

# PEER REVIEW OF AUSTRALIA'S DEVELOPMENT COOPERATION IN THE PACIFIC



**PACIFIC ISLANDS FORUM SECRETARIAT**  
*Excelling together for the people of the Pacific*



**Australian Government**  
**Department of Foreign Affairs and Trade**



The background image shows a tropical scene. In the foreground, a small wooden boat is on a body of water, surrounded by many small white flowers. A person is visible in the boat, partially obscured by a large, light-colored object. The background is a dense forest of green trees and foliage, with a body of water visible in the distance.

This report documents  
the findings and  
recommendations  
from the peer review of  
Australia's Development  
Cooperation policies  
and procedures and  
the effectiveness of its  
application in Forum  
island countries (FICs).

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# Executive Summary

## Introduction

This report documents the findings and recommendations from the peer review of Australia's Development Cooperation policies and procedures and the effectiveness of their application in Forum island countries (FICs). The review accords with the active support of all Pacific Forum Leaders to global aid effectiveness efforts and in particular the 2007 Pacific Islands Forum Principles for Aid Effectiveness and the 2009 Cairns Compact for Strengthening Development Coordination in the Pacific (Forum Compact). A key objective of the Forum Compact has been to drive more effective coordination of development resources from both Forum Island Countries and development partners, with the aim of achieving real progress against the Millennium Development Goals.

This is the second peer review of a development partner of the FICs and involved two representatives from among the FICs, two representatives from development partners and an observer from among the Pacific Civil Society Organisation (CSO) community. It also followed country peer reviews in the thirteen FICs and a peer review of New Zealand that was undertaken in late 2014. It is intended that other partners, including regional organizations, will be approached to be future subjects of the peer review process. The country peer reviews, which were conducted by representatives from FICs and development partners and supported by the Pacific Island Forum Secretariat (PIFS), have reviewed country systems including processes for development planning and budgeting, public financial management (PFM) and aid management.

## Peer Review Scope and Methodology

The Terms of Reference (TOR) for the Australian Peer Review are based on generic TORs developed in 2014 by PIFS through consultation with Forum members and development partners. The Review is expected to provide feedback on the support provided by Australia to FICs; facilitate Australia's own insight into how well their policies, procedures and actions support FIC development efforts; and provide an opportunity for FICs to increase their understanding of Australia's policies and procedures.

The peer review is an assessment of how effectively Australia's bilateral and regional development cooperation is delivered in order to meet the development needs of FICs, with a particular focus on Australia's bilateral partnership with Samoa, or the focus country, and using the education sector to review Australia's regional partnerships. The following key areas were identified for review: policy dialogue, coherence and alignment; coordination; predictability; use of partner systems and reducing aid fragmentation; use of technical assistance and advisors; innovation, good practice and knowledge sharing; monitoring and evaluation; and regional partnerships delivery.

The methodology for the peer review reflects the principles of ownership, inclusiveness and transparency and the lessons from the country peer reviews. Apart from assessing the performance of Australia as a development partner in the Pacific, a key role of the review team was sharing their knowledge and examples based on their own country and agency engagement with the Australia's Aid Program. The team (minus the CSO Observer) participated in the mission to Canberra, Australia from 27 April to 1 May 2015. Meetings were held with Australia's Department of Foreign Affairs and Trade (DFAT) senior officials, Pacific diplomatic representatives based in Canberra, representatives from civil society organizations (CSOs), managing contractors and academia. Engaging both government and non-government actors enabled the review team to receive comprehensive and multi-stakeholder perspectives of Australia's aid support to the Pacific.

Following the Canberra visit, the team met with the Secretariat of the Pacific Community (SPC), University of the South Pacific (USP) and the Australian Pacific Technical College (APTC) personnel in Fiji on 4 May 2015. The mission to Apia from 5-8 May 2015, allowed the team to meet with the Australian High Commission, Government of Samoa officials and CSO, Chamber of Commerce and development partners representatives in Apia.

This report draws on responses made to the review team during its meetings with a wide range of stakeholders; the background documentation; and the experience of the review team with Australia's aid program and its implementation in the Pacific. It aims to provide a balanced perspective, providing both the key findings as well a number of recommendations that DFAT may wish to consider to strengthen further its development support to FICs.

## Findings & Recommendations

Australia as a major partner and neighbour to the Forum Island Countries enjoys close and effective partnership arrangements with individual countries as well as through its membership of the Pacific Island Forum and all other key regional agencies in the Pacific. It is seen as a trusted partner, with shared aspirations for seeing the island countries prosper both as a region and as much as possible as individual sovereign nations. It acknowledges the need for the island countries to lead development coordination efforts and for development partners to respect and where possible support program interventions that respond to the national development priorities of each country.

Over the years, Australia has worked to help implement the global and regionally adapted aid effectiveness principles and as far as possible to align its development assistance with the principles of ownership by developing countries; results as a focus of development efforts; partnerships for inclusive development; and transparency and accountability. Based on the peer review of Australia's development policy and its implementation the following are the key recommendations made by the peer review team.

### In the area of policy dialogue, coherence and alignment:

1. Australia through its diplomatic missions and Department of Foreign Affairs and Trade (DFAT), should continue open and regular dialogue on progress of its development policy and performance framework to ensure greater understandings across regional, national, departmental and sectoral stakeholders; in particular as it relates to 2015-16 Budget, forward estimates and implementation.
2. Australia should ensure an inclusive approach in all aspects of the development of all bilateral and regional aid investment plans and their associated performance frameworks.
3. Australia's commitment to a "whole of government" approach in the Pacific is evident in its leadership of RAMSI, and humanitarian responses. The central role of DFAT in the Government and the integration of aid functions into DFAT provides scope to further strengthen coherence at post level, although will require continued careful management by the Department.
4. Australia is urged to consider opportunities to further expand the Pacific seasonal workers programme, noting opportunities for Pacific island peoples, including the promotion of growth in Australia.
5. Australia is urged to reconsider the cancellation of the distance and flexible learning scholarship programs across the Pacific.

### In the area of coordination:

6. Australia is encouraged to continue its efforts to strengthen coordination among development partners as is seen at the sector level in a number of countries, with particular emphasis on ensuring leadership by FICs.
7. Australia is urged to maintain dialogue with Pacific representatives in Canberra as well as CSO partners, the private sector, academia and other stakeholders with an investment in the Pacific on development policy changes, budget implications and broader development effectiveness issues in the Pacific.
8. Australia is encouraged to actively promote good donor coordination support to civil society around the Pacific and in the case of Samoa to work with the Government of Samoa to urge all development partners supporting civil society groups in country to consider coordinating their activities with civil society through the CSSP.

**In the area of predictability:**

9. Australia is encouraged to continue its open and transparent approach to providing advice on predictable funding arrangements, aid flows and forward projections and its implications on national budget processes.

**In the area of using partner systems and reducing aid fragmentation:**

10. Australia is encouraged to document, promote and share with development partners and FICs, the pragmatic multi-partner approach to the use of national systems and the advocacy of the good practices emerging from MDBS programs.
11. Australia is urged to continue to explore innovative ways to deliver aid through national systems, while building FIC leadership capacity to take full ownership of the process.

**In the area of using technical assistance and advisors:**

12. Australia is encouraged to adapt the Samoa criteria in its recruitment of technical assistance in other FICs; emphasizing the importance of longer-term commitments that build institutional capacity in the region.
13. Australia is urged to maintain its level of commitment to capacity building through its scholarship programmes and innovative approaches to learning as seen by the APTC, that recognize the importance of longer term commitments that build institutional capacity, through but not limited to organisational and behaviour change, in the region.

**In the area of innovation, good practice and knowledge sharing:**

14. Australia is encouraged to continue to share information on innovationXchange and actively promote its objectives and potential at both country and regional levels in the Pacific, noting that there may already exist examples in the region of proven ways of approaching development challenges that could be up-scaled or adapted elsewhere.
15. Australia is encouraged to consider and consult on the potential for innovationXchange to create opportunities for new foreign private investment in the Pacific.

**In the area of monitoring and evaluation:**

16. Australia is urged to work closely with partners at both country and regional level to enhance understanding of the new M&E processes and ensure the performance measures adopted are developed collaboratively and to the extent possible are linked to existing national sectoral and regional M&E frameworks.

**In the area of regional partnerships delivery:**

17. Australia should continue to ensure its regional and country based programs are mutually reinforcing and lead to greater clarity in linking regional assistance to country results.
18. Australia is encouraged to draw on the Framework for Pacific Regionalism for greater alignment of its regional assistance to those priorities that support deeper regional cooperation and integration.
19. Australia should work with its regional and multilateral partners to improve the visibility and contribution of its regional program at country level.
20. As a member, Australia is urged to work with Pacific island country members to help build their increased ownership and accountability for the support provided by regional and multilateral organizations. This could include supporting the delivery of country-based programs that ensure follow-up to regional and global commitments.
21. Australia is urged to work with a small number of key countries to design an appropriate reporting system to more effectively monitor the impact and increase the visibility of regional programs.
22. Australia is encouraged to document, share and promote the success of the APTC in its ability to work alongside country programs and add value and depth to national programs.

