



Australian Government

Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2017-18

Pacific Regional Program

December 2018



KEY MESSAGES

Supporting a secure, stable and prosperous Pacific is one of five priorities in Australia's 2017 Foreign Policy White Paper. The White Paper's Pacific 'step up' calls for more ambitious engagement by Australia, including pursuing strategic links between Pacific countries and the Australian and New Zealand economies and security institutions. This higher level of ambition builds on Australia's long-standing and close partnerships with Pacific island countries. We provide support to the region's developing countries through our bilateral aid programs, our Pacific regional aid program (Pacific Regional Program), police and defence assistance, access to the Australian market and to jobs and scholarships, and through emergency assistance following natural disasters.

This Aid Program Performance Report (APPR) evaluates the achievements and development results of Australia's Pacific Regional Program over the period July 2017 to June 2018. The 2017-18 ODA budget for Pacific Regional was \$180.1 million, out of \$1,130.1 million in Australian ODA to the Pacific. Over the reporting period, Pacific Division managed 26 regional programs which were the subject of formal performance assessments. These ranged across four major pillars: economic growth; effective regional institutions; healthy and resilient communities; and empowering women and girls.

CONTEXT

The Pacific is of fundamental importance to Australia. But as the White Paper highlighted, the complexity of the challenges facing many Pacific island countries demands deeper engagement, integrated policy, and fresh ideas to drive transformative change. Under our Pacific 'step up', Australia has committed to strengthen economic resilience, enhance security cooperation, and deepen people-to-people links across the region. In 2018-19, Australia will provide \$1.3 billion in aid to the Pacific - our highest ever contribution to the region. At the 2017 Pacific Island Forum Leaders' Meeting, then Prime Minister Turnbull announced a series of initiatives to deliver on Australia's commitment to step-up our engagement with the Pacific. These included: expanding access for Pacific workers to Australia's labour market; making remittance transfers more affordable; piloting shared pharmaceutical testing systems; expanding security cooperation; and forging stronger relationships between Australian and Pacific public and private sector leaders. The Pacific Regional Program aims to support these objectives by **supporting enablers of regional economic integration and growth, for example fisheries and education, as well as strengthening regional organisations.**

Supporting healthy and resilient communities is key to the prosperity of Pacific island countries, and in many cases requires a regional response. Most Pacific island countries must manage communicable disease and a substantial and growing burden of non-communicable diseases (NCD). While the Pacific NCD Roadmap has inspired action to prevent and respond to NCDs, more attention is needed to take forward a multi-sectoral approach incorporating civil society and private sectors. Family planning needs also remain unmet, with increasing adolescent birth rates in most Pacific countries.

Pacific island countries are particularly vulnerable to the effects of climate change, which exacerbate broader development challenges. At the September 2018 Pacific Islands Forum in Nauru, leaders reiterated that climate change remains the single greatest threat to the livelihood, security and well-being of the peoples of the Pacific. Five of the 15 countries most vulnerable to disasters in the world are in the Pacific region (Vanuatu, Tonga, Solomon Islands, Papua New Guinea and Fiji).¹

Efforts to give women and girls across the Pacific the opportunities and resources to reach their full potential underpins regional growth and development. Violence against women, their lack of visibility in formal leadership and decision-making roles, and limited opportunities in the formal economic sector reduces the region's capacity and prospects for development. In many countries in the Pacific, 60 per cent of women, double the global average, report experiences of violence, and in some countries this is higher. Women

¹ The World Risk Report 2017 <https://reliefweb.int/report/world/world-risk-report-2017>

represent 7.5 per cent of elected members to national parliaments, which is well below the global average of 24 per cent.

EXPENDITURE

Estimated ODA attributed to Pacific Regional² was \$180.1 million in 2017-18.

Objective	(A\$ million) ³	% of total ODA ⁴
DFAT Pacific Regional Program		
Objective 1: Economic Growth	104.1	58%
<i>Private Sector Initiatives and Aid for Trade</i>	46.6	26%
<i>Labour Mobility</i>	4.2	2%
<i>Fisheries</i>	9.8	5%
<i>Education</i>	43.6	24%
Objective 2: Effective Regional Institutions	38.8	22%
<i>Regional Institutions (PIFs and SPC)</i>	20.6	11%
<i>Governance</i>	10.2	6%
<i>People to People Links</i>	7.2	4%
<i>Security Cooperation</i>	0.8	0.4%
Objective 3: Healthy and Resilient Communities	21.3	12%
<i>Health and Disability Support</i>	6.1	3%
<i>Climate Change Adaptation and Disaster Risk Reduction</i>	15.2	8%
Objective 4: Empowering Women and Girls	13.9	8%
Other	2.4	1%
Sub-total Pacific Regional Program	180.5	100%
Less Pacific Regional Program flows attributed to Pacific Countries ⁵	-48.7	
DFAT Other Regional and Global programs	35.5	
Other Government Departments	12.9	
Total Pacific Regional ODA Expenditure	180.1	

² Pacific Regional ODA flows comprise ODA flows to the Pacific, not attributable to specific countries, from the DFAT Pacific Regional Program, other DFAT regional and global programs and other Australian Government departments.

³ 2017-18 estimated outcome.

⁴ Percentages relate to the sub-total of Pacific Regional Program.

⁵ Some Pacific Regional Program expenditure has been allocated to specific countries in which regional program investments operate.

PROGRESS TOWARDS AIP OBJECTIVES

The rating for **economic growth** remains green due to improvements delivered to the Pacific private sector enabling environment and aid-for-trade architecture, progress in expanding Australia's labour mobility arrangements, and the implementation of initiatives in fisheries and education.

The rating for **effective regional institutions** remains amber despite regional organisations taking significant strides forward to improve oversight of their budgets and organisational effectiveness. However, challenges remain with financing, management, and gender and disability integration among some organisations.


The rating for **healthy and resilient communities** remains amber, although significant progress was made during the reporting period. Program outcomes have delivered stronger regional health policy, training, and services provision, supported mainstreaming climate change across our investments, and helped support greater disability inclusion across the region.

The rating for **empowering women and girls** remains green as the regional element of the Pacific Women Shaping Pacific Development (Pacific Women), DFAT's largest gender equality program, is tracking as expected and is delivering against all outcomes. However, there remains limited evidence of social norm change, and measuring this will be a focus of the six-year evaluation due in 2019.


**Note: Rankings for these pillars, which contain multiple programs, were determined by overall progress in these areas. Some programs clearly performed better than others during the reporting period, but the rankings are an accurate reflection on the state of the Pacific Regional Program. For details see below.*

Table 1 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



Economic growth remains green due to improvements to the Pacific private sector enabling environment and aid-for-trade architecture, progress in expanding Australia's labour mobility arrangements, and the implementation of initiatives in fisheries and education. Our regional programs helped Pacific countries review policies, strengthen the competitiveness of key sectors and create the conditions for economic growth and prosperity. Priorities included supporting women's economic empowerment, cutting red tape, reducing the cost of transferring remittances from Pacific workers, increased financial inclusion, and supporting the tourism and agribusiness sectors.


Trade facilitation: Since the Pacific Agreement on Closer Economic Relations Plus (**PACER Plus**) was signed in 2017 by 11 countries, Australia and New Zealand have assisted Pacific island signatories become technically and legally prepared for the agreement's ratification and implementation. During the reporting period, Australia contributed \$4 million to a joint \$7.7 million Readiness Package with New Zealand, to help signatories to ratify. Assistance includes engaging the United Nations Conference on Trade and Development (UNCTAD) to develop an online trade portal assisting Pacific Island Countries to establish accessible transparent and predictable trade processes. UNCTAD's work is aligned with the Sustainable Development Goals (SDGs), including ensuring trade-related benefits flow directly to small and micro enterprises, and especially women traders, who currently face a range of barriers which prevent them from engaging in trade. Other support includes customs modernisation, legislative support, and revenue planning and stakeholder engagement. The Readiness Package has been prioritised, and designed, with the input of Pacific island countries during the negotiation process. As part of the Agreement, Australia has committed to an aid for trade funding target of 20 per cent of its ODA budget for the Pacific. In 2017-18, 19.5% of Australia's Pacific ODA went towards aid for trade investments.

