targets.</p>
Aid program attracts new private sector investment that contributes to Pacific development outcomes.	A\$528 million private sector investment leveraged.	Achieved	The Aid Program has to date leveraged \$565 m (rounded to nearest million dollars) in further investment. An additional 53.78 million has been leveraged in 2016 from the IFC Pacific Partnership (\$40.33m), the Pacific Business Investment Facility (\$5.06m), and the funding for the Sydney office of Pacific Trade and Invest.
Objective2: Effective regional institutions			
Collective ownership of regional organisations by Pacific island country members.	Pacific island country members engaged in decision-making at Pacific Regional Organisation governing body meetings	Partly achieved	<p>Member countries and territories of the Pacific Islands Forum (PIF) and the Pacific Community (SPC) have improved their strategic planning and engaged in prioritising their work. Members generally sent senior representatives to regional meetings. Engagement with decision-making processes, evidenced by member participation in regional meetings, included:</p> <p>Forum Officials Committee meeting (16 of 16 members)</p> <p>Forum Foreign Ministers' Meeting (16 of 16 members)</p>

¹ (Source: FFA Economic and Development Indicators and Statistics 2016).

<p><i>Regional organisations have prioritised and consolidated programs focused on their comparative advantages</i></p>	<p><i>Regional organisations have defined clear, sensible priorities for the organisation</i></p> <p><i>The predicted budgets of regional organisations compare well to expected expenditure</i></p>	<p>Partly Achieved</p> <p><i>PIF Leaders' Meeting (16 of 16 members)</i></p> <p><i>Committee of Representatives of Governments and Administrations Subcommittee on Strategic Plan Implementation (11 of 11 members)</i></p> <p><i>SPREP....</i></p> <p><i>Forum Fisheries Committee Ministerial Meeting (17 of 17 members)</i></p> <p><i>83rd and 84th University of the South Pacific committee meetings (12 and 10 of 12 members respectively)</i></p>
<p>Objective 3: Health and resilient communities</p> <p><i>Pacific island countries effectively manage global sources of climate finance</i></p>	<p><i>Pacific governments are able to access and use information on climate change impacts in national planning –</i></p>	<p>Partially achieved</p> <p><i>The Pacific Risk Resilience Program (PRRP) works with partner governments (communities and private sector) to mainstream climate change and disaster risk management in 4 Pacific countries (Fiji, Solomon Is, Tonga and Vanuatu).</i></p> <p><i>In the Solomon Islands, PRRP has helped establish a new GIS risk mapping database and unit at the national level that provides climate and disaster risk maps to support decision making by development and disaster recovery planners (to identify low risk sites for development projects or to manage recovery needs following a disaster).</i></p> <p><i>COSPPac supports Pacific Island National Meteorological Services to collect and analyse data on weather, climate and oceans, and communicate this information to Government agencies (as well as service providers, private sector, NGOs and communities). However, monitoring in 2016 found that the data is not sufficiently localised and connected to the specific risks and potential impacts of different PICs contexts, so is not well used by governments to inform decision-making and risk management.</i></p> <p><i>There was a delay in recruiting the key position (COSPPac climatologist role) within SPREP. Transition of the software (SCOPICv4) commenced May 2017 (TBC)</i></p> <p>Partially achieved</p> <p><i>SPREP successfully hosts seasonal climate outlook software and resources 14 member countries.</i></p>

Collective action managing regional fisheries resources delivers economic benefits to Pacific countries	Pacific governments provide more resources (financial and human resources) to holistic community-based fisheries management approaches - 28 villages (7400 people) benefit from holistic community-based fisheries management approach.	Achieved	28 villages (7400 people) benefit from holistic community-based fisheries management (CBFM) approach. Twenty-one high quality policy products were produced for use by regional and national agencies to improve understanding of approaches that have the greatest potential for sustainability and scaling up CBFM. Many of the building blocks are now in place and Australian world-class research is showing early signs of delivering deeper and more lasting social and ecological impacts.
Pacific island government national surveillance systems effectively monitor outbreaks of infectious diseases	Number of Pacific island countries meeting all seven International Health Regulation core capacities.* (Currently 9 out of 14). Our aim is to maintain or increase this number each year.	Achieved	<p>The number of Pacific island countries meeting all seven International Health Regulation (IHR) core capacities remains at 9 of the 14 Pacific States Parties to the IHR. This is a self-assessment based on a questionnaire.</p> <p>Progress has been made in some of the core capacities however for the remaining PICs will require significant assistance by WHO and SPC to progress (and maintain) the capacities required to meet the IHR and national Infectious Diseases surveillance and response needs.</p> <p>Limited human and financial resources, high staff turnover and logistical challenges make achieving and sustaining the IHR core capacities without support from technical and development partners extremely challenging for some Pacific nations. High staff turnover and out-migration of skilled staff contribute to a chronic shortage of human resources with expertise in emerging diseases and public health emergencies, and efforts to maintain in-country expertise once health staff have been trained remain insufficient to the need.</p>
Objective 4: Empowering women and girls			
Improved economic opportunities for women in the Pacific.	Number of women (5,000) supported to take on leadership roles at the community, provincial and national level.	Partially achieved	2,778. This number only reflects women supported through Pacific Women. In the next APPR we will work to capture data from other DFAT funded programs.