# Acronyms

<b>ADB</b>	Asian Development Bank
<b>ACFID</b>	Australian Centre for International Development
<b>AusAID</b>	Australian Agency for International Development
<b>APTC</b>	Australia Pacific Technical College
<b>CSOs</b>	Civil Society Organizations
<b>CSSP</b>	Civil Society Support Programme (Samoa)
<b>DAC</b>	Development Assistance Committee
<b>DFAT</b>	Department of Foreign Affairs and Trade
<b>EQAP</b>	Education Quality Assessment Programme (formerly Pacific Board for Educational Assessment)
<b>FICs</b>	Forum Island Countries
<b>FEdMM</b>	Forum Education Ministers Meeting
<b>FFA</b>	Forum Fisheries Agency
<b>FRANZ</b>	An agreement between Australia, France and New Zealand to coordinate humanitarian response
<b>GDIV</b>	Global Development Innovation Ventures
<b>GNI</b>	Gross National Income
<b>GoS</b>	Government of Samoa
<b>HOM</b>	Head of Mission
<b>ICT</b>	Information and Communications Technology
<b>JICA</b>	Japan International Cooperation Agency
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MDGs</b>	Millennium Development Goals
<b>MDBS</b>	Multi-donor budget support
<b>NGOs</b>	Non Government Organisations
<b>ODA</b>	Official Development Assistance
<b>OECD</b>	Organization for Economic Co-operation and Development

<b>ODE</b>	Office of Development Effectiveness
<b>PaBER</b>	Pacific Benchmarking for Education Results
<b>PACER</b>	Pacific Agreement on Closer Economic Relations
<b>PHAMA</b>	Pacific Horticultural and Agricultural Market Access Program
<b>PMUs</b>	Project Management Units
<b>PFM</b>	Public Financial Management
<b>PICPA</b>	Pacific Island Centre of Public Administration
<b>PICs</b>	Pacific Island Countries
<b>PIF</b>	Pacific Island Forum
<b>PIFS</b>	Pacific Island Forum Secretariat
<b>PILNA</b>	Pacific Islands Literacy and Numeracy Assessment
<b>PNG</b>	Papua New Guinea
<b>PRAEW</b>	Pacific Regional Aid Effectiveness Workshop
<b>PRRP</b>	Pacific Regional Resilience Program
<b>RAMSI</b>	Regional Assistance Mission to the Solomon Islands
<b>SDS</b>	Strategy for the Development of Samoa 2012-2016
<b>SPBEA</b>	Pacific Board for Educational Assessment
<b>SPC</b>	Secretariat of the Pacific Community
<b>SPREP</b>	Secretariat of the Pacific Regional Environment Programme
<b>SUNGO</b>	Samoa Umbrella for Non-Government Organizations
<b>ToR</b>	Terms of Reference
<b>UNDP</b>	United Nations Development Programme
<b>USP</b>	University of the South Pacific



# A. Introduction

1. This report documents the findings and recommendations from the peer review of Australia's Development Cooperation policies and procedures and the effectiveness of its application in Forum island countries (FICs). It was the second such review of a development partner in the Pacific, with New Zealand the first to participate in late 2014 and is a formal process undertaken under the 2009 Forum Compact for Strengthening Development Coordination in the Pacific. The review process reflects the commitment of all Pacific leaders and development partners to enhance coordination of development cooperation and improve the effectiveness of development efforts in the region in alignment with the global commitments arising out of Rome, Paris, Accra and Busan.
2. The Australian review involved representatives from partner Forum Island countries, other development partners and a representative of Pacific CSOs as an observer. The findings and recommendations from the peer review will complement a range of other Forum Compact evidence based efforts, including the annual Synthesis Report on Development Partner Reporting and the annual "Tracking the Effectiveness of Development Efforts" report which consolidates all Forum Compact evidence based monitoring and reporting efforts and is tabled at the annual Forum Leaders' meeting.



## B. Context

### B.1 Development effectiveness context

3. Since 2003 the global aid effectiveness agenda has progressively moved from a focus on coordination and streamlining of activities (agreed at the High Level Forum on Harmonization in Rome) to the five principles of the 2005 Paris Declaration on Aid Effectiveness (ownership, alignment, harmonization, managing for results and mutual accountability) to partnerships (through the 2008 Accra Agenda for Action). The focus on partnerships was further developed at the Fourth High-Level Forum on Aid Effectiveness in 2011 in Busan and increased recognition of the importance of inclusiveness and the meaningful engagement in the development process by the private sector, civil society, parliamentarians, international organizations and foundations. The Busan Partnership for Effective Development Cooperation is based on four principles: (i) ownership by developing countries; (ii) results as a focus of development efforts; (iii) partnerships for inclusive development; and (iv) transparency and accountability.
4. Pacific Leaders have actively supported global aid effectiveness efforts and in 2007 the Pacific Islands Forum (PIF) adopted its own principles for aid effectiveness<sup>1</sup>, based on those of the Paris Declaration. These principles highlighted the importance of national leadership and governance, transparency in national planning, resource allocation and financial management, creating a sense of "ownership" of development and aid, measuring results and adopting a coordinated approach among government departments and donors<sup>2</sup>. In 2009, Pacific Forum Leaders adopted the Cairns Compact for Strengthening Development Coordination in the Pacific (Forum Compact).

This was in response to concerns that the Pacific region remained off-track to achieve the Millennium Development Goals (MDGs) despite high levels of development assistance over many years.

5. The key objective of the Forum Compact is to drive more effective coordination of development resources from both FICs and development partners. It sets out principles to guide key deliverables, including acknowledgment that country leadership and mutual accountability are fundamental to successful development outcomes. It also recognizes the importance of the private sector, governance and improved infrastructure to development in the Pacific. The Forum Compact reinforced the need for close alignment of regional aid efforts with regional priorities<sup>5</sup>. The process for prioritization is well set out in the recommendations of the subsequent review of the Pacific Plan in 2013. As part of its contribution to the global aid effectiveness agenda, the Forum Compact has localized the global principles through "home-grown" processes that contribute to enhancing country leadership; ownership; mutual accountability; and inclusive partnerships. The results of these Pacific-based processes contribute to global monitoring processes, providing input to high-level governance mechanisms with the Forum Compact evidence used to inform the global debate on good practices around effective institutions and mutual accountability.
6. Much of this evidence is documented through the annual Pacific Regional MDGs Tracking Reports and the Tracking the Effectiveness of Development Efforts Reports. The 2014 reports show that Pacific development partners are showing more willingness to open themselves to scrutiny; improve alignment

<sup>1</sup> The 2007 Pacific Principles for Aid Effectiveness was adopted by the Pacific Island Countries/Development Partners (PIC-Partners) Meeting

<sup>2</sup> <http://www.forumsec.org/pages.cfm/strategic-partnerships-coordination/pacific-principles-on-aid-effectiveness/forum-compact/>

<sup>3</sup> Pacific Islands Forum Communiqué Fortieth Cairns Compact on Strengthening Development Coordination in the Pacific, August 2009

with FICs national priorities; harmonize processes with other development partners; and a greater use of country systems based on mutually agreed policy-based agreements. While gradual progress is being made, the 2014 report also noted the need for more effort to increase and sustain the use of country systems by development partners and concern that aid fragmentation remains. Aid predictability is variable and development partners are making slow but gradual progress to align priorities and aid delivery processes to suit Pacific conditions and country contexts<sup>4</sup>.

7. At the 2012 Pacific Island Countries - Development Partners meeting it was agreed the Global Partnership commitments/indicators be included as part of the Monitoring and Evaluation Framework for tracking development effectiveness efforts and progress at the regional and national levels.

## B.2 Peer reviews

8. Under the Forum Compact, country peer reviews of national systems involve representatives from both the FICs and the development partners in the region. The reviews, which are supported by the Pacific Island Forum Secretariat (PIFS), cover the processes for development planning and budgeting; public financial management (PFM); and aid management. The country peer review process respects country ownership and leadership, takes a balanced approach to what is working well and what could be improved and offers practical advice from other FICs. To date, thirteen country peer reviews have been completed and a total of 173 recommendations have been made across the thirteen FICs. Most of the recommendations were focused on strengthening systems and capacities in national planning and aid management and the majority of the countries were encouraged to establish and enforce clearer rules of engagement and expectations with their development partners through new and revised development cooperation policies<sup>5</sup>.

9. The concept of a peer review of development partners in the Pacific was agreed in 2012 at a Pacific Regional Aid Effectiveness Workshop (PRAEW)<sup>6</sup>. Workshop participants recommended that the peer review of development partners, including the regional organizations, would be an appropriate next step following the country peer reviews and would underline the Busan Global Partnership commitment to mutual accountability. The workshop recommendation was confirmed at the 2012 Pacific Islands Countries - Development Partners meeting, with Australia, New Zealand and the UN the initial volunteers to host reviews. PIFS developed generic Terms of Reference (TORs) based on the peer review process developed by the Organization for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC). Like New Zealand before it, Australia offered suggestions to inform the TORs, the scope of the peer review, the composition of the peer review team and the process for finalization of the peer review report and its recommendations.

## B.3 Australia's Development Cooperation context

10. **Integration of DFAT and AusAID:** On 1 November 2013, the Department of Foreign Affairs and Trade (DFAT) assumed responsibility for providing advice to the Government on aid policy and managing much of Australia's overseas development assistance (ODA) program. The integration of the Australian Agency for International Development (AusAID) into DFAT ensured closer alignment and mutual reinforcement among the Government's aid, foreign affairs and trade efforts and has strengthened its capacity to pursue Australia's national interests abroad. The integration of AusAID and DFAT has occurred in a phased manner, with an integrated organizational structure of geographic, multilateral and thematic/ economic policy functions finalized in July 2014.

<sup>4</sup> 2014 Tracking the Effectiveness of Development Efforts in the Pacific Report. Page 8.

<sup>5</sup> 2014 Tracking The Effectiveness Of Development Efforts In The Pacific Report. Page 9.

<sup>6</sup> The PRAEW was an annual technical workshop for Forum members represented by senior planning and aid coordination/management officials. It was used as a mechanism for peer-to-peer learning, knowledge sharing and capacity building amongst Forum officials. It is now being convened on a two yearly basis.