Private Sector: In 2017-18, Australia worked to grow the private sector in Pacific economies by helping to increase investment, expand access to financial services and reduce barriers to business. Our private sector development investments are achieving their anticipated results. As of end June 2018, approximately \$748 million in private sector investment has been leveraged, almost \$150 million more than the 2017-18 benchmark figure. Our regional program supported improvements in trade regimes and business enabling environments, and we worked with partners, such as the World Bank, to develop economic infrastructure. For example, DFAT funding enabled the International Finance Corporation (IFC) to provide advisory services to the Solomon Island government, aiding it in delivery of the country's largest ever public-private-partnership, the Tina River Hydropower. In 2017-18, we signed a second Pacific Partnership with the IFC.

The regional program also supports project partnerships with Carnival Australia, Westpac Bank and ANZ Bank, which draw on the resources and networks of our business partners to create economic activity and opportunities in the Pacific. For example, in 2017-18, Carnival Australia and the Australian aid-funded Pacific Horticultural and Agricultural Market Access Program (PHAMA) supported the sale of local handicrafts, compliant with Australian quarantine laws, to cruise ship passengers in Papua New Guinea, Solomon Islands and Vanuatu.

The 2017 mid-term review of the Pacific Financial Inclusion Programme (PFIP) found the programme continued to play a catalytic role in expanding access to financial services for rural and low-income women, men and youth. The review found PFIP had achieved five of six of its end of program outcomes half way through the second phase, enrolling an additional 1.13 million customers into a new financial service or product. This brings the cumulative total of people enrolled into various financial services to just over 2 million people, of which 49% were women.

Australia also supports the delivery of transformative infrastructure programs across the Pacific. In 2017-18 we partnered with the Private Infrastructure Development Group (PIDG) to explore facilitating increased private sector led investment in infrastructure in Pacific island countries. This work aims to identify



commercially viable investment opportunities for Pacific-based companies that will also deliver development outcomes. PDIG's findings will be released in December 2018.

To maximise the impact of multilateral development banks in the Pacific region, we provided the World Bank and Asian Development Bank with funding in 2017-18 to supplement their operational and staffing budgets. Our support for the World Bank scale up saw it commit approximately \$160 million in new investments in 2017-18. For the ADB, this support proved decisive, with the announcement in September 2018 that four extended missions—in Samoa, Solomon Islands, Tonga, and Vanuatu—would become permanent country offices, and seven new country offices would be established in the Cook Islands, the Federated States of Micronesia, Kiribati, the Marshall Islands, Nauru, Palau, and Tuvalu.

Labour Mobility: Enhancing skills and increasing job opportunities for the people of the Pacific is a central part of Australia's "stepped up" assistance in the Pacific. Participation in the Seasonal Worker Programme (SWP) and the new Pacific Labour Scheme (which commenced in July 2018) benefits workers and their communities and supports economic growth. The Labour Mobility Assistance Program (LMAP) supported a 37 per cent increase in the participation of seasonal workers from 6,166 to 8,457 in 2017-18, including significant growth in worker numbers from low participation countries (Fiji by 30 per cent, Kiribati by nearly 300 per cent and Solomon Islands by 200 per cent). Increasing the participation of women in the SWP has been challenging. LMAP has recruited a gender and social inclusion adviser to strengthen approaches, and lessons from the women in agriculture pilot will be incorporated into future activities.

In support of the SWP and PLS, we worked with financial institutions to reduce further the cost of sending remittances to the Pacific from Australia. We also prepared for the establishment of a Pacific Labour Facility to support workers and employers, for example by providing financial education for workers, and monitor the impact of labour mobility programs, both in Australia and in Pacific economies. We will continue to work with the Australia-Pacific Technical College to ensure that it, and other Pacific training institutions, provide the skills and qualifications workers need.

Fisheries, the Forum Fisheries Agency (FFA) and Pacific Community (SPC): Fisheries are a vital source of food, nutrition, revenue and employment across the Pacific. In 2016 (latest data available), the tuna catch in Forum Fisheries Agency (FFA) waters was valued at around US\$ 2.6 billion, of which the share value of FFA national fleet was US\$ 1 billion. Tuna fisheries generated US\$ 0.474 billion in access fees for FFA member countries and provided 23,100 jobs. The onshore processing sector accounts for around 13,200 jobs, with women making up 80 per cent of this workforce. The value of exports from FFA members reached US\$ 0.782 billion in 2016 and the tuna harvest sector contributed US\$ 0.355 billion to GDP.

Australia's core funding support to the Forum Fisheries Agency (FFA) (\$5 million per year) has facilitated its successful engagement in the complex management of offshore tuna stocks, and the integrity of the region's fisheries governance regime. Our investment in 2017-18 assisted 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. The 2017-18 benchmark, to increase the annual revenue flowing to FFA members from access fees paid by foreign vessels by five (5) per cent, was not able to be assessed, as data is only available up to the end of 2016. However, revenue in 2016 increased by eight (8) per cent, and this trend is expected to continue. Due to the highly migratory nature of fish stocks, a regional approach is required, as outlined in the Regional Roadmap for Sustainable Pacific Fisheries. Australia is committed to working with our partners to help implement the Roadmap and improve sustainability and profitability in both the inshore and offshore sectors. Our support will assist Pacific island countries tackle IUU fishing, and monitor the status of fish stocks to provide industry with certainty over catch limits.

In 2017-18, through ACIAR, we worked to implement the 'A New Song for Coastal Fisheries' strategy through funding a community-based fisheries management project (CBFM Phase 2, \$6 million, 2017-2021). Through this project, we helped communities in Kiribati, Solomon Islands and Vanuatu to manage their inshore fish resources sustainably.

Our support to the Fisheries, Aquaculture and Marine Ecosystems Division of the Pacific Community (SPC FAME) funds world-class stock assessments for offshore fisheries. SPC FAME is the primary science provider

for the Western and Central Pacific Fisheries Commission and SPC's 26 member countries go through a rigorous review process each year. Our investment to address IUU Fishing and Maritime Boundaries built on the momentum of the former projects under the DFAT Government Partnerships for Development, including support for implementation of the Niue Treaty Subsidiary Agreement and maritime delineation in the Pacific.

Education: During the reporting period, we continued to support higher quality education and training to help ensure Pacific islanders can better meet the demands of domestic labour markets, and succeed internationally. Our long-standing education and training investments have achieved positive results, including increased school enrolments. We also signed a new long term (10 years) funding partnership with the Pacific Community for the Educational Quality Assessment Program (EQAP), which will ensure continuity to support more effective management and program effectiveness.

Our support for the Australia Pacific Technical College (APTC) saw more than 1,100 Pacific islanders graduate with internationally recognised qualifications in 2017-18, which is above the benchmark set for the reporting period. In addition, the design procurement and transition planning for the third phase APTC, (rebadged) Australia Pacific Training Coalition (APTC), was completed in 2017-18.

According to regional data from the Pacific Island Literacy and Numeracy Assessment (PILNA), while girls are performing better than boys in education and post-school outcomes, women continue to have lower employment prospects, and women in leadership remains a serious problem across the Pacific. Our regional investments in PILNA [with its increasing focus on teacher education] and APTC are focused on highlighting quality of education indicators, improving teacher practice and building inclusive skills development pathways. APTC continues to provide positive results, with women making up 44% of skills graduates for 2017-18.


OBJECTIVE 2: EFFECTIVE REGIONAL INSTITUTIONS



Effective regional institutions remains amber, despite regional organisations taking significant strides over the reporting period to improve oversight of their budgets, and their organisational effectiveness. Challenges remain with financing, management, and gender and disability integration among some organisations. The 2017-18 benchmark, that regional organisations have defined, clear and sensible priorities, was largely achieved. More work is required, however, to ensure budgets match expected expenditure. Australia continues to take a leading role in supporting ongoing reform efforts to strengthen service delivery for members, and ensure regional organisations are able to provide a political voice and platform for Pacific island countries.

Australia is a member of, and in 2017-18 provided funding to, five major Pacific regional organisations: the Pacific Islands Forum (PIF), the Pacific Community (SPC), the Secretariat of the Pacific Regional Environment Programme (SPREP), the University of the South Pacific (USP), and the Forum Fisheries Agency (FFA). For details on the FFA, please see the Economic Growth section.