Note:

- **Achieved.** Significant progress has been made and the performance benchmark was achieved
- **Partly achieved.** Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- **Not achieved.** Progress towards the performance benchmark has been significantly below expectations

ANNEX C - EVALUATION PLANNING

List of evaluations completed in the reporting period

Investment number and name	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
Independent review	INI898 Pacific Financial Inclusion Program	May 2017			
Mid-Term Review	INJ964 Pacific Risk Resilience Program	September 2016	December 2016		
Evaluation	INK933 Partnerships for Health and Rights: Working for Sexual and Reproductive Health and Rights (International Planned Parenthood Federation)	Underway			
Evaluation	INK496 Progressing Gender Equality in Pacific Island Countries and Territories	15 February, 2017	4 May 2017	4 May 2017	28 February 2017
Evaluation	INK496 Pacific Women Shaping Pacific Development	8 June 2017	26 July 2017		
Evaluation	INK496 Pacific Women's Parliamentary Partnerships	28 March 2017	-	-	
Evaluation	NL322 The Pacific Community (SPC) – Government of Australia Partnership for Pacific Regionalism	23 June 2016 (but management response wasn't completed until 2/8/16)	15/3/2017	15/3/2017	5/9/2016
Independent Progress Review	INJ201 Forum Fisheries Agency (FFA) Core Funding Support	May 2017	25 July 2017	NA	7 August 2017
Mid Term Review	INK578 Pacific Benchmarking Education Quality for Results	23 May 16	10 January 2017	10 January 2017	17 October 2017
Strategic Review	INH852 SPBEA Regional Qualifications Register: Phases 2 - 6	28 September 16	August 2017	August 2017	10 August 2017
Rapid Management Review	INK967 PACTAM Phase 2	26 May 2017	31 July 2017	Not required for Rapid Management Review	Not required for Rapid Management Review

List of program prioritised evaluations planned for the next 12 months

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
Pacific Women Support Unit	INK496	July 2017	September 2017	To determine whether to extend contract.	Evaluation
UNICEF Child Protection Program	INL449	August 2017	November 2017	To assess relevance, effectiveness, efficiency, sustainability, M&E and impact of the program	Independent Review
Markets for Change	INK 496	September 2017	December 2017	To assess relevance, effectiveness, efficiency, sustainability, M&E and impact of the program	Independent Review
Improving Community Based Fisheries Management and Aquaculture in Pacific Countries and PNG	INJ201	March 2018	April 2018	Progress, implementation and inform future.	Independent Review

ANNEX D - AID QUALITY CHECK RATINGS

AQC RATINGS

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
State Society and Governance Melanesia	\$32m	2017 AQC	6	4	4	2	4	4
	1995-2017	2016 AQC	4	4	3	3	4	4
UNDP Pacific Sub Regional Centre	\$30m	2017 AQC	5	4	4	4	4	4
	2006-18	2016 AQC	5	4	4	4	4	4
Regional Rights Resource Team (RRRT)	\$12m	2017 AQC	5	4	4	4	4	4
	2006-17	2016 AQC	5	5	4	4	4	5
PACER Plus Support	\$12m	2017 AQC	5	4	4	3	4	3
	2007-18	2016 AQC	6	5	5	5	5	4
Pacific Regional Agricultural Market Access	\$41m	2017 AQC	6	5	4	4	4	4
	2009-17	2016 AQC	6	5	5	4	4	4
UNDP Pacific Financial Inclusion Programme	\$19m	2017 AQC	6	5	5	5	5	4
	2009-17	2016 AQC	6	5	5	5	5	4
University of the South Pacific Partnership	\$81m	2017 AQC	5	4	4	3	5	4
	2010-19	2015 AQC	5	5	5	5	5	5
Fisheries Development Assistance in the Pacific	\$68m	2017 AQC	5	4	4	4	5	4
	2010-18	2016 AQC	6	5	5	5	4	4
Scholarships French Collectivities ADS	\$8m	2017 AQC	n/a	n/a	n/a	n/a	n/a	n/a
	2010-18	2016 AQC	5	3	4	3	4	4
Climate and Oceans Support Program in the Pacific	\$34m	2017 AQC	5	4	4	4	4	5
	2010-17	2016 AQC	5	5	5	5	4	2