11. **Development Policy:** The Australian Government's new development policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability* was launched by the Minister for Foreign Affairs, the Hon Julie Bishop on 18 June 2014 along with the aid performance framework "*Making Performance Count: enhancing the accountability and effectiveness of Australian aid*". Together the documents establish the rationale, direction and performance measures to drive a more targeted and effective aid program. The development policy confirms that the purpose of the Australian aid program is to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction. As a result the aid program is focused on two development outcomes strengthening private sector development and enabling human development; is centered on the Indo-Pacific region and in doing so will address six priority areas:
  - 1) Infrastructure, trade facilitation and international competitiveness with the emphasis on supporting an expansion in the private sector. The rationale being that better infrastructure reduces the cost of doing business, while trade facilitation helps ensure that businesses can compete in international markets.
  - 2) Agriculture, fisheries and water with the focus on improving food security and productivity in the region.
  - 3) Effective governance to strengthen the capacity of partner governments to invest their own resources in pro-growth and poverty reducing activities.
  - 4) Education to enable young people to get the skills they need to contribute to the economy and health, particularly health systems, so that women, men and children can access better health and live healthy and productive lives.
  - 4) Building resilience through the provision of humanitarian assistance in response to emergencies, supporting disaster risk reduction and strengthening social protection to enable the poor to build skills and increase their participation in the economy.
- 5) Gender equality and empowerment of women and girls, recognizing the significant benefits that flow to whole communities from women's participation.
12. Four tests will guide strategic choices across the aid program, translating this new strategic framework into practice. They will ensure that Australian aid pursues its national interest and extends Australia's influence; has an impact on promoting growth and reducing poverty; reflects Australia's value-add and leverage; and makes performance count. The policy is expected to also realize significant improvements in the way Australian aid is delivered, through: (i) greater innovation; (ii) strengthening our private sector focus; (iii) enhancing aid for trade; (iv) disability-inclusive development; (v) economic diplomacy; (vi) working with the most effective partners; (vii) consolidating the aid program; (viii) responsibly engaging with risk and applying safeguards; (ix) actively managing fraud and anti-corruption; (x) following value for money principles; and (xi) transparency.
13. The development policy commits the aid program to pursue innovative development solutions by sourcing new ideas to deliver better aid with greater impact and as a result a Development Innovation Hub has been established to drive the innovation agenda. The Hub will have funding of \$140m over four years to accelerate innovation in the aid program by connecting the Department with new ideas, new approaches to aid delivery and new partnerships to help solve difficult development challenges. A new strategy for disability-inclusive development is also to be introduced as part of the policy.
14. A new performance framework underpins the aid program and it is designed to provide a stronger link between performance and funding and increase the focus on value for money and results. Performance is assessed at all levels. At the strategic level, ten high level targets will ensure that the aid program is well managed and delivering against key Australian Government priorities. At country level, there will be benchmarks to assess the effectiveness of the portfolio of investments in each country.

At project level, there will be robust quality systems to ensure funding is directed to investments that make the most difference – where investments are not delivering value for money they will be cancelled if they cannot be improved within one year. The system for assessing partner performance is also being revised and this will impact partnerships with multilateral partners, contractors and CSOs.

15. **Assessment of Australia's ODA:** For the period 2013-14, Australia's individual aid investments in the Pacific were assessed as highly relevant, effective and sustainable. Investments rated lowest for monitoring and evaluation and gender equality. Monitoring and evaluation ratings in the Pacific are considerably lower than the average for the aid program as a whole, particularly in PNG where fewer than half of investments had satisfactory monitoring and evaluation arrangements in place.
16. The quality of monitoring and evaluation of aid investments is being addressed in a number of ways. The Vanuatu, Pacific Regional, Fiji and Tuvalu programs participate in a program that strengthens their capacity to ensure credible performance information is generated and used to inform decision-making. The PNG program has initiated a capacity building program to improve data collection, enhance program performance assessment and apply and share lessons learned internally and with partners more effectively. Further opportunities to promote and effectively monitor cross-sectoral priorities, such as gender equality, disability-inclusive development and disaster resilience, are being identified. All Pacific programs will focus on more effectively addressing gender equality throughout all investments.
17. As the largest bilateral education donor in all but one (Tonga) of Australia's Pacific partner countries, Australia is expanding opportunities for Pacific Islanders to participate in quality education and training. In Papua New Guinea (PNG), Australian funding created 144,628 extra school places and in rural Fiji 400 classrooms were built, enhancing learning and teaching environments. Over 5,200 teachers were trained across the Pacific region. Learning outcomes were supported through initiatives such as the multi-country Pacific Benchmarking for Education Results (PaBER) program, aimed at improving the literacy and numeracy levels of Pacific children.

Regional investments are contributing to enhanced economic opportunities. Recent research has confirmed impressive employment outcomes for the Australia Pacific Technical College (APTC), with 96 per cent of all graduates employed. Australian funding for the University of the South Pacific (USP) supports internationally-recognized higher education, with the 2013 Graduate Destination Survey confirming that 60 per cent of graduates had found employment within four months of graduation.

18. **OECD DAC Peer Review Recommendations:** The OECD DAC peer review in 2013 was followed by a mid term review in 2014. The 2013 review had highlighted six issues and made a number of recommendations with respect to five of these. The issues and associated recommendations were as follows:

- Australia was encouraged to share publicly its achievements and challenges of making national and foreign policies coherent with development aspirations.
- Australia is in a very strong position to deliver a growing aid budget effectively and efficiently. In line with its commitment to punch at or above its weight in international development, Australia should achieve its stated aid goal of 0.5% ODA/GNI by 2016/17; and in line with its Transparency Charter and the Government's decision in 2012 to change its approach to counting in-country refugee costs, Australia should state clearly what refugee costs will be counted as ODA over the coming years and explain how the costs are calculated.
- Australia should consolidate its impressive organizational reform by ensuring that staff understand and implement the new corporate culture; by making, as planned, information management and accounting systems fit for purpose; and continuing to tweak ways of working; and Australia should continue to implement the second phase of its workforce plan to ensure that staff are capable of delivering the objectives set out in the aid policy and that it has the skills to manage a range of partnerships and aid modalities, including program-based approaches.

- Australia should increase the medium-term predictability of aid for all its partner countries by providing public, regular and timely rolling three-to-five year indicative forward expenditures as it does for some partners; and Australia needs to increase the share of aid delivered through program-based approaches, and make use of partner country systems for program design, management, expenditure, monitoring and reporting, as recommended in the 2008 peer review. In particular, it should: meet its target for 2014 of increasing the share of aid using partner systems by 30% and once achieved identify and agree more ambitious milestones with partners and in countries where Australia considers the use of partner systems to be too risky, it should continue support partners' efforts to strengthen their financial management systems and build capacity to manage program-based approaches decisions each year.
- Australia should build on its achievements with reporting headline results by ensuring that it captures and reports results that are being tracked in more detail within individual programs and reported in independent and operational evaluations; and Australia should strengthen, as planned, the focus on learning from successes and challenges in its overall reporting on results.
- Australia should expand its disaster risk reduction programs to all partner countries; and share its tools and good practices with other donors; and Australia should demonstrate how its criteria for who, what and where to fund have been applied to actual grant decisions each year.

19. **ODA Budget:** The Government has committed to an ODA budget capped at approximately \$5 billion in 2014-15 and \$4 billion in 2015-16, ODA will then increase in line with the national consumer price index (CPI). This is part of the Government's pledge to ensure ODA is responsible, affordable and sustainable in the longer term. At this level Australia is still one of the ten largest bilateral donors globally.

## B.4 Samoan Development Cooperation Context

20. **Government of Samoa Development Cooperation Policy:** The policy, published in December 2010 highlights that Government business always involves partnerships: different agencies within Government with each other; with civil society; with the beneficiaries of public services; and with the donors who provide a substantial share of public resources. These partnerships must respect Government's fundamental role in setting national priorities, in which they are accountable to the people of Samoa. This is one of the key principles in the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Action (2008), and the more recent Busan [Partnership for Effective Development Cooperation (2011), which renewed the emphasis on ownership and the recipient's responsibility to lead and manage the development process preferably using government procedures and systems.
21. The Government seeks to manage the inflow of resources from donors in ways that help Samoa pursue its overall objectives of improving the quality of life for all through coherent strategies in each sector. For the most part, development partners fully recognize the importance of Government leadership. Effective leadership in Samoa involves the development of coherent sector strategies, well functioning sectoral institutions and clarity in the relations between sectoral plans, the responsible implementing agencies, and the role of central Ministries. There must also be a strong financial management, accountability mechanisms, and performance measurement systems. The Government expects partners to provide resources in forms, which are flexible enough to allow them to be used for their priorities. Samoa recognises that these forms will vary across donors.
22. This strategic framework for development cooperation management is a policy document that reaffirms the role and responsibilities of line ministries and agencies in terms of program implementation, central agencies for external resource mobilization and the Ministry of Finance in terms of aid coordination functions in accordance with the laws and regulations of the Government.

The Government is committed to working with its development partners to strengthen aid effectiveness with the ultimate aim of developing confidence in the Government's capacity to plan and manage development program and to strengthen systems and procedures for utilization of public funds as well as performance monitoring so that partners will provide budget support funding directly to Treasury.

23. Not all partners are ready or willing to contribute funds directly into the budget and different organizations have their own requirements and interests, which must be taken into account and there may still be circumstances where stand alone projects or other forms of aid are justified including the use of autonomous project management units. However, these must at least conform to the priorities and requirements of the sectors concerned.
24. The policy includes the key principles and objectives to guide management of development cooperation programs. The Government encourages development partners to work through the Aid Coordination/Debt Management Division of the Ministry of Finance as the focal point for ODA resource mobilization and coordination to further enhance aid effectiveness.
25. **Strategy for the development of Samoa (2012-2017)** highlights "boosting productivity for sustainable development" and outlines fourteen outcomes under four priority areas: (i) Economic with 5 outcomes relating to macroeconomic stability; re-invigoration of agriculture; revitalized exports; sustainable tourism; and enabling environment for Business Development; (ii) Social with 3 outcomes of a healthy Samoa; improved Focus on Access to Education, Training and Learning Outcomes; and ensuring social Cohesion; (iii) Infrastructure with 4 outcomes of sustainable access to safe drinking water and basic sanitation; efficient, safe and sustainable transport systems and networks; universal access to reliable and affordable ICT services; and a sustainable energy supply; and (iv) Crosscutting – environment with 2 outcomes of environmental sustainability; and climate and disaster resilience.
26. The National Strategy includes broad strategies and key performance indicators that are supported by outcome level implementation plans and an overall Monitoring and Evaluation Framework.

Both the implementation plans and the M&E framework are informed by more detailed sector level plans that also have more comprehensive strategies and M&E mechanisms. The final but important links in the planning and development agenda for Samoa are the Ministry Corporate Plans, outcomes and strategies.