Three of Australia's most important regional partners, PIF, SPC and SPREP, are managing financial challenges. In 2017-18, these organisations introduced greater fiscal discipline, implemented some financial reforms and regularly prioritised their work. Over the reporting period, Australia, with other members, helped by



negotiating long-term sustainable funding strategies and worked closely with the respective Audit and Risk Committees to oversee budget allocations and expenditure. Audit and Risk Committees in SPC and PIF are delivering greater accountability to members, and helping embed better internal controls – for example, PIF quarterly senior management reviews of expenditure against outcomes. Both organisations are now more effectively budgeting for results, rather than against structure.

The Pacific Island Forum Secretariat: The PIF Secretariat is the pre-eminent regional organisation supporting implementation of PIF Leaders’ decisions. Australia is a founding member of the Forum, and in 2017-18 continued to provide core and extra-budgetary funding to the Secretariat. Our assistance supported the Secretariat to work on regional issues relating to political governance, economic cooperation, security and trade. In June 2018, Australia signed a revised Partnership Arrangement with the PIF Secretariat for the period 2014-2023 and a three-year funding arrangement of \$18.7 million from 2017-18 to 2020-21. A feature of the Partnership is regular High-Level Consultations (held in June 2018 in Canberra) and multi-year, predictable funding. We measure the success of the Partnership through an agreed Performance Assessment Framework.


Member countries and territories were closely engaged in decision making by the major regional organisations over the reporting period – around 90 per cent of members attended the core PIF meetings, as well as negotiations with Japan ahead of the Eighth Pacific Islands Leaders Meeting (PALM8) meeting in May 2018. This is a significant increase over the 2017-18 benchmark figure of 55 per cent. A new Strategy for International Engagement and Advocacy, developed by PIF members through a new dedicated Sub-Committee, reflects a welcome effort to strengthen the region’s collective international engagement on climate change, oceans management, fisheries and security.

During the reporting period, Australia advocated for the new Boe Declaration on regional security, signed by Forum leaders following the 5 September 2018 PIF leaders’ retreat in Nauru. This is a welcome step forward in promoting closer collaboration, as well as a contemporary articulation of the Pacific’s most pressing security challenges – encompassing a broader set of issues including traditional and non-traditional security issues like human and environmental security. It therefore aligns the region’s security and development agendas – a natural extension considering the importance for the regional economy of efforts to combat illegal, unreported and unregulated fishing, and the potential socio-economic impact of narcotics trafficking. Australia supported the PIF Secretariat’s extensive consultations with Forum members to develop a consensus text. The Declaration was also informed by a public consultation process managed by the PIF Secretariat, to help achieve wider community ownership.

In an important effort towards greater collective ownership, PIF leaders in Nauru also endorsed a new sustainable funding strategy for the PIF Secretariat. This will increase the proportion of membership funding from Forum island countries. Australia supported the development of the new strategy over the reporting period, but notes concerns among smaller Forum members about their capacity to meet increased commitments and the possible need to alter contributions progressively over time.

Australia also supported a PIF Secretariat review of regional meetings to reduce the number of core meetings to five, and improve the impact and efficiency of meetings. This rationalisation will ensure better use of Australian and other members’ contributions, and help reduce the burden on member officials and the Secretariat. It is notable that members agreed to attend the most relevant meetings even though they were no longer receiving PIFS funding to attend, reflecting an important shift in the level and quality of engagement. Despite this progress, we will continue to advocate for further discipline in, for example, travel budgets and committee management.

Pacific Community (SPC): As the region’s premier technical and research body, SPC works to assist Pacific island countries and territories by supporting and supplementing national capacity through the delivery of technical, scientific, research, policy and training services. Its support includes fisheries science, health surveillance, education quality standards, and better statistics to contribute to nationally-led development outcomes in the Pacific. In April 2018, Australia and SPC held our first high-level consultations under the renewed Partnership Arrangement in Noumea. We sought to encourage ongoing reform, and strengthen implementation of the partnership.



Noting the importance of maritime resources for economic development in the Pacific, in 2017-18, Australia worked with partners, including SPC, to help countries establish their maritime zones consistently with the UN Convention of the Law of the Sea (UNCLOS), including their Exclusive Economic Zones (EEZs) and continental shelves. Over the next phase of our current project (2017-20), Australia will support Pacific island countries to reach agreement on the final (unresolved) 13 shared maritime boundaries, and legally define the limits between their EEZs and the high-seas.

During the reporting period, we worked with Pacific countries, regional organisations and the multilateral development banks to ensure the sustainability of fish stocks, extract greater long run income streams and improve market access. Australia supports the sector primarily through partnerships with SPC and the FFA.

During 2017-18, Australia continued to advocate and work for a tighter focus by regional organisations on the priority areas where they can best add value for the region, and further steps to improve their financial management. With Australian support, SPC narrowed its organisational priorities to 10 and made significant improvements to its monitoring, evaluation and learning (MEL) and finance systems.

Australia will also continue to advocate with other SPC members and donors to encourage them to emulate our multi-year sustainable funding packages for SPC, including core, program and project funds. More predictable funding arrangements assists planning and management, and helps cover project overheads. We have also welcomed SPC's decision to include a 15 per cent management fee on projects, to ensure all donors contribute to the organisation's overheads.

Gender: Australia is encouraging regional organisations to better integrate gender and disability inclusive development strategies across their programs. While in most cases there is more to be done, there have been some cases of progress. SPC's Division of Fisheries, Aquaculture and Marine Ecosystems (FAME), for example, successfully incorporated gender analysis into its strategic and project planning, ensuring fisheries and aquaculture projects benefit and encourage women as well as men.

Australia has agreed to fund a social inclusion adviser position in the PIF Secretariat, which will strengthen its capacity to provide gender sensitive analysis of regional policy and to strengthen program options for women and girls across the Pacific.


Secretariat of the Pacific Regional Environment Programme (SPREP): In May 2018, Australia and SPREP signed a new multi-year funding agreement, to support SPREP's core work in protecting island and ocean ecosystems, encouraging sustainable development, assisting in climate change adaptation and improving waste management.

University of the South Pacific (USP): USP celebrated 50 years in higher education and as a senior CROP agency in 2018. Australia continued to work with USP to implement reforms through its Strategic Plan 2013-2018. We are preparing a new partnership to support USP's skills development role, and increase its capability to improve the quality of teacher training.

In 2017, USP added more than 4,000 graduates, including 52 Australia Awards Pacific recipients, to the Pacific skills market. Australia also appointed a new senior representative, with wide experience in the Australian tertiary education, to the USP Governing Council.

Forum Fisheries Agency (FFA): In 2018, Australia signed a 10-year whole-of-government partnership arrangement with FFA. A new four-year grant arrangement for core funding was also signed in support of the Partnership. We will work with FFA members and the Secretariat to review the FFA Strategic Plan and support the incoming senior executive.

Governance: In 2017-18, we provided core budget support to Pacific regional organisations to improve their governance, corporate administration and accountability to their members. Supporting good governance in the Pacific remains essential to the success of the Australian aid program's strategic objectives in the region. During the reporting period, we continued to support the UNDP Pacific Office's work in Effective Governance to improve the capacity of PIC parliaments, sub-national government ministries and civil society organisations. UNDP has helped the region improve of service delivery mechanisms, inclusive decision-making processes and community-based social cohesion. In 2017-18, UNDP worked with partner governments to: increase women's political participation and develop parliamentary secretariat skills; implement global agreements (e.g. Paris



Agreement and Sendai Framework); facilitate the UN Climate Change Conference (COP23) and Oceans Conference; and build capacity in Sustainable Development Goals (SDGs) data management. Through a joint UN programming approach, UNDP has also guided the Framework for Resilient Development in the Pacific and the Pacific Resilience Partnership's implementation.

We also supported the Pacific Leadership Program (Phase 3), which saw collective action led by Pacific island leaders and coalitions in pursuit of policy and institutional changes and reforms. Achievements in 2017-18 included: passing of the Right to Information Bill by the Vanuatu Parliament; the first Public Private Dialogue in Tonga resulting 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 supporting the election of a woman as Deputy Mayor of Luganville in Vanuatu. The Pacific Leadership Program concluded its final phase in December 2017.

Collective Ownership: The objective of 'effective regional institutions' has two parts: collective ownership of regional organisations by Pacific island country members; and regional organisations prioritising and consolidating programs focused on their comparative advantages. Through Australia's advocacy and assistance, regional organisations have taken important steps to strengthen engagement and ownership. This also reflects a growing sense of Pacific regionalism, in terms of interest in a common Pacific voice in global affairs on shared priorities, and closer collaboration to address common challenges and to seek to maximise the region's economic potential.