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
SPREP Partnership Agreement 2011-2015	\$18m	2017 AQC	5	4	4	3	3	4
	2011-17	2016 AQC	5	4	4	4	4	4
Education Management Information Systems	\$9m	2017 AQC	n/a	n/a	n/a	n/a	n/a	n/a
	2011-16	2016 AQC	5	5	5	5	4	4
Australia-Pacific Technical College Stage 2	\$242m	2017 AQC	6	5	5	5	5	4
	2011-18	2016 AQC	6	5	5	5	4	5
Pacific Risk Resilience Program	\$20m	2016 AQC	5	4	4	4	4	4
	2011-18	2015 AQC	5	5	5	5	5	5
Pacific Women Shaping Pacific Development	\$196m	2017 AQC	5	4	4	4	5	5
	2012-22	2016 AQC	5	5	4	4	5	6
Pacific Specialised Clinical Services	\$4m	2017 AQC	5	4	4	3	4	5
	2011-16	2016 AQC	4	4	4	4	4	3
Pacific Public Administration Governance Initiative	\$9m	2017 AQC	5	4	3	3	3	3
	2014-17	2015 AQC	5	4	4	4	4	3
International Finance Corporation Pacific E.Timor	\$24m	2017 AQC	6	4	3	5	4	4
	2012-18	2016 AQC	5	5	5	5	5	5
Pacific Regional Health Strategy	\$37m	2017 AQC	4	4	4	4	4	4
	2013-21	2016 AQC	5	4	3	4	4	4
Private Sector Development Initiative Phase 3	\$24m	2017 AQC	6	5	5	5	5	5
	2013-19	2016 AQC	5	5	5	5	5	4

Investment name	Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality
Tertiary education and support activities	\$4m	2017 AQC	4	3	3	2	3	4
	2015-17	2016 AQC	4	4	4	4	4	3
World Bank Pacific Facility 4	\$30m	2017 AQC	5	5	3	4	4	3
	2013-18	2016 AQC	6	5	5	5	5	4
Pacific Business Investment Facility	\$15m	2017 AQC	5	5	5	5	4	4
	2013-20	2016 AQC	5	5	5	5	4	5
Aust Awards Pacific Scholarships - 2014 Intake	\$12m	2017 AQC	n/a	n/a	n/a	n/a	n/a	n/a
	2013-21	2016 AQC	5	4	4	3	5	4
Pacific Leadership Program Phase 3	\$16m	2017 AQC	4	4	4	4	4	5
	2014-17	2016 AQC	5	4	4	4	4	4
SPC - GOA Partnership for Pacific Regionalism	\$51m	2017 AQC	5	4	4	4	3	4
	2014-17	2016 AQC	6	5	4	3	5	3
GoA-PIFS Partnership 2014-2019	\$28m	2017 AQC	5	4	4	4	3	4
	2014-18	2016 AQC	5	4	4	3	4	3
Pacific Regional Organisations Facility	\$5m	2017 AQC	exemption					
	2014-16	2016 AQC	5	4	4	4	4	2
Labour Mobility in the Pacific	\$7m	2017 AQC	5	4	4	4	5	4
	2015-18	2016 AQC	5	4	4	4	5	4
Innovations in Financing	\$5m							
	2015-19							

FAQC ratings

Final AQC's assess performance over the lifetime of the investment (ratings are not compared to previous years)

Investment name	Approved budget and duration		Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Pacific Public Sector Linkages Program	\$26m	2009 - 16	4	4	4	4	3	3	3	4
APPS in PNG 2015 Intake	22m	2015 - 19	5	5	5	5	5	6	6	5
Australia Awards Pacific Scholarships PNG	\$26m	2014 - 21	5	5	5	5	5	6	6	5
In-PNG Scholarships From 2013	\$43m	2012 - 20	5	5	5	5	5	6	6	5
Pacific Regional Audit Initiative	\$4m	2008 - 15	5	5	4	5	4	4	2	5
Pacific Benchmarking Education Quality for Results	\$6m	20102 - 17	4	5	4	4	4	4	4	5
UNICEF Multi-Country Program 2013-2015	\$12m	2011 - 15	5	5	4	4	4	4	4	6
Pacific Media Assistance Scheme (PACMAS) 2	\$12m	2011 - 17	4	5	4	4	4	4	4	5
Fiji Women's Crisis Centre Phase 5	\$7m	2009 - 17	5	6	5	3	4	5	4	
Pacific Specialised Clinical Services	\$4m	2011 - 16	4	5	4	4	3	5	4	
Strategic Support to Fiji School of Medicine	\$7m	2012 - 16	4	4	4	3	3	4	4	

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = Very good; satisfies criteria in all areas.

5 = Good; satisfies criteria in almost all areas.

4 = Adequate; on balance, satisfies criteria; does not fail in any major area.

Less than satisfactory (1, 2 and 3)

3 = Less than adequate; on balance does not satisfy criteria and/or fails in at least one major area.

2 = Poor; does not satisfy criteria in major areas.

1 = Very poor; does not satisfy criteria in many major area.