27. **Samoa Peer Review Report (2013):** The review report noted the strong leadership and political commitment to the reform process over the last 20 years that has strongly supported Samoa's economic and financial reforms. It focused its attention on the four key pillars of economic management, namely planning; the budget; public financial management; and aid coordination and the following is a summary of the five recommendations made:
  - The Government is encouraged to examine whether there is value in planning beyond the four-year term of the national Strategy.
  - The Medium Term Expenditure Frameworks need to be carefully monitored to ensure there is real value gained, given the issue of capacity in the ministries responsible for the development of sector plans to cost out these plans.
  - The demands of multiple coordination committees need to be managed carefully in light of limited capacity and loss of skills when project management units (PMUs) close on completion of projects. To facilitate a whole-of-government approach to reforms and policy making, Government may wish to consider making increased use of the Central Agency Coordinating Committee, or else it could be an added function of the Cabinet Development Committee.
  - With the ongoing reforms in the Public Financial Management systems and efforts to integrate the plans and the budget through Medium Term Expenditure Frameworks, it is imperative that the Government focuses on streamlining functions and processes and to ensure adequate capacity, engagement and communication across the whole of Government ministries and agencies for effective implementation and to ensure sustainability of these reforms.

- The remaining challenges are in the areas of procurement in line ministries, the effectiveness of internal audit and delayed implementation of some modules. With the improvements to the Financial Management Information System, the timing may be right to reconsider the pre-auditing of transactions function regardless of size or risk, as there have been cases of lengthy delays in payment of supplier's goods and services.

## B.5 Partnership Arrangements for Support to Education at Regional level

28. The Australian Government has partnership agreements with the University of the South Pacific, the Secretariat of the Pacific Community and the Australian-Pacific Technical College (APTC). These partnerships are designed to achieve improved development outcomes and sustainable improvements in the quality of life of all Pacific islanders through quality education at all levels; research and through building local capacity. The strategic plans of the three organisations and the guidance note of DFAT on "Regional Organizations and the Pacific Education and Skills Development Agenda" guide these partnerships.

29. **Benefits of Australian Government's Regional Support to Education:** Samoa has benefited from the Australian Government's Regional Support to Education through:

- The Pacific Benchmarking Education for Results (PaBER) project, the Secretariat of the Pacific Board for Educational Assessment (SPBEA)<sup>7</sup> undertook a benchmarking analysis of literacy and numeracy in Samoa. Pacific Islands Literacy and Numeracy Assessment (PILNA) data for Samoa has been analysed, the report completed and a Samoa baseline for literacy and numeracy established.
- The Pacific Indicators for Inclusive Education research project is developing a set of contextually specific indicators for inclusive education in the Pacific and guidelines for implementation in 4 countries including Samoa. The indicators will assist countries to evaluate their efforts and develop further plans and targets for providing quality education for children with a disability.
- Pacific Regional core funding to the APTC in 2014 supported 246 enrolments (55 per cent female) and 225 graduates (59 per cent female) from Samoa.
- In 2014, 604 Samoan students were enrolled in the University of the South Pacific (USP) across all campuses, and 98 Samoan students graduated with qualifications from USP.



<sup>7</sup> Name has changed to the Education Quality Assessment Programme (EQAP) within the Secretariat of the Pacific Community



Peer Review Team with Australia's High Commissioner to Samoa, HE Sue Langford, (3rd from right) and ACEO Aid Coordination & Debt Management, Samoa, Ms Peseta Noumea Simi (2nd from right) during country visit to Samoa.

## C. Forum Compact Review Purpose and Objectives

30. Peer Reviews have guided improvements in FICs. More importantly, they have fostered greater leadership by FICs in negotiating how development assistance is provided and how it can more effectively address country priorities. A key focus of the peer review process has been on knowledge sharing and peer-to-peer learning. The development partner peer review process shares these goals.
31. The ToR for the Australian Peer Review were developed in close consultation with the DFAT. They are based on generic ToR developed earlier in 2014 by the PIFS through consultation with Forum members and development partners. The Review is expected to provide feedback on the support provided by Australia to FICs; facilitate Australia 's own insight into how well their policies, procedures and actions support FIC development efforts; and provide an opportunity for FICs to increase their understanding of Australia's policies and procedures. Against this background, the objectives of the Review are to:
  - Assess how effectively Australia 's development cooperation is coordinated in order to meet the development needs of FICs;
  - Foster mutual learning on effective development cooperation practice, innovation and coordination to improve both FIC and Development Partner policy and practice;
  - Increase understanding by FICs and Development Partners of Australia's development cooperation policies, strategies and procedures and its implementation;
  - Identify potential improvements in Australia 's development cooperation with FICs; and
  - Establish an agreed Implementation Plan with targets and indicators for review follow-up and monitoring.
32. The full Terms of Reference appears as Annex A.



## D. Methodology

33. The methodology for the peer review reflects the principles of ownership, inclusiveness and transparency and the lessons from the country peer reviews. In the lead up to the start of the peer review of Australian development assistance to Papua New Guinea and the Pacific, Australian DFAT officials worked with PIFS to finalize the ToR; helped identify the team participants from Tonga, Solomon Islands, Japan International Cooperation Agency (JICA), Asian Development Bank (ADB) and a representative of Pacific CSOs as an observer. (Brief biographies of the team are at Annex B). Apart from assessing the performance of Australia as a development partner in the Pacific, a key role of the review team was their willingness to share their knowledge and experience of how effectively Australia had supported the development priorities of the region and worked as an important partner of FIC governments, civil society organizations, the private sector and other development partners active in the Pacific. Their selection was based on their own country and agency engagement with Australia's ODA Program.
34. The ToR were designed to allow the peer reviewers to assess how effectively Australia's bilateral and regional development cooperation was delivered in order to meet the development priorities of FICs, with a particular focus on Australia's bilateral partnership with Samoa, or the focus country, and using the education sector to review Australia's regional partnerships. A key aspect of the latter was to also include consideration of the role of the regional program in supporting or complementing activity at the country level. The ToR identified the following focus areas for review: policy dialogue, coherence and alignment; coordination; predictability; use of partner systems and reducing aid fragmentation; use of technical assistance and advisors; innovation, good practice and knowledge sharing; monitoring and evaluation; and regional partnerships delivery.
35. The team had access to a wide range of documents provided by Australia, Samoa, the SPC, USP, APTC and PIFS. The documents included Australia's 2014 development policy and performance framework, partnership agreements and strategy documents, the Samoa Development Cooperation Policy (2010) and Country Peer Review report, regional reports on aid effectiveness in the Pacific and the OECD DAC peer review and mid-term review recommendations for Australia. The team paid particular attention to the detailed Memorandum prepared by Australia. The Memorandum provided an Australian perspective on the questions covered in the review ToR, with a total of thirty-five case studies to support the answers provided. The key documents are listed at Annex C.
36. The team (minus the CSO Observer) participated in the mission to Canberra, Australia from 27 April to 1 May 2015. Meetings were held with Australia's DFAT senior officials, Pacific diplomatic representatives based in Canberra, representatives from civil society organizations (CSOs), managing contractors and academia. Engaging both government and non-government actors enabled the review team to receive comprehensive and multi-stakeholder perspectives of Australia's ODA support to the Pacific. Following the Canberra visit, the team met with DFAT Fiji Post, SPC, USP and APTC personnel in Fiji on 4 May 2015. The mission to Apia, to meet with the Australian High Commission, Government of Samoa officials and CSO, Chamber of Commerce and development partners with representatives in Apia, took place from 5-8 May 2015. A list of those consulted by the review team appears at Annex D.

37. At the end of the consultations in both Canberra and Apia, the team shared an aide memoire outlining its preliminary reflections on the link between Australia's policy and its practice, again seeking to respond to the eight questions listed in the ToR. Both aide memoires identified areas requiring further testing and/or investigation and both were presented to DFAT (Canberra) and the Australian High Commission (Apia).
38. This report draws on responses made to the review team during its meetings in Canberra, Samoa and Fiji; the background documentation; and the experience of the review team with Australia's aid program and its implementation in the Pacific. It aims to provide a balanced perspective, providing both the key findings as well a number of recommendations for DFAT to consider to strengthen further its development support to FICs.





## E. Findings

39. The team in considering the documentation provided for the review, as well as the open and comprehensive discussions they were able to have in Australia, Fiji and Samoa, focused most of their attention on the eight elements that have most impact on Australia's development effectiveness efforts as outlined in their ToR. In doing so the team sought to gain a greater insight into Australia's policies, procedures and actions and how these are implemented and might be improved to support FIC development efforts. At all times and while giving specific attention to how Australia works with Samoa as well as how its regional assistance in the Pacific is implemented, it was understood that in implementing bilateral or regional programs it was critical to respond to country context, that differed markedly across the Pacific and Papua New Guinea.

### E.1 Policy dialogue, coherence and alignment

40. In its discussions both in Canberra and Apia, the review team noted that the Australian Minister for Foreign Affairs had launched the Government's development policy and performance framework for Australia's aid program on 18 June 2014. The documents established the rationale, direction and performance framework that were designed to drive a more targeted and effective aid program and an important component of Australia's broader economic diplomacy. Drawing together its foreign, trade and aid policies and resources to deliver greater prosperity for Australia and its neighbours in the region.

41. The review team was advised that Australia remains focused on promoting a close and well-coordinated partnership between itself and the countries of the region. While there is now an increased emphasis on seeking to ensure that development funds are considered an investment, achieving results and value for money, there has not been a fundamental shift but more a 're-shaping' of the way DFAT has always

worked. The reference to promoting innovation is primarily an attempt to find ways to do things differently in the aid program in an effort to achieve more effective results.

42. The development policy underlines the importance of adapting to global changes and developments. It emphasizes that the purpose of aid is to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction. It focuses on private sector development, including aid for trade, recognizing that the private sector is the primary driver of economic growth and poverty reduction. The policy also emphasizes a continued investment in human development recognizing that education; health; and gender equality and women's empowerment are essential to building a skilled and competitive workforce and lifting living standards. The aid policy also calls for a stronger focus on the Indo-Pacific region.