OBJECTIVE 3: HEALTHY AND RESILIENT COMMUNITIES




The rating for **healthy and resilient communities** remains amber, although significant progress was made during the reporting period. Program outcomes have delivered stronger regional health policy, training, and service provision, supported mainstreaming climate change across our investments, and helped support greater disability inclusion across the region.

Pacific Regional Health: The regional health program complements bilateral investments by focusing on challenges that benefit from a regional approach. The regional health program also complements new investments in the Pacific implemented through the Indo-Pacific Centre for Health Security in 2018-19. The Centre for Health Security's investments will also be regional in nature and will have a focus on developing health security workforce capacity, laboratories, infection prevention and control, and disease surveillance. In 2017-18, the regional health program saw steady progress in its work to strengthen regional health governance and policy, and the provision of regional health services and training. While the number of Pacific island countries meeting the International Health Regulations (IHR) core capacities has been maintained, as identified in the 2017-18 benchmark, not all of the 13 IHR core capacities were met. Further efforts are needed to sustain gains made, and to support countries to meet other IHR core capacities.

In 2017-18, Australia partnered with regional, multilateral and Australian agencies to deliver our assistance and strengthen regional collaboration, including the Pacific Community (SPC), the World Bank, United Nations Children's Fund (UNICEF), World Health Organisation (WHO), United Nations Population Fund (UNFPA), the International Planned Parenthood Federation (IPPF), and the Royal Australasian College of Surgeons (RACS).

Over the last year, we elevated sexual and reproductive health as a priority, given rapidly increasing population growth and adolescent fertility rates, as well as the stalling uptake of family planning services. New funding for the UNFPA to reduce unmet family planning through the Transformative Agenda is a major boost to existing regional sexual and reproductive health investments. During the reporting period, Australia's support enabled the International Planned Parenthood Federation (IPPF) to provide 46,994 sexual and reproductive health services, including 1,043 services to clients with disability and 24,487 services to vulnerable clients through static and mobile outreach clinics in eight Pacific island countries.



2017-18 is a significant year for tackling NCDs. With Australian support, SPC's Public Health Division successfully advocated for the inclusion of NCDs – with a childhood obesity focus – on the agendas of key regional meetings (Pacific Health Ministers, Pacific Heads of Health, Pacific Island Forum Leaders' Retreat). As a regional organisation, SPC has worked to enable countries to take active steps to address underlying causes of NCDs. SPC's review of tax policy and legislation in six Pacific countries led to Nauru introducing a ban on sugary products and Republic of Marshall Islands increasing import duties on tobacco, alcohol and sugar-sweetened beverages.

In 2017-18, Australia became a full member of the Pacific Health Ministers Meeting, alongside New Zealand, paving the way for greater high-level cooperation on health with our Pacific partners. We funded World Bank Health Financing System Assessments in Kiribati, Solomon Islands and Vanuatu. The assessments have contributed evidence to inform the planning and budgeting of Pacific islands governments and other development partners in the region.

DFAT's partnership with the Royal Australasian College of Surgeons (RACS) continued to deliver quality clinical services, mentoring and training for Pacific countries. Visiting medical teams delivered over 560 operations across ten countries, and continued an increased emphasis on building the skills of local clinicians to operate independently. Clinical mentoring and training was provided to 375 health professionals. Their work added 3478 disability-adjusted life years for 223 patients across six surgical specialities.


The Reproductive, Maternal, Newborn, Child and Adolescent Health Program (RMNCAH) facilitated a stronger joint program implemented by UNICEF, WHO and UNFPA, and improved planning and budgeting coordination with ministry counterparts. This included overall increases in ante-natal care visits and measles-containing vaccine coverage.

The Pacific Medicines Testing Program is another new regional investment with promising early results, through a partnership between DFAT and Australia's Therapeutic Goods Administration (TGA). Under the first testing campaign (March – June 2018), the TGA tested 22 medicines for Kiribati, Nauru, Solomon Islands, Tonga and Tuvalu. Three medicine samples failed testing due to a low amount of the active ingredient and a higher than acceptable level of impurities. The samples were all Enalapril – a medicine for cardiovascular disease. Upon receipt of advice it had failed the TGA's testing, a supplier issued an immediate recall of its batch of enalapril.

Regional Climate Change Program: Australia is also integrating climate change into all Australian development investments across the Pacific, through the Australia Pacific Climate Change Action Program, a \$75 million program that will run from 2018-2022. This is part of the \$300 million on climate and disaster resilience support to the Pacific (from 2016-2020) announced by then Prime Minister Turnbull at the 2016 PIF Leaders' meeting in Pohnpei. Australia also worked to help the Pacific maximise access to multilateral funds, such as the Green Climate Fund in 2017-18. A further two Pacific projects were approved during the reporting period, bringing the regional total to eight projects with a value of US\$289 million - eight per cent of the GCF project portfolio.

We recognise Pacific island countries are particularly vulnerable to the effects of climate change and disasters, and this is a top priority for the region. In 2017-18, Australia spent an estimated \$96 million on climate and disaster resilience in the Pacific. Our support has a strong focus on adaptation, given the impact of climate change in the region. We are working to: mainstream climate and disaster resilience into our investments across the Pacific; strengthening climate science and capability; and, improve access to climate finance. The 2017-18 benchmark called for climate change and disaster resilience to be integrated into nine (9) bilateral programs. While climate change integration plans have been developed for eight (8) bilateral programs, these integration plans do not yet include disaster resilience.

In 2017-18, DFAT finalised the design of a new regional climate change program (Australia-Pacific Climate Change Action Program, APCCAP), and established a support unit to mainstream climate change into Pacific bilateral and regional programs, in line with the Framework for Resilient Development in the Pacific. The support unit will also facilitate gender mainstreaming in our climate change activities, and promote linkages between programs to improve overall effectiveness. In conjunction, the Pacific Risk Resilience Program (PRRP) supported risk-informed subnational and sector planning in Fiji, Tonga, Vanuatu and



Solomon Islands. In Fiji, the government funded two new resilient development posts and supported the development of a Graphical Information System mapping tool developed through PRRP to assess risks to infrastructure and sector development projects. These posts are now being absorbed and fully funded by the government.

Regional Disability Program: During the reporting period, we also demonstrated our commitment to disability inclusive development, making sure our aid investments and partnerships are inclusive of, and deliver benefits equally, to people with disability. This complements our continued advocacy for the rights of people with disability – a key advocacy pillar during Australia’s term on the United Nations Human Rights Council (UNHRC).

During 2017-18, Australia provided regional support through partnerships with key regional organisations such as the Pacific Disability Forum (PDF), PIF, and SPC. Australia’s advocacy in advancing human rights and disability inclusion in the Pacific has seen an increase in the number of national disability inclusive legislation and policies, local ownership of the disability rights agenda, and engagement of multinational companies, such as Vodafone, in disability inclusive development.

OBJECTIVE 4: EMPOWERING WOMEN AND GIRLS




The rating for **empowering women and girls** remains green as the regional element of the Pacific Women Shaping Pacific Development (Pacific Women), DFAT’s largest gender equality program, is tracking as expected and delivering against all outcomes. However, there remains limited evidence of social norm change, and measuring this will be a focus of the six-year evaluation in 2019. The 2017-18 benchmark called for 5,500 women to be supported to take on leadership roles at the community, provincial and national level. During the reporting period, an additional 988 women were supported to take on leadership programs, bring the cumulative number of women supported through the regional program to over 8000.

Pacific Women Shaping Development: In 2017-18, the Pacific Women Shaping Development initiative tracked as expected and is delivering against all expected outcomes. Evaluations and program monitoring have reported that implementing partners are contributing to the development and implementation of policies, practices and programs that support gender equality. Across the four intended outcomes, women and girls are increasingly claiming their rights and accessing resources in a range of contexts.

The Australian Government is strongly committed to being at the forefront of efforts to give women and girls across the Pacific the opportunities and resources to reach their full potential. Our Pacific Women Shaping Pacific Development initiative (\$320 million, 2012-2022) is Australia’s flagship gender equality investment in the Pacific, supporting women in 14 countries to participate fully, freely and safely in political, economic and social life. Pacific Women works 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).

Greater gender equality, especially in leadership and decision-making, improves economic circumstances at the country, local and household level. Pacific Women is a multi-stakeholder initiative, working with a range of partners from governments, civil society organisations, the private sector, regional and multilateral agencies, responding to the three priority areas of DFAT’s Gender Equality and Women’s Empowerment Strategy and to the Pacific Leaders Gender Equality Declaration (2012). In the Pacific, where severe gender inequality undercuts social stability and economic development, Pacific Women has elevated gender equality and is critical to maintaining momentum in addressing the issue.



In its first five years, the initiative has seen 10,605 women take on leadership roles at the community, provincial and national level; 5,964 women access financial literacy training and financial services; and more than 526,000 people participate in community awareness sessions on violence against women.

In addition to ongoing programs, in 2017-18, we were the major financial contributor to the 13th Triennial Conference of Pacific Women, which took place in October 2017 in Suva, Fiji with the theme of economic empowerment. The conference included government representatives from most Pacific countries, and civil society - including beneficiaries of Pacific Women projects. The outcome statement was endorsed by Pacific government representatives and “stressed that women’s economic empowerment requires strong public-private partnerships and that the private sector has a responsibility to implement the principles of decent work, including a social responsibility to promote gender equality and support women’s economic empowerment.”

To support ending violence against women, in 2017-18 our regional program worked to strengthen legal and social environments. During the reporting period, core funding to the Regional Rights and Resources Team (RRRT) at the Pacific Community (SPC) enabled technical support to progress family protection and domestic violence legislation: Cook Islands passed its Family Protection Act in July 2017 and Pohnpei State in the Federated States of Micronesia (FSM) passed a Family Protection Act in November 2017. Both had been in draft for several years. RRRT also assisted with legislative implementation plans in five countries (Kosrae and Pohnpei states in FSM, Kiribati, Nauru, Tonga and Tuvalu). To ensure duty bearers understand the new legislation, RRRT conducted training with justice service providers in Solomon Islands, Vanuatu, Kiribati and Republic of the Marshall Islands (RMI) in partnership with the Ministries of Justice. RRRT reports that in some countries, judicial systems are demonstrating favourable changes to support survivors of violence and their access to justice. Nauru, RMI and Tonga have reported increases in protection orders during the last year.


Pacific Women continues to explore opportunities to support work with women with disabilities. In 2017, the Pacific Ending Violence Against Women Fund continued development and roll-out of the Toolkit on EVAW&G with Disability in Kiribati and Samoa, and supported a Regional Dialogue on access to services for women living with disabilities (August 2017). With DFAT funding, the Pacific Islands Forum Secretariat has recruited a Gender Equality and Social Inclusion Adviser to better support disability inclusion outcomes at the regional level.

The AFP also seeks to actively improve gender outcomes across the Pacific Police Development Program Regional (PPDP-R) program, by promoting the inclusion of gender issues in operational policing; supporting women in policing in the Pacific Region; and supporting the elimination of violence against women. By providing advice on gender issues to Pacific Police agencies and including consideration of gender across all PPDP-R program activities, the AFP has produced a more gender balanced participation rate. 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.

Women’s participation in formal political leadership in the Pacific is the lowest in the world. In 2017-18, following recommendations from the mid-term review of the Pacific Women’s Parliamentary Partnerships Program and the Pacific Women Roadmap, we began designing a program to support increasing women’s voices and participation in political processes, tentatively named Balance of Power. This investment is an innovative approach to a complex problem that has, to date, received mostly piecemeal, unaligned and uncoordinated attention from a range of donors and actors in the Pacific. The program will be guided and managed by a diverse group of highly skilled Pacific islanders, and will work at the community, individual, institutional and structural levels to respond to the deeply entrenched social norms which often exclude women from the political sphere.

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. In 2017-18, Australia continued to consolidate and strengthen these partnerships. DFAT provided flexible, specialist support to regional organisations to progress key issues including the development of results frameworks, monitoring and evaluation and reviews of regional meetings.

PROGRAM QUALITY AND PARTNER PERFORMANCE

To ensure our investments are working effectively and achieving value for money, seven evaluations were undertaken in 2017-18 (see Annex C). A further seven evaluations are scheduled for 2018-19.

Aid Quality Checks (AQC): The Pacific Regional Program conducted 26 investment performance assessments, covering some 80 per cent of DFAT's expenditure under the Pacific Regional Program in FY2017-18. Aid Quality Check (AQC) satisfactory ratings for effectiveness increased from 96 per cent of investments in 2017 to 100 per cent in 2018. Satisfactory efficiency ratings increased from 84 to 100 per cent. Monitoring and evaluation satisfactory ratings decreased from 72 per cent to 65 per cent. Sustainability satisfactory ratings stayed roughly the same; at 96 per cent in 2017 and 95 per cent in 2018. Gender remains one of the poorest performing criteria, with satisfactory ratings declining from 68 per cent in 2017 to 65 per cent in 2018. The continuing relatively poor performance in monitoring and evaluation and gender over two assessment cycles means DFAT will need to give increased attention to these areas in the year ahead.

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 exceeded the strategic target for value for money, demonstrating satisfactory effectiveness and efficiency ratings all of our investments (the target is 85 per cent). This is an improvement on our performance in 2017 of 84 per cent. The satisfactory ratings for gender remain significantly below the 'empowering women and girls' strategic target of 80 per cent. The percentage of investments rated good or very good for gender remained at 20 per cent of investments. The only dimension of performance for any investment in 2018 rated lower than three was for gender.

There are, however, a number of positive signs emerging, with three economic growth programs improving their gender equality scores following a gender audit of these programs. A number of poorly performing programs are due to finish this financial year, which provides an opportunity to improve the overall rating for the program fund, by ensuring new initiatives are informed by strong gender analysis during design.

Performance of key delivery partners: The Pacific Regional Program conducted 19 Partner Performance Assessments (PPAs) in 2018, which assessed the performance of partners under agreements that spent \$77 million in 2017-18 (covering some 42 per cent of expenditure under the Pacific Regional Program in the same financial year). The performance of partners in the Pacific Regional Program was strong. In 2018, every partner was rated as satisfactory against all five dimensions of performance. This is an improvement on 2017 performance, where 95 per cent of partners were rated satisfactory against delivering lasting results and impact, 90 per cent against maximising value for money and 95 per cent against effective partner personnel. In particular, our partners were assessed as having strong performance on Collaboration, Communication and Responsiveness (an average rating of five out of six); Policy Alignment, Risk Management and Innovation (an average of 4.9); and Effective Partner Personnel (an average of 4.9). Eleven of the 19 PPAs conducted involved multilateral organisations, covering the Asian Development Bank, World Bank, International Finance Corporation, International Monetary Fund, UNICEF, United Nations Development Programme (UNDP) and the United Nations Fund for Women. The remaining 8 PPAs covered commercial contractors (six), an NGO (one) and an academic institution (one).

RISKS

Table 3: Management of Key Risks to Achieving Objectives

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)	Are these same risks in in Post's Risk Register (Yes/No)*
The Pacific Regional Program fails to deliver on our aid investments and/or systems for effective aid management are undermined, due to staff capability gaps, short timeframes, implementation delays or changes in broader aid policy settings.	Regular stakeholder consultation to improve program performance. Attention dedicated to program monitoring and evaluation to allow for more accurate and timely reporting.	Monitor implementation of systems and clearly communicate risks as they arise. Draw on departmental training and expertise. Coordinate closely across DFAT and with other agencies.	High	Yes – Divisional Risk Register
Ineffective management of labour mobility programs undermines delivery of the desired outcome, impacting relations with partner nations.	Effective resourcing and governance structures established to support DFAT and whole-of-Government engagement in policy and program delivery.	Coordinate with agencies and posts to identify possible misconceptions and respond appropriately. Clear and accurate advice to stakeholders, including ministers, on objectives, risks and mitigation measures.	Medium	Yes – Divisional Risk Register
Economic nationalism and market access issues undermine PIC economic growth and our trade and investment interests, including PACER Plus.	Advocacy and engagement with PIC governments and other stakeholders.	Monitor emerging issues through posts and Australian businesses and address issues as they arise.	Medium	Yes – Divisional Risk Register


The overall risk profile of the portfolio remains unchanged, however risks in labour mobility area have been added to reflect that the Pacific Labour Scheme commenced as at 1 July 2018.