43. The integration of the management of Australia's aid program into the Department of Foreign Affairs and Trade is expected to strengthen the delivery of the aid program through greater coherence and alignment with internationally agreed aid effectiveness principles and increases the opportunities for a "whole of government" approach. Australia's partnership in providing humanitarian relief, support to Pacific parliaments and its leadership in RAMSI are just some of the examples that have been very successful. While Australia continues to consult widely in the region to ensure alignment of its policy directions with the priorities of FICs, the team noted the importance of ensuring that FIC and Australian priorities, such as climate change and labour mobility, remain important in DFAT's development cooperation with the Pacific in the future. It was also confirmed that under the new policy arrangement and with the integration of DFAT, the Head of Mission in countries (or in those countries in which it is the representative office) has an overall day-to-day management responsibility

- of the foreign affairs, trade and aid relationship. The Pacific "regional aid program" is one single program. It is jointly managed between Canberra and Suva (with one program managed in Vanuatu), with the principle of managing the program from where the partner is closest. With a few exceptions<sup>8</sup> Suva has responsibility for support to Pacific based regional organisations, UN agencies and other Pacific based regional programs, while Canberra has responsibility for Whole of Government programs and other Australia based organisations such as research institutions and multilateral banks (WB, ADB and IFC).
44. The peer review team noted that Australia considered that the integration of AusAID with DFAT had strengthened 'whole of government coherence' in both Canberra and at country level, with all Australian funded teams liaising closely with the relevant Head of Mission. Pacific island countries (and most importantly the smaller countries) were also seeing increased opportunities for labour migration, with the potential for continued expansion and potentially overtime opportunities for skilled workers employment, which is important and could underpin successful PACER Plus trade negotiations. However, the review team considered that it was important that the blending of Australia's national interests in areas such as foreign affairs and trade with its broader development assistance support would need to be managed carefully. It is important to avoid any perception that the direction and level of aid was being manipulated or determined by other agendas and that it should remain focused on responding to the priorities of the Pacific island countries.
45. The seasonal worker program, which continues, to gain momentum is a good example of how the shared interests of both Australia and the Pacific can be met with mutual benefits for both. The small economies of the region, where there are limited formal employment opportunities, have a direct benefit through both men and women from the region being employed in Australia and remitting funds for families back home as well as learning new skills, while Australia's agricultural and other sectors benefit from access to workers in areas where there are local shortages.
46. Australia is a strong advocate internationally for attention to be given to addressing the challenges facing Small Island Developing States (SIDS) and to ensure Pacific development needs are strongly represented in international forums and organizations. This includes the United Nations and multilateral development banks as well as other regional and global fora such as the G20. As indicated already, Australia acknowledges the changing development landscape with the engagement of more and diverse development actors and affirms its commitments to the Global Partnership for Effective Development Cooperation by: (i) working with a wide range of partners to deliver on development objectives; (ii) acknowledging the need for partner government ownership and alignment with partner government development needs and priorities; and (iii) being transparent, accountable and predictable in its funding.
47. Australia's close relationship with Papua New Guinea and the Pacific is grounded in a wide range of common economic, social and security interests that drive both the bilateral and regional program support that continues to be provided. In this regard, it is important that Australia's policy is well understood across the region and that there is a calibrated approach adopted to ensure country differences are reflected in processes and systems adopted to ensure its effective implementation. Linked to this is the recognition that the region continues to experience change in its geopolitical relationships and increasing activity of a range of new development partners; the graduation of a number of countries from LDC status; with the conclusion of MDG tracking in 2015 and the soon to be confirmed global commitment on the post-2015 development agenda and SDGs; and with the emergence of new approaches on regionalism with the agreement by Forum Leaders on the Framework for Pacific Regionalism.
48. Many of the issues outlined in the previous paragraph draw attention to the importance of focusing increased attention on the effectiveness of development cooperation and the potential for Australia to play an important role as a partner in the region and to work with others to increase the cooperation between development partners under the leadership of the FICs as well as in ensuring regional organizations can

<sup>8</sup> Support to FFA and SPC (FAME and Statistics for Development Division) are still managed from Canberra in 2015, funding for FAME and SDD will be transferred to core funding under the SPC partnership. They will continue to be managed from Canberra but will be administered financially from Suva.

respond most effectively to the development priorities of the FICs. (A more detailed analysis of the regional program is included at E.8 Regional Partnership Delivery).

49. The team was able to confirm that Australia and Samoa continue to have a close working relationship, with a high degree of coherence between Australia's development policy directions and those of the Government of Samoa. The two governments have annual High Level Consultations and there is also ongoing and regular contact between the Australian High Commission (Post) and the Government. The high level consultations in November 2014 were a good opportunity for exchanges on the integration of DFAT and AusAID and implications of the Australian Government's new aid policy.
50. In Samoa, Australia regularly provides input into policy dialogue through a formal process and at different levels of engagement; namely at sector level and at national level during the development of the national development strategy and sector plans and throughout monitoring processes. There was some concern that there had been little opportunity to discuss Australia's aid policy document ahead of its finalization. The Government of Samoa hopes that as they work on a new investment plan-post budget, steps are taken to ensure that the relationship remains close and in the spirit of the partnership for development approach, with agreement on how results will be measured and ensures that it builds on the development progress already made.
51. The review team notes that the Government of Samoa is aware of Australia's new aid paradigm and the importance of the private sector. The team recognized that Samoa had already taken its own steps to improve the enabling environment for private sector development and have also actively sought to ensure greater private sector involvement in the delivery of public services as well as increased private investment in a number of the statutory authorities. The Government is keen to work with Australia and other partners to see what else can be done to boost private sector development, while also promoting support for the informal sector. The informal sector is considered by the Samoa Government as the best opportunity for creating employment and improving living standards for the majority of the Samoan population, with many families still heavily reliant on the subsistence sector to meet their daily needs.

**Box 1: Australia's performance framework, Making Performance Count includes ten high level targets to ensure that the intention of the development policy is adhered to and that the aid program is well managed and delivering against key Government priorities of:**

1. Promoting prosperity: Promote economic development by increasing Australia's aid for trade investments to 20% of the aid budget by 2020.
2. Engaging the private sector: All new investments will explore innovative ways to promote private sector growth or engage the private sector in achieving development outcomes.
3. Reducing poverty: By July 2015, all country and regional programs will have Aid Investment Plans that describe how Australia's aid will promote economic growth in ways that provide pathways out of poverty.
4. Empowering women and girls: More than 80% of investments, regardless of their objectives, will effectively address gender issues in their implementation.
5. Focusing on the Indo-Pacific region: Increase the proportion of country program aid that is spent in the Indo-Pacific region to at least 90% from 2014-2015.
6. Delivering on commitments: From July 2015, progress against mutual obligations agreed between Australia and its key partner governments and organizations will form part of program performance assessments.
7. Working with the most effective partners: By July 2015, design and apply new systems to assess the performance of the aid program's key delivery partners and ensure stronger links between performance and funding.
8. Ensuring value-for-money: Deliver high standards of value-for-money in at least 85% of aid investments. Where standards are not met and improvements are not achieved within a year, investments will be cancelled.
9. Increasing consolidation: Reduce the number of individual investments by 20% by 2016-17 to focus efforts and reduce transaction costs.
10. Combatting corruption: Develop and implement new fraud control and anti-corruption strategies for all major country and regional programs by July 2015.

52. An important component of the development assistance made available to FICs are the various scholarships programs as these are seen as vital for ensuring the countries are able to continue to enhance their development options and strengthen their human development. The team focused much of its attention on Australia's regional education program and its interaction at the national level, the peer review was also able to consult with colleagues in Samoa and learned of the effective tripartite arrangement that exists between the Government of Samoa, New Zealand and Australia where of the 55 scholarships available under this arrangement, 20 are targeted at health and education. A clear indication of the coherence and alignment between the provision of scholarships and the priorities in education and health. Australia is also providing specific technical advice to assist with the establishment of a scholarship database and tracking system to better understand success rates and post-scholarship experiences. The Samoa Government has also established from its own resources a student counseling (academic and social) for students attending USP and this has already yielded good results.
53. In discussions in scholarships, some concern was expressed that a decision has been taken by Australia to cease the provision of support for the distance and flexible learning scholarship program in 2016. A similar decision has been made in the Tonga program. Given that the provision of these scholarships are provided at relatively low cost and often provide opportunities for women who often have greater restrictions in terms of travelling for study there may be a need to reconsider this decision.
55. The Post highlighted Samoa's effective coordination of development partners and this was also confirmed in the team's consultations with locally based development partners. Samoa's 2010 Development Cooperation Policy, sets out the key elements for promoting aid effectiveness and development partners are regularly updated on the Government's development priorities and how they can most effectively support the Government. A comprehensive committee structure promotes sector coherence and links across sectors with bi-monthly meetings of the sector coordinators drawn from lead line ministries for each sector. Development partner coordination is also facilitated through the adoption of Development Partners' Coordinators to lead discussions with the sector coordinators. The Ministry of Finance chairs the meeting of sector coordinators to promote links to national priorities as set out in the National Strategy and annual Budget.
56. The Australian memorandum, shared with the team immediately ahead of the mission to Canberra, indicated that Australia's engagement with other donors is structured and strategic, working not only with other donor missions in the Pacific but in Australia and directly in the United States, Japan, New Zealand, the United Kingdom and the European Union (Brussels). These engagements cover a range of mechanisms such as regular trilateral meetings with Japan and the United States; New Zealand and European Union; and informal aid talks with New Zealand and Taiwan, as well as multilateral meetings. The team also understands that Australia engages emerging donors such as China to encourage development best practice.

## E.2 Coordination

54. Australia continues to work closely with FICs and partners to promote more effective coordination processes and systems through taking the lead, where appropriate, in sector programming; policy dialogue; advocacy; and the provision of technical assistance and advisors. This support emphasizes the need for FICs to lead coordination and while this seems more possible in countries such as Samoa where the aid coordination function is well developed and generally considered one of the most effective in the region, other country contexts may be more exposed. Australia has also adopted delegation cooperation arrangements, delivering support to Cook Islands and Niue through New Zealand systems, as further evidence of support for improving donor coordination.
57. Australia has also led the establishment of what is known as the Heptagon Group of Pacific donor meetings, primarily a forum to pursue the aid effectiveness agenda and has become a platform to discuss and engage with other major donors active in the region. China and the United States have recently attended this meeting as observers. Australia also seeks to promote coordination efforts through a large number of regional mechanisms around a specific thematic area as diverse as governance and infrastructure.