MANAGEMENT ACTIONS

In the 2016-17 APPR, DFAT committed to continuing 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.**

While the AQC average for gender across the Pacific Regional Program portfolio has remained the same between 2017 and 2018, the percentage of investments where gender was rated unsatisfactory has increased from 32 per cent in 2017 to 35 per cent in 2018. Investments contributing to our Effective Regional Institutions objective continue to perform poorly against gender, averaging an unsatisfactory 3.2. That said, a number of investments were able to improve their AQC gender scores between 2017 and 2018, including two in the economic growth space. DFAT is strengthening the focus on gender in its new investment designs, particularly for our economic growth investments. Following conclusion of the PACER Plus Agreement, the roll-out of the PACER Plus Readiness Package is directly supporting women's economic empowerment. The work stream on trade transparency, for example, helps signatories to clarify and simplify processes and procedures which constrain women's involvement in trade.

A success story on the gender front, in terms of our existing economic growth investments, is the Pacific RISE program. This innovative program connects social impact investors to Pacific investment opportunities aimed at generating both economic and social returns. An independent 'gender audit' of Pacific RISE,



conducted in late 2017 by the Pacific Women program, confirmed the program had comprehensively addressed gender analysis in the overall design, risk assessment, monitoring and evaluation system.

DFAT has taken steps to strengthen multilateral development bank gender performance. Through the Gender Equality Branch, DFAT is providing funds to support improved gender equality responses through the World Bank's programs in the Pacific region. This support aims to leverage improved gender equality results from around USD480m in anticipated new financing to the Pacific, and contribute to strengthened results from existing programming. A second component will fund training on gender equality for senior civil servants in the Pacific, including from the ministries of finance, planning, sectoral ministries, and ministries for women. A final component will include policy research and developing policy briefs.

On a number of measures, the disability performance of the Pacific Regional Program portfolio has remained poor, and relatively unchanged from 2017. In 2018, only 36 per cent of our investments (that were assessed for disability performance) were assessed as satisfactory on involving people with disabilities and/or disability organisations, compared to 37 per cent in 2017. Investments were also assessed as to whether they identified and addressed barriers to inclusion and opportunities for participation for people with disabilities, to enable them to benefit equally from the aid investment. Thirty three per cent of our investments were rated satisfactory against this criteria in 2018, compared to 37 per cent in 2017. Despite this poor assessment, disability is now receiving increased attention as an issue in the Pacific. DFAT has sought to prioritise this issue in our policy engagement in the Pacific, ensuring disability and social inclusion are included in our policy dialogue with development partners and feature on the agendas of appropriate policy dialogue platforms. Further, we have ensured new Pacific investment designs are giving appropriate attention to these issues. However, much remains to be done to lift performance.

In the 2016-17 APPR, DFAT also **committed to continue to focus on strengthening the coherence between regional and bilateral programs, and the alignment and complementarity of activities.**

This remains a challenging agenda, with management of Australia's Pacific regional and bilateral aid programs distributed over a number of areas in Canberra, Suva post (which assists in the management of both a number of regional programs and the Fiji bilateral program) and our other bilateral aid program posts. In support of better coherence between bilateral and regional programs, our Suva post has instituted a process of regular liaison with other bilateral aid program posts. Relevant bilateral program posts have also made deliberate decisions to include and resource regional aid investments in the pursuit of Australian aid objectives in their countries. An example of this is the financial support the Papua New Guinea and Solomon Islands bilateral aid programs provide to the regional Pacific Horticultural and Agricultural Market Access Program (PHAMA). This regional program assists these bilateral program posts deliver against country-focussed strategic aid objectives around economic growth. Regional and bilateral aid program coordination has also improved in Pacific aid investment design processes. During the design of a bilateral health sector investment for Vanuatu, Suva post staff helped provide regional health sector perspectives and knowledge of Australia's regional health sector investments. Building on this interaction, regional and Vanuatu bilateral health sector program managers have subsequently participated in each other's aid investment management meetings. These steps towards better program coordination and alignment will require further work in FY2018-19, to ensure the multiple management centres of Australia's broad reaching Pacific regional and bilateral programs better connect to maximise aid effectiveness.

Management actions identified for the coming year are:




- to continue to prioritise activities that empower more women to enter the Pacific workforce;
- strengthen donor coordination across our health investments, and increase our support for NCD prevention;
- develop a new Aid Investment Plan in the first quarter of 2019; and
- continue to strengthen bilateral and regional aid program coordination, alignment and synergies.

ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT ACTIONS

Describe progress made against management actions in 2016-17 report

Management actions identified in 2016-17 APPR	Rating	Progress made in 2017-18
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.	partially achieved	The quantitative performance of our portfolio of investments against key gender and disability criteria remains weak and has not shown evidence of significant improvement between 2017 and 2018. However DFAT has invested significant attention and resources during 2017-18 to ensure that gender and disability issues received greater attention during our engagement in policy dialogue with partners and through our investment design processes. There has been some pleasing progress and results on gender for some of our economic growth investments. We expect our enhanced focus on gender and disability during 2017-18 will begin to bear fruit as new investments come on-line.
DFAT will continue to focus on strengthening the coherence between regional and bilateral programs and strengthen the alignment and complementarity of activities.	partially achieved	There have been some good examples of improved bilateral and regional coordination and knowledge sharing at the individual investment level. But more work is required to ensure the good practice that these examples exemplify becomes systemic.

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 – PERFORMANCE BENCHMARKS

Progress towards Performance Benchmarks in 2017-18

Discussion on progress against specific performance benchmarks in 2017-18 should also be included as part of the text assessing progress against individual program objectives in the main body of the APPR.

Annex B - Progress towards Performance Benchmarks in 2017-18

Aid objective	2017-18 benchmark	Rating	Progress in 2017-18
Objective 1: Economic Growth			
<i>Collective action managing regional resources delivers economic benefits to Pacific governments</i>	<i>5% annual increase in revenue flowing to Forum Fisheries Agency Pacific island member governments from offshore tuna fisheries (A\$555 million)</i>	<i>Achieved</i>	<i>The region achieved this performance benchmark. The value of access fees paid by foreign vessels to FFA members has increased 8 per cent to approximately USD483 million in 2016 (the most recently available figure). The increase has come from fees associated with the number of days vessels are given licences to fish in the region through the Vessel Day Scheme (VDS) instituted by 8 tuna rich countries. The Pacific Regional Program is aware of the challenges in attribution of increasing fisheries revenue to its investments in core funding to the FFA. 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.</i>
<i>Australia Pacific Technical College (APTC) provides more Pacific islanders with internationally recognised qualifications in areas of demonstrated labour market demand.</i>	<i>Additional 1,000 Pacific islander graduates per year with internationally recognised qualifications.</i>	<i>Achieved</i>	<i>In 2017-18, more than 1,000 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. The new phase of APTC, renamed Australia-Pacific Training Coalition in 2018-19, will continue to target 1,000 graduates and other targets, including international employment outcomes and TVET Strengthening of Partner Government systems.</i>
<i>Aid program attracts new private sector investment that contributes to Pacific development outcomes.</i>	<i>A\$594 million in private sector investment leveraged.</i>	<i>Achieved</i>	<i>The Pacific Regional Program has supported investments that have to date leveraged approximately \$748 million in private sector investment. The funds that have been leveraged in 2017-18 are: for the IFC Pacific Partnership (\$165.5m); the Pacific Business Investment Facility (\$6.6m); and the funding for the Sydney office of Pacific Trade and Invest (\$2.5m).</i>

Aid objective	2017-18 benchmark	Rating	Progress in 2017-18
Objective2: Effective regional institutions			
<i>Collective ownership of regional organisations by Pacific island country members.</i>	<i>Pacific island country members engaged in decision-making at Pacific regional organisation governing body meetings (55 per cent)</i>	<i>Partially Achieved</i>	<p>Member countries and territories of the Pacific Islands Forum (PIF), Pacific Community (SPC), Forum Fisheries Agency (FFA), Secretariat of the Pacific Regional Environment Programme (SPREP), and the University of the South Pacific (USP) were heavily engaged in decision making in the respective organisations.</p> <p>In the PIF, around 90 per cent of members engaged in all meetings and joined collective action in negotiations with Japan at PALM8. PIF members chaired and participated in the Forum Officials Committee (FOC) Sub-committee on Engagement and Advocacy, agreeing an international advocacy strategy for all members. A majority of PIF members contributed to the Secretariat's work on development of a new regional security declaration, the Boe Declaration. The Declaration was a highly significant step forward in promoting regional cooperation on a range of security challenges facing the region which have direct implications for development. Australia was an active participant in the consultation processes for development of the Declaration, and provided funding for a regional workshop on the proposal. PIF Members also supported a new sustainable financing strategy for the PIF Secretariat, increasing the balance of membership funding from Forum island countries (proposed 51 per cent) and reducing contributions from Australia and New Zealand.</p> <p>In the case of the SPC, all members took part in the 2018 meeting of the Committee of Representatives of Governments and Administrations (CRGA), the main officials-level governance organ of the organisation.</p>
<i>Regional organisations have prioritised and consolidated programs focused on their comparative advantages</i>	<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>	<i>Partially achieved</i>	<p>Over 2017, the PIF Secretariat implemented a review of regional meetings, endorsed by PIF leaders, to reduce core regional meetings down to five: PIF Leaders' Meeting; Smaller Island State (SIS) Leaders' Meeting; Forum Foreign Ministers' Meeting; Forum Economic Ministers' Meeting; and the Forum Officials Committee. The rationalisation of regional meetings should support a more coherent approach to setting regional policy priorities. In December 2017, PIF members endorsed key strategic documents to strengthen the organisation's prioritisation of effort and resources (Strategic Plan, Results Framework, Human Resources Capability Framework and a sustainable funding strategy).</p> <p>With Australian support, SPC narrowed its organisational priorities to ten and significantly improved its monitoring, evaluation and learning (MEL) and finance systems, successfully passing the European Union Seven-Pillar Assessment in 2017.</p> <p>DFAT will continue to monitor budgets and expenditure in all regional organisations. The Audit and Risk Sub-Committee in the PIF and the Audit and Risk Committee in SPC are delivering greater accountability of the Secretariats to their members. Regional organisations are also putting in place better internal controls, for example quarterly PIF senior management reviews of expenditure against outcomes.</p>

Aid objective	2017-18 benchmark	Rating	Progress in 2017-18
Objective 3: Health and resilient communities			
<i>Pacific island countries effectively manage global sources of climate finance</i>	<p><i>Pacific governments are able to access and use information on climate change impacts in national planning –</i></p> <p><i>Climate change and disaster resilience integration plans developed for 9 Pacific country programs.</i></p>	Partially achieved	<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). In Fiji, the government has funded 2 new resilient development posts and supported the development of a Graphical Information System (GIS) mapping tool, developed through PRRP, to assess risks to infrastructure and sector development projects.</i></p> <p><i>Climate change integration plans have been developed for eight Pacific bilateral programs (PNG, Solomon Islands, Vanuatu, Kiribati, Samoa, Fiji, Tonga, and Tuvalu). However, these integration plans do not yet include disaster resilience.</i></p>
<i>Collective action managing regional fisheries resources delivers economic benefits to Pacific countries</i>	<p><i>Pacific governments provide more resources (financial and human resources) to holistic community-based fisheries management approaches –</i></p> <p><i>Pacific governments report on monitoring and evaluation indicators under the ‘A New Song for Coastal Fisheries’ strategy</i></p>		<p><i>The capacity of national and sub-national agencies to engage has improved; project and agency staffing for coastal fisheries has increased in all three target countries (Kiribati, Solomon Islands and Vanuatu); knowledge and skills of national country partners, fisheries managers and communities have been improved. Agencies in Kiribati, Vanuatu and Solomon Islands have committed to national programs in support of the ‘New Song’ strategy and scaling up strategies have been developed.</i></p> <p><i>The project team has developed an actionable, simplified M&E plan that is aligned with the ‘New Song’ strategy, monitors progress and provides indicators towards measuring development outcomes.</i></p>
<i>Pacific island government national surveillance systems effectively monitor outbreaks of infectious diseases</i>	<p><i>Number of Pacific island countries meeting all seven International Health Regulation core capacities.</i></p> <p><i>(Currently 9 out of 14). Our aim is to maintain or increase this number each year.</i></p>	Achieved	<p><i>The number of Pacific island countries meeting the International Health Regulations (IHR) core capacities¹ has been maintained. The 14 Pacific States Parties to the IHR self-report annually on whether they have met IHR capacities. Self-assessment shows a consistent pattern of improvement over time in core capacities as at 2017.</i></p> <p><i>Of the 13 IHR core capacities, significant progress has been made across the Pacific in public health legislation (capacity 1), coordination and national IHR focal point (NFP) communications (2), disease surveillance (3), response (4), risk communication (6) and laboratory services (8). Efforts are needed to sustain these gains, and further efforts are needed on the other IHR core capacities: health system preparedness (5), human resource development (7), points of entry (PoE) (9) and food safety (11). The status of capacities for zoonotic events (10), chemical hazards (12) and radiation emergencies (13) also needs to be documented for full IHR implementation; however, Pacific island countries reporting on these capacities may conclude they are of lower relevance at this time.</i></p>

¹ See www.who.int/topics/international_health_regulations/en/

Aid objective	2017-18 benchmark	Rating	Progress in 2017-18
Objective 4: Empowering women and girls			
Improved economic opportunities for women in the Pacific.	Number of women (5,500) supported to take on leadership roles at the community, provincial and national level.	Achieved	In 2017-18, 988 women were supported to take on leadership programs through several Pacific Women initiatives. The cumulative number of women supported to achieve their potential across all Pacific Women bilateral and regional programs is 12,485, with 8,164 supported from the regional program.

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

Performance Benchmarks for remainder of Aid Investment Plan

	Strategy Objective	Performance Benchmark	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\$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
3	Aid program attracts new private sector investment that contributes to Pacific development outcomes.	Private sector investment leveraged.	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	60%

	Strategy Objective	Performance Benchmark	2018-19
5	Regional organisations have prioritised and consolidated programs focused on their comparative advantages	<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><i>Consistent with past practice, we will offer a qualitative assessment of benchmark performance in the 2018-19 APPR.</i></p>
	Objective 3: Healthy and resilient communities		
6	Pacific island countries are able to meet the challenge of climate change and risk reduction	<i>Pacific governments are able to access and use information on climate change impacts in national planning</i>	<i>Nine 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</i>
7	Collective action managing regional fisheries resources delivers economic benefits to Pacific countries	<i>Pacific governments provide more resources (financial and human) to holistic community-based fisheries management approaches.</i>	<i>ACIAR provides evidence of holistic community-based fisheries management approach in at least 3 countries.</i>
8	Pacific island government national surveillance systems effectively monitor outbreaks of infectious diseases	<i>Number of Pacific island countries meeting all seven International Health Regulation core capacities.¹ (Currently 9 out of 14). Our aim is to maintain or increase this number each year.</i>	9+
	Objective 4: Empowering women and girls		
9	Improved participation in decision making for women in the Pacific.	<i>Number of women supported to take on leadership roles at the community, provincial and national level.</i>	6,000

¹ See www.who.int/topics/international_health_regulations/en/

ANNEX C- EVALUATION PLANNING

List of evaluations completed in the reporting period (financial year 2017-18)

Investment number and name	Evaluation type	Name of evaluation	Date completed	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
INK982 - Private Sector Development Initiative Phase 3	Mid-term review	Midterm review of the Pacific Private Sector Development Initiative	November 2017	February 2018	not prepared	no
	Independent Evaluation	Performance Evaluation Report January 2018	January 2018	February 2018	February 2018	yes
INK496 - Pacific Women Shaping Pacific Development	Evaluation	Pacific Women Support Unit	27 November 2017	13 April 2018	13 April 2018	13 April 2018
INL449 - UNICEF Pacific Child Protection Program 2014-2017	Evaluation	UNICEF Child Protection Program	31 October 2017	6 September 2018	not applicable - report in draft	not applicable - report in draft
INK496 - Pacific Women Shaping Pacific Development	Evaluation	Markets for Change	1 August 2018	10 August 2018	not applicable - report in draft	not applicable - report in draft
INI 851 Pacific Regional Agricultural Market Access	Impact Assessment	Impact Report – The Pacific Horticultural &	September 2017	not applicable	not applicable	no
INL707 - Labour Mobility in the Pacific	Independent Impact Evaluation	Maximising the development impacts from temporary migration: recommendations for Australia's Seasonal Worker Program	October 2017	September 2018	Requires finalisation	Published on World Bank website
	Independent Evaluation	Review of the Pastoral Care Support Services provided to Northern Australia Worker Pilot Program Workers	July 2017	September 2018	Requires finalisation	No
INL416 – Support to Ten Year Pacific Statistics Strategy	Mid-Term Review	Ten Year Pacific Statistics Strategy Mid Term Evaluation	September 2017	May 2018	Not prepared	no