58. Australia also coordinates disaster responses through the long-standing FRANZ agreement with France and New Zealand, with humanitarian response to Cyclone Pam in Vanuatu providing a good example of how coordination across a range of national, technical, civil and military stakeholders and other partners has been enhanced by a strengthened National Disaster Management Office.
59. Consultations with Pacific Island Government representatives and civil society stakeholders in Australia underlined the importance of systematic and regular information exchanges and the importance of ensuring Australian based stakeholders are made aware of the implications of changes in the aid program.
60. The review team recognized the strong partnership between the Government of Samoa and Australia in the development of the sector wide approaches with specific reference to the joint initiatives in education, health and the power sector. The leadership of DFAT in its work with the Government at the sector level was seen as an example of effective coordination and development cooperation. In its discussions with other development partners, the review team was reminded of the importance of maintaining coherence and coordination across sectors and between development partners, in particular where a partner adjusts its policy focus.
61. The arrangements adopted by Australia, European Union (EU) and the World Bank for funding the Civil Society Support Program (CSSP) is a good example of effective development partner coordination, under the leadership of the Government. The willingness of development partners to work together with CSSP in the management, design of monitoring and evaluation processes and a single reporting template are key outcomes of this effective development partner coordination. The CSSP and its links to the Government, Samoa Umbrella Organization of Non-Government Organizations (SUNGO) and development partners demonstrate a close working relationship and an effective facility for supporting community based initiatives, including persons with disabilities and the potential for civil society advocacy on social and economic issues. The Review team felt the CSSP arrangements could be advocated as a model of good practice and inclusive partnerships

that could be duplicated in other parts of the Pacific. The Review team considered the principles embodied by CSSP of a joint approach by partners, coordinated closely with the Government and key civil society umbrella bodies, could serve as a basis for similar engagement in other countries. While these principles and broad approach are potentially worth replicating, the team acknowledges advice from DFAT that, subsequent to the review, an independent evaluation of CSSP identified the need for stronger management and administrative arrangements. (See Box 2)

**Box: 2: Coordination to support Community based activity:**

The Civil Society Support Programme in Samoa is an example of good practice with the Government of Samoa working alongside a number of development partners to ensure civil society groups in Samoa access assistance to bring social economic benefits; build capacity in the community; and strengthen CSO and NGO ability to advocate community consultation on Government policy and legislation.

DFAT support is provided under a funding agreement that is clear and flexible, with the requirements for parties spelt out clearly in the document. DFAT has adopted the EU Program Estimate format as the key framework for CSSP that has made reporting for CSSP easier and aligned itself with other donor requirements in the 6 monthly report template for CSSP. This has avoided delays in endorsing reports and CSSP reporting directly to what is expected. The current template also allows the CSSP the liberty to determine budget priorities to be endorsed by the Steering Committee. This flexibility also allows for re-programming when needed.

Suggested further improvements are: (i) Better communication between DFAT project managers and projects and regular monitoring of CSSP implementation to avoid pressure to utilize funds close to cut off dates; (ii) DFAT advocacy for the adoption of CSSP with other development projects and partners, particularly in the community development sector i.e. disability and gender programs for example especially in the context of grant management and administration; and

### E.3 Predictability

62. Australia's aid is based on annual appropriations, with three-year forward estimates, that demonstrate a commitment to predictability for FICs and regional and multilateral agencies. Also while the Australia's aid budget is confirmed on an annual basis, this does not prevent the aid program from entering into long-term financial commitments for aid projects or core funding for development organizations.
63. Australia the largest provider of external support to the Pacific accounting for more than 50% of all international aid and averaging around AUD1.1 billion for the last five years. The team acknowledged the difficult fiscal environment currently being faced by Australia and the indication that its global program was to be cut from about AUD5 billion to about AUD4 billion, the most significant one-off reduction in history. It also appreciated Australia's understanding of the importance of minimizing disruptions to PNG and Pacific programs that reflects Australia's national interests, as a part of the Pacific; and the disproportionate impact that cuts in aid would have, given Australia's leadership role among partners in the Pacific.
64. In the interests of greater predictability, reduced fragmentation and the recognition that development improvements take time, Australia's aid program is increasingly moving towards larger investments with longer timeframes. Australia's sustained and substantial support to the fisheries sector in the region over the last thirty years and its membership of both the Forum Fisheries Agency (FFA) and SPC, was highlighted as evidence of this approach and the benefits which can accrue to the region.
65. The Government of Samoa appreciates the open and transparent manner in which DFAT provides advice on the aid flows and forward projections. This has always been of considerable assistance in the Government's own budget process. It is aware of the current budget situation in Australia and will work with DFAT to identify how best to minimize the impact of potential reductions and any disruptions to current programs that may occur. Team members from Tonga and Solomon Islands indicated that their governments were well aware of the current fiscal constraints in Australia and appreciated the opportunities offered by DFAT to consider how any reductions in funding can best be accommodated to avoid undue changes to high priority programs.

### E.4 Use of partner systems and reducing aid fragmentation

66. There is now more widespread use of partner systems to support countries' own reform efforts. This is a major change in the Pacific since the Cairns Leaders' Forum in 2009 and involves an ongoing, coordinated policy dialogue that is backed by budget support. It is now a feature in Kiribati, Nauru, Samoa, Solomon Islands, Tonga, and Tuvalu. The success of the reform processes and coordinated support has resulted in most countries now moving from the crisis response window to a longer-term arrangement to encourage reform and build resilience. Australia has played a key role in supporting and/or encouraging greater analytical and financial engagement in the region by multilateral development banks, which play a key coordination role in policy dialogue. Australia also conducts regular assessments of national systems to help identify strengths and weaknesses and where required offer solutions to build stronger systems.

#### Box 3: MDBS Guiding Principles:

- A joint policy matrix and single policy dialogue mechanism
  - Strong government ownership of supported reforms
  - Supported policy actions address critical constraints to development progress
  - Policy matrices with a small number of substantial reforms
  - Technical assistance provided to support actions in the policy matrix.
  - A medium-term perspective
  - Government and donors share a clear understanding of objectives of supported reforms
  - Balance between flexibility and predictability
  - Adequate time and resourcing for policy dialogue
  - Shared analysis to improve dialogue.
- (See Annex E for more detail)

67. Approximately 67% of Australia's ODA to Samoa is provided using national systems and this compares with 36% for Solomon Islands and 82% in Nauru. The use of national systems is more limited in Papua New Guinea, Vanuatu and the North Pacific. While not binary decisions there are normally incremental steps between project modalities and general budget support.

68. In June 2014, DFAT joined a number of other partners<sup>9</sup> to develop a set of 'good practice principles' for the design and implementation of budget support in the Pacific. The principles were developed to ensure that future multi-donor budget support (MDBS) was effective and following subsequent consultations with a number of countries were adopted as the MDBS Good Practice Principles. The principles are intended to capture what has been found to work best when developing and implementing MDBS programs and will guide the future actions of development partners in working with Pacific countries so that lessons do not have to be relearned and positive impacts can be maximized.
69. The Government of Samoa informed the Peer Review team of the effectiveness of Australia's support for the use of national systems and was in particular pleased to see that there had been growing acceptance among key donors of joint assessment processes and agreement with the Government on key risk areas. Australia's support for the use of partner systems has, since the Forum Compact (2009), grown to over 60% of the bilateral program. This was considered to be an area that offered real opportunities for adoption in other parts of region and by other development partners. Samoa encourages further adoption of the use of partner systems and wants to explore ways to improve even further the processes already in place.
70. The use of national systems in Samoa covers both direct budget support and sector wide funding. Direct budget support is relatively new in Samoa and involves a number of partners, including Australia. It is also connected to a policy framework with agreed triggers and risks. Sector wide support where funds are provided through the Government system that has been in place for some time and is considered an example of good practice. In all cases the open and transparent communications between DFAT and the Government recognizes that it is important to respect national priorities and benchmarks for measuring achievement.
71. The Government of Samoa expressed concern that by linking DFAT's infrastructure program to that of the World Bank and ADB there may have been a move away from the use of national systems. However, the review team noted that although there is additional oversight, all multilateral development bank funds are delivered through country systems.
- ## E.5 Use of technical assistance and advisors
72. DFAT policies and approaches in the use of technical assistance and advisors, continues to evolve and is responsive to the differences in countries across the region. A range of mechanisms that are implemented by Pacific technical agencies complement country-specific initiatives. Balancing the need for advisors and in particular the provision of external advisors to undertake "in line" work and building capacity locally, continues to be a challenge in a number of countries and offers a real opportunity for innovation in the future.
73. The gradual reduction and specific tailoring of technical advisory support in the Samoa program highlights the advantage of the maturity of the Australia's support to that country and the progress made over the 20-25 years in the building of institutions and capacity in a coordinated and fully integrated manner.
74. Over the last few years the Government of Samoa has made significant progress to minimize the employment of international technical advisors and limit this use of development assistance to specific, highly technical areas where such skills are unavailable in Samoa. The recruitment of technical assistance using DFAT funding seeks to follow the following steps:
- Joint agreement on the terms of reference
  - A joint decision on recruitment process, with preference for local recruitment and management. However, in the case of the smaller island countries the challenge of recruiting locally remains.

<sup>9</sup> The Multi-donor group included DFAT the New Zealand Ministry of Foreign Affairs and Trade, the World Bank, ADB the Pacific Financial Technical Assistance Centre, and the European Union.

- Where an international advisor is required, the Samoa Government seeks to be involved in the selection process either by face-to-face involvement in the interview process or by connecting by telephone.

75. These well developed processes and measures taken to limit the number of technical advisers used by Samoa may be considered elsewhere in the Pacific, thereby avoiding dependence on external advice and enhancing government ownership.

## E.6 Innovation, good practice and knowledge sharing

76. The Australian development policy recognizes the need for the aid program to change as the world changes. It also highlights the fact that many development challenges, particularly in fragile and conflict-affected countries, are highly complex and seemingly intractable. As a result DFAT will seek to tap into ideas from a wide range of sources, experimenting with new approaches and partnerships to find breakthrough solutions to entrenched development problems and in doing so it demands a different approach to managing risk.

77. At the time of the review the Government had allocated AUD140 million over four years to encourage innovative development solutions. In this regard, DFAT has established innovationXchange in an effort to increase innovation and knowledge sharing in the aid program. Systematic knowledge sharing systems and processes are less developed, although the integration and co-location of staff involved in aid, foreign affairs and trade was understood to have improved knowledge sharing internally. The review team noted that there are already some good examples of innovation in the aid program in the Pacific and that the implementation of the Forum Compact, including the peer reviews and south-south cooperation, offered opportunities for improved knowledge management and sharing.

78. The team learned that Australia is to become a partner in the Global Development Innovation Ventures (GDIV) program<sup>10</sup> that supports a portfolio of innovations across multiple sectors including health, education, sustainable energy, food production, small business and accountable government. Innovations will be selected through open competition and innovators supported to pilot and field test development ideas, rigorously assessing their impact and cost effectiveness. Help will be given to transition the most promising to implementation at scale. Australian funding will be used to provide staged financing to innovators working in the Indo-Pacific region.

79. Through innovationXchange, DFAT is also collaborating with Bloomberg Philanthropies in seeking improvement in health data with a focus on PNG and Solomon Islands. Other investments include increased efforts in the blue economy and humanitarian areas and a new AUD20 million initiative, SEED Pacific, to test and scale new commercially viable and sustainable approaches to development challenges in the Pacific. It is expected to promote collaboration with locally based national and regional organizations.

80. FIC Governments are looking forward to learn more about the intentions and potential benefits that are expected from DFAT's innovationXchange initiative. A presentation to the Government and other stakeholders such as the Chamber of Commerce would be helpful in building a better understanding and its potential utility in Samoa, and may encourage the development of possible ideas to inform further development of the innovationXchange initiative itself.

81. The review team understands that one potential innovation that could be explored in the context of Samoa and using education as an example, is supporting current work on the development of results based funding approach in an effort to minimize a focus by development partners on monitoring at the inputs level.

<sup>10</sup> The GDIV program is a joint initiative of USAID and DFID and adopts the model of the Development Innovation Ventures program at USAID, designed to source powerful solutions from anywhere in the world, test them using rigorous methods and staged financing, and bring to scale those that offer more value for money than standard practice and improve the lives of millions. It seeks to unlock investment capital from both private and public sectors, to scale solutions commercially or through public sector adoption.

82. Given DFAT's focus on creating opportunities to promote private sector investment, the Review Team noted Australia's efforts to support countries strengthen the policy and regulatory environment to attract new investment, as well as a range of programmes to provide opportunities for Pacific small and medium enterprises.

83. The Review team felt there may perhaps also be scope, either within the programme or through the innovationXchange, to consider opportunities to bring in major new foreign private investment in the delivery of service. Telecommunications is a great example where market liberalization, support for organizational and behavior change and the introduction of competition has seen AUD1-2 billion in investment in the region over the past decade, which in turn has led to over 2million more people gaining access to affordable mobile phones. There are potentially examples to replicate some of this experience by opening electricity generation to new independent power producers or similarly to encourage private investments in Public-Private Partnerships (PPP) to provide infrastructure.

## E.7 Monitoring and evaluation

84. The team understands that the fundamental principle underpinning Australia's performance framework is strengthening the link between performance and funding. This is seen as critical to Australia's efforts to drive a culture that is sharply focused on results, achieving better value-for-money and getting the best development returns on each aid dollar spent.

85. The comprehensive monitoring and evaluation system delivered through the performance framework for the aid program, Making Performance Count, reinforces the directions set by Australia's development policy, enhances accountability and ensures a stronger focus on results and value for money. The performance of the aid program is assessed at three levels:

- At a strategic level with ten high level targets to ensure the aid program is well managed and delivering against key Government priorities (See Box 1 for more details on the targets)
- At a country program level where performance benchmarks are being developed to assess the effectiveness of investments in each country

- At the project level where robust quality systems will ensure funding is directed to investments making the most difference and will be cancelled if they are not delivering value for money

A system for assessing the performance of key partners, including multilateral partners, contractors and NGOs, are also being reviewed and strengthened to better link partner performance with funding allocations.

86. DFAT has also established two committees to promote effective governance oversight of the development policy of the Government. The first committee is the Development Policy Committee that ensures that the design and delivery of the aid program is consistent with the national interest and government policy priorities and is aligned with foreign, trade and development policy. The second committee or the Aid Investment Committee provides effective oversight of Australia's aid investment portfolio, ensuring it aligns with government policy, achieves development impact and promotes value-for-money in aid expenditure.

87. The team found that this was evidence of a clear coherence between Australia's intention to continue to strengthen monitoring and evaluation of its development assistance and the efforts by the Government of Samoa to effectively monitor the performance at ministerial, sector and national levels. Similar approaches to M&E are being adopted in other parts of the region and while some are less advanced than Samoa, Tonga and the Solomon Islands, there is generally considered to be strong Pacific support for identifying ways to better monitor the performance of aid delivery and its impact. However, there remain some questions about the future impact of some of the new approaches to M&E being developed by Australia. In particular, Samoa is keen to learn more about the Aid Investment Plan process and the interpretation of how aid investments will be assessed, including what "value for money" really means in a partnership context. In this regard, there is a need for consultations on DFAT's commitment to adopt an investment approach and the achievement of value for money to ensure this remains as much as possible in line with Samoa's development goals and how it monitors to ensure achievement at outcome

level. The sector wide approach helps ensure Samoa Government leadership and allows it to set the framework and benchmarks for partners to support.

88. The Government of Samoa underlined the importance of Government leadership in the detailed analysis of the development priorities at sector level and the production of a comprehensive road map for implementation, prior to the design of DFAT program support. Where government services were to be privatized it was critical that there had been a careful assessment of capacity prior to proceeding with devolution and implementation of such a strategy. While the Government appreciates the support provided by DFAT in using Samoa's M&E processes, it stressed the importance of ensuring that there was a clear line between monitoring for results and development partners involving themselves too closely in decisions around implementation.
89. With respect to monitoring the performance of the regional program, Australia is using many of the same tools used for its bilateral programs. While this can be more complicated at the regional level, given the difficulty in many situations of being able to isolate the precise impact at country level of much of the support, good progress is being made where country case studies are helping understand the on-the ground results emanating from regional support. The team considers that more could be done in this area as well as in ensuring that in making investment decisions, Australia is clear about the relative roles often being played by other development partners and the beneficiaries, be they Government agencies or non-government organizations.

## E.8 Regional partnerships delivery

90. Australia plays an active role in policy dialogue at the regional level to ensure its funding (including core funding) of regional organizations<sup>11</sup> is well aligned with its own policy interests. It also reflects its commitment to alignment with partner objectives and ownership, a focus on results, harmonization and predictability. Through their role on the governing council of regional bodies, Australia works with other members to ensure that the activities of the organizations focuses on the effectiveness of the regional organizations to deliver

and to be more accountable to the development agendas of FICs, including national priorities as well as regional integration priorities where identified.

91. It is the view of the Review Team that the identification of the regional integration priorities will be significantly enhanced when the Framework for Pacific Regionalism (which commits PIF and its stakeholders to advance beyond regional cooperation towards deeper forms of regional integration and creates mechanisms to enable Leaders to better prioritize issues) is firmly in place. Australia's support of the Forum Compact, the Country Peer Reviews and this Development Partner Peer Review are concrete examples of its commitment to shared mutual accountability and responsibility at the regional level.
92. The review team consultations with DFAT underlined that while the majority of Australia's support to the Pacific is directed through bilateral channels, its regional program plays a critical role in supporting common challenges and specialized services that are most efficiently delivered through regional mechanisms, especially in relation to the small island states. A key aspect of the regional program is that it can help create improved conditions that permit bilateral program to succeed.
93. DFAT uses a range of modalities to support regional cooperation and integration in the Pacific. The three broad categories are:
  - **Pacific institutions** that primarily advance regionalism and the region as a whole and includes the provision of core funding for regional organizations or initiatives that deliver a "regional public good". Examples include the core funding provided to PIFS, FFA, PACER Plus, SPC, SPREP and USP;
  - **Pacific Services** that benefit individual countries either provided equally to all or on demand. Examples include supporting World Bank and ADB research and analysis in the region, investing in SPC fisheries and food security development and supporting the program in statistics. If used, these

<sup>11</sup> Pacific Islands Forum Secretariat, the Pacific Islands Forum Fisheries Agency, Secretariat of the Pacific Community, Secretariat of the Pacific Regional Environmental Programme and the University of the South Pacific.

services take advantage of economies of scale in providing services for national benefit; overcoming national capacity constraints; advocating for and building national support for global or regional commitments etc.; and

- **Pacific Multi-country** initiatives are those designed to deliver discrete benefits to targeted countries or where outputs or outcomes can be clearly attributed to particular countries. Examples include APTC, PHAMA and PRRP.

94. Given the broad range of initiatives and the fact that regional organizations are often requested by members to extend their work programs into new priority areas, there appears to be scope for reducing fragmentation and addressing perceptions of duplication and complicated approaches to management. In this regard, the team learned that Australia is already taking steps to further reduce the number of regional program initiatives (currently about 46) it funds and is seeking to strengthen management arrangements with greater delegation of internal management responsibility to the Australian High Commission in Suva, Fiji. At the present time approximately 50% of the regional program is managed from Suva with the rest managed from Canberra.

#### Box 4: National-Regional Program Cohesion.

APTC demonstrates how a regional programme, with offices in a number of countries, can effectively promote effective interaction between the regional and country programs. APTC Samoa has seen more than 850 graduates over the last 8 years in three principle areas: trades; community services and hospitality, with students drawn from across the region and with more than 90% finding employment in the region.

APTC Samoa has also witnessed the growth in the number of graduates who have been able to use their APTC qualifications to study at high levels.

There are also good examples where APTC has worked with other Australian funded bilateral programs to build capacity in areas of disability support, nursing and pre-school education. In other words, a regional initiative being used to strengthen the results of a bilateral program.