List of program prioritised evaluations planned for the next 12 months (financial year 2018-19)

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 Shaping Pacific Development	INK496 Pacific Women Shaping Pacific Development	April 2019	September 2019	To assess relevance, effectiveness, efficiency, sustainability, M&E and impact of the program	Evaluation
End of Funding Review for the Send Money Pacific website	INL707 - Labour Mobility in the Pacific	September 2018	November 2018	Identify options to increase website awareness amongst labour mobility participants.	Independent Evaluation
Review of Pacific Trade Invest Australia and associated activities	INL387 - GoA-PIFS Partnership 2014-2023	September 2018	November 2018	Examine the relevance, effectiveness, and efficiency of existing PTI Australia operations.	Independent Evaluation
Pacific Readiness for Investment in Social Enterprise Facility (Pacific Rise) Mid-Term Review	INL779 - Innovations in Financing	July 2018	September 2018	To support consideration of extension of support.	Mid-term review
Performance Evaluation of Pacific Connect Pilot Program	INM397 – People to People Links	November 2018	March 2019	To evaluate achievements to date and inform DFAT's forward planning	Independent Evaluation
Impact evaluation of the Pacific Labour Scheme	not applicable	06/2019	03/2023	To assess the social and economic impacts of the Pacific Labour Scheme	Independent impact evaluation
Mid-Term Review	Pacific Association of Supreme Audit Institutions (PASAI) component of INK783 Pacific Public Administration Governance Initiative	August 2018	February 2019	Review of the implementation of PASAI's Strategic Plan 2014-2024	Independent Review

ANNEX D- AID QUALITY CHECK RATINGS

AQC RATINGS

AQC investment performance over the previous 12 months and where available last year's AQC ratings are included.

Investment name	Approved budget and duration	year	Effectiveness	Efficiency	Relevance	Gender equality	Monitoring and Evaluation	Sustainability
UNDP Pacific Sub Regional Centre	\$30m 2006-2018	2018 AQC	4	4	5	4	4	4
		2017 AQC	4	4	5	4	4	4
Regional Rights Resource Team (RRRT)	\$18m 2006-2020	2018 AQC	5	4	6	5	4	4
		2017 AQC	4	4	5	4	4	4
PACER Plus Support	\$13m 2007-2018	2018 AQC	4	4	5	3	3	4
		2017 AQC	4	4	5	3	3	4
Pacific Regional Agricultural Market Access	\$41m 2009-2018	2018 AQC	5	5	6	4	4	4
		2017 AQC	5	4	6	4	4	4
UNDP Pacific Financial Inclusion Programme	\$20m 2009-2017	2018 AQC	5	4	5	4	4	4
		2017 AQC	5	5	6	4	5	5

Investment name	Approved budget and duration	year	Effectiveness	Efficiency	Relevance	Gender equality	Monitoring and Evaluation	Sustainability
University of the South Pacific Partnership	\$104m 2010-2019	2018 AQC	5	5	5	4	3	5
		2017 AQC	4	4	5	4	3	5
Fisheries Development Assistance in the Pacific	\$75m 2010-2022	2018 AQC	5	5	6	4	4	5
		2017 AQC	4	4	5	4	4	5
SPREP Partnership Agreement 2011-2016	\$30m 2011-2019	2018 AQC	4	4	6	3	4	5
		2017 AQC	4	4	5	3	3	4
Australia-Pacific Technical College Stage 2	\$240m 2011-2018	2018 AQC	5	5	5	5	5	4
		2017 AQC	5	5	6	5	5	4
Pacific Legal Information Institute	\$3m 2011-2018	2018 AQC	4	4	5	2	3	5
		2017 AQC	none	none	none	none	none	none
Pacific Risk Resilience Program	\$18m 2011-2018	2018 AQC	5	5	5	4	4	5
		2017 AQC	4	4	5	4	4	4
Pacific Women Shaping Pacific Development	\$171m 2012-2022	2018 AQC	4	4	5	5	4	5
		2017 AQC	4	4	5	5	4	4
Pacific Public Administration Governance Initiative	\$17m 2014-2022	2018 AQC	4	4	6	3	3	4
		2017 AQC	4	3	5	3	3	3

Investment name	Approved budget and duration	year	Effectiveness	Efficiency	Relevance	Gender equality	Monitoring and Evaluation	Sustainability
Pacific Regional Health Strategy	\$39m 2013-2021	2018 AQC	5	5	5	4	4	4
		2017 AQC	4	4	4	4	4	4
Private Sector Development Initiative Phase 3	\$22m 2013-2019	2018 AQC	5	4	5	4	3	4
		2017 AQC	5	5	6	5	5	5
World Bank Pacific Facility 4	\$35m 2013-2018	2018 AQC	5	5	6	4	4	5
		2017 AQC	5	3	5	3	4	4
SPC - GOA Partnership for Pacific Regionalism	\$109m 2014-2020	2018 AQC	4	4	5	3	5	4
		2017 AQC	4	4	5	3	4	4
GoA-PIFS Partnership 2014-2019	\$39m 2014-2019	2018 AQC	4	4	6	2	3	4
		2017 AQC	4	4	6	3	2	4
Support to Ten Year Pacific Statistics Strategy	\$9m 2014-2019	2018 AQC	4	4	5	3	3	3
		2017 AQC	none	none	none	none	none	none
Innovations in Financing	\$6m 2015-2020	2018 AQC	5	5	6	6	5	5
		2017 AQC	4	4	6	5	5	5

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	Effectiveness	Efficiency	Relevance	Gender equality	Monitoring and Evaluation	Sustainability
State Society and Governance Melanesia	\$32m 1995-2017	4	4	4	5	3	2	5
Climate and Oceans Support Program in the Pacific	\$40m 2010-2018	5	5	5	5	2	4	4
International Finance Corporation Pacific & East Timor	\$24m 2012-2018	4	4	4	4	4	4	4
Pacific Business Investment Facility	\$14m 2013-2018	5	4	4	4	5	5	3
Labour Mobility in the Pacific	\$10m 2015-2018	5	4	4	6	3	4	4
Pacific Leadership Program Phase 3	\$15m 2014-2017	4	4	3	4	4	3	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

APPENDIX 1: 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT INFOGRAPHICS

 <p>1 NO POVERTY</p>	End poverty in all its forms everywhere	 <p>10 REDUCED INEQUALITIES</p>	Reduce inequality within and among countries
 <p>2 ZERO HUNGER</p>	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	Make cities and human settlements inclusive, safe, resilient and sustainable
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote well-being at all ages	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Ensure sustainable consumption and production patterns
 <p>4 QUALITY EDUCATION</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	 <p>13 CLIMATE ACTION</p>	Take urgent action to combat climate change and its impacts
 <p>5 GENDER EQUALITY</p>	Achieve gender equality and empower all women and girls	 <p>14 LIFE BELOW WATER</p>	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
 <p>6 CLEAN WATER AND SANITATION</p>	Ensure availability and sustainability management of water and sanitation for all	 <p>15 LIFE ON LAND</p>	Protect, restore and promote sustainable use of terrestrial ecosystems
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure access to affordable, reliable sustainable and modern energy for all	 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Promote peaceful and inclusive societies for sustainable development and provide access to justice for all
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Promote sustained, inclusive and sustainable economic growth, full and productive employment	 <p>17 PARTNERSHIPS FOR THE GOALS</p>	Strengthen the means of implementation and revitalise the global partnership for sustainable development
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation		

In order to ascertain which of the Sustainable Development Goals (SDGs or 'Global Goals') your program objectives are addressing, please read through the list of targets against each goal, available on the DFAT website under **Development Goals**.

Note: there are cross-cutting issues such as gender equality and disability which are included as targets across several goals. Consistent with Australia's 'Gender Equality and Women's Empowerment Strategy' the majority of programs should address **Goal 5**.