95. Despite the fact that DFAT estimates that AUD100 million of the AUD174 million invested through Pacific regional programs in 2013-14, flowed into 14 bilateral programs in the region there remains concerns about the visibility of Australia's regional program support. As a consequence, there have been increased efforts to increase the visibility of Australia's regional program at country level and to try and measure more effectively the flow-on impact of the regional support. DFAT in both Canberra and Suva are working with regional organizations and other partners benefiting from Australian support to gauge how effectively regional initiatives complement the bilateral program and respond to national priorities or emerging issues where development partner support is not in place.

96. In addressing the issue of visibility and the role of regional programming, Australia is supporting efforts to bring greater clarity to regional cooperation and the role of regional organizations. As a member and donor to the organizations, Australia plays an important role in helping the region increase the effectiveness of regional cooperation as a mechanism for promoting economic and social development at both country and regional level. The majority of the country peer review reports highlighted the need for greater clarity over how and when regional program components are delivered at country level and how there could be more effective information provided to country aid coordination mechanisms so that the regional support could be more effectively reflected in national and sector planning and budgeting systems. In recognizing these issues, the review team noted that as much of Australia's regional program support to regional organizations is provided as core support, the role of these regional organizations in raising the visibility and importance of their work at country level should not be understated. Nor can the fact that Pacific countries are themselves members of the regional organizations and play a key role in setting their work programs and as a consequence they must also share responsibility for ensuring regional programs reflect their joint or shared priorities.

97. While the Framework for Pacific Regionalism is seen to be the key to driving a greater focus on what the Pacific wants to pursue collectively, it is important not to lose sight of the broader role that can be played by the regional program in<sup>12</sup>:

<sup>12</sup> Using the criteria set out in the 2013 Pacific Plan Review report

- Delivering public goods that are regional or semi-regional in nature, such as cross regional disease surveillance
- Enabling a common position or regional norm or standard to be established and adopted, such as disability inclusive policies, aid effectiveness, gender and standards for educational assessment
- Overcoming national capacity constraints such as the essential and specialized services to small island states in auditing and statistics
- Compensating for the failures of individual national governments, such as threats to the security and stability of members (such as civil unrest in Solomon Islands)
- Facilitating greater economic or political integration

98. Consultations on the DFAT supported education initiatives, that are being implemented through the Secretariat of the Pacific Community, the University of the South Pacific and the Australia Pacific Technical College, also allowed the review team to better understand how the DFAT regional and national programs are linked. In the education sector there are good examples of effective collaboration and coordination between Australia's country-based and regional program. Evidence of this coordination was seen in the support provided through the Education Quality Assessment Program (EQAP) of the Secretariat of the Pacific Community (SPC) in the development of a Pacific Register for Qualifications and Standards and the Pacific Benchmarking Education Quality for Results projects and the very successful Australia Pacific Technical College (APTC) project. The latter is considered to be highly successful across the region and in the case of Samoa, has led the development of a number of initiatives that offer potential for replication in other parts of the Pacific. In this regard, the technical training in fale<sup>13</sup> construction offered by APTC with ADRA, as part of the cyclone recovery program, is now likely to be rolled-out by APTC in Vanuatu, following Cyclone Pam in that country.
99. Despite the obvious successes and their impact in Samoa, there appears to be ongoing challenges about the degree of coherence between the bilateral program,

DFAT's regional activities and the support provided by other Australian Government Departments, which comprises about one-third of Australia's total aid to Samoa. As indicated already, DFAT has taken a number of steps to ensure a clearer alignment between its country and regional programs. However, the Government considers that further improvements could be made through DFAT playing a more proactive role in providing information on the variety of regional programs funded through Australia's assistance, as this would allow the Government to make early decisions on how they could best use or not use the assistance available from these sources. In the area of scholarship support provided through the USP, the review team noted that at the regional level there appeared to be a number of mechanisms that are supported by DFAT and perhaps offered scope for consolidation in their management.

100. The team also learned that while the emphasis is often placed on the need for the regional programs to be better coordinated with country-based initiatives, there may also be a need to ensure that before embarking on new country programs there is sufficient research undertaken of what is happening at regional level as this will avoid duplication of effort. Specific reference was made to the case of Kiribati, where a major curriculum reform project funded by Australian had been implemented for more than five years without reference to the regional program work, with Kiribati turning to EQAP after the bilateral program was completed to seek advice on including assessment in the curriculum documents.
101. While the Government of Samoa indicated that it limit its access to regional programs support and is very selective in its participation of the programs of the regional agencies, Samoa is in general considered to be an active participant in regional programs funded by Australia. As indicated above the Government is very appreciative of the support provided by the APTC which it believes is an effective model for ensuring how a regionally managed program can respond to the country's own priorities. In noting this, Samoa colleagues emphasized that the needs of countries in the region were different and as such the Government respected that many of the services offered at the regional level were of high priority in other countries, particularly in the smaller island states.

<sup>13</sup> Using the criteria set out in the 2013 Pacific Plan Review report

## F. Recommendations

### F.1 Policy dialogue, coherence and alignment

1. Australia through its diplomatic missions and Department of Foreign Affairs and Trade (DFAT), should continue open and regular dialogue on progress of its development policy and performance framework to ensure greater understandings across regional, national, departmental and sectoral stakeholders; in particular as it relates to 2015-16 Budget, forward estimates and implementation.
2. Australia should ensure an inclusive approach in all aspects of the development of all bilateral and regional aid investment plans and their associated performance frameworks.
3. Australia's commitment to a "whole of government" approach in the Pacific is evident in its leadership of RAMSI, and humanitarian responses. The central role of DFAT in the Government and integration of aid functions into DFAT provides scope to further strengthen coherence, although will require continued careful management.
4. Australia is urged to consider opportunities to further expand the Pacific seasonal worker programme, noting the opportunities for Pacific island peoples, including the promotion of growth in Australia
5. Australia is urged to reconsider the cancellation of the distance and flexible learning scholarship programs across the Pacific.

### F.2 Coordination

6. Australia is encouraged to continue its efforts to strengthen coordination among development partners as is seen at the sector level in a number of countries, with particular emphasis on ensuring leadership by FICs.
7. Australia is urged to maintain dialogue with Pacific representatives in Canberra as well as CSO partners, the private sector, academia and other stakeholders with an investment in the Pacific on development policy changes, budget implications and broader development effectiveness issues in the Pacific.
8. Australia is encouraged to actively promote good donor coordination support to civil society in the Pacific and in the case of Samoa to work with the Government of Samoa to urge all development partners supporting civil society groups in country to consider coordinating their activities with civil society through the CSSP.

### F.3 Predictability

9. Australia is encouraged to continue its open and transparent approach to providing advice on predictable funding arrangements, aid flows and forward projections and its implications on national budget processes.

### F.4 Use of partner systems and reducing aid fragmentation

10. Australia is encouraged to document, promote and share with development partners and FICs, the pragmatic multi-partner approach to the use of national systems and the advocacy of the good practices emerging from MDBS programs.
11. Australia is urged to continue to explore innovative ways to deliver aid through national systems, while building FIC leadership capacity to take full ownership of the process.

**F.5 Use of technical assistance and advisors**

12. Australia is encouraged to adapt the Samoa criteria in its recruitment of technical assistance in other FICs; emphasizing the importance of longer-term commitments that build institutional capacity in the region.
13. Australia is urged to maintain its level of commitment to capacity building in the region through its scholarship programmes and innovative approaches to learning as seen by the APTC, where the emphasis must be on the need for longer term commitments that build institutional capacity, through but not limited to organisational and behaviour change.

**F.6 Innovation, good practice and knowledge sharing**

14. Australia is encouraged to continue to share information on innovation change and actively promote its objectives and potential at both country and regional levels in the Pacific, noting that there may already exist examples in the region of proven ways of approaching development challenges that could be up-scaled or adapted elsewhere.
15. Australia is encouraged to consider and consult on the potential for innovation change to create opportunities for new foreign private investment in the Pacific.

**F.7 Monitoring and evaluation**

16. Australia is urged to work closely with partners at both country and regional level to enhance understanding of the new M&E processes and ensure the performance measures adopted are developed collaboratively and to the extent possible are linked to existing national sectoral and regional M&E frameworks.

**F.8 Regional partnerships delivery**

17. Australia is encouraged to draw on the Framework for Pacific Regionalism for greater alignment of its regional assistance to those priorities that support deeper regional cooperation and integration.
18. Australia should continue to ensure its regional and country based programs are mutually reinforcing and lead to greater clarity in linking regional assistance to country results.
19. Australia should work with its regional and multilateral partners to improve the visibility and contribution of its regional program at country level.
20. As a member, Australia is urged to work with Pacific island country members to help build their increased ownership and accountability for the support provided by regional and multilateral organizations. This could include supporting the delivery of country-based programs that ensure follow-up to regional and global commitments.
21. Australia is urged to work with a small number of key countries to design an appropriate reporting system to more effectively monitor the impact and increase the visibility of regional programs
22. Australia is encouraged to document, share and promote the success of the APTC in its ability to work alongside country programs and add value and depth to national programs.



## G. Lessons Learned

102. The methodology, support from officials with the Australian Department of Foreign Affairs and Trade, the Government of Samoa and other stakeholders, has allowed the team to produce a sound assessment of Australia's response and effectiveness in its support and partnership with the Pacific. However, as this is only the second peer review of a development partner under the 2009 Forum Compact, the following are some points that might be considered for future peer reviews:

- For the teams to be effective it is important that the members are selected well in advance and provided with early advice of the timing of the peer review and are provided key information at least two weeks before the peer review begins.
- Peer review members while being supported by PIFS could also be requested to undertake some initial consultations in their own country or agency so that they can contribute to the peer review process through offering examples or experiences from their own country or agency in dealing with the development partner that is the subject of the review.
- A clear understanding that the process is part analytical and part learning and sharing and that the review findings are seen as beneficial to the development partner subject to the peer review, the FICs as well as other development partners.
- Recognizing that the Forum Compact promotes the need for mutual accountability, the peer review process, both country and development partner peer reviews, should allow for recommendations to be made to all stakeholders not just the country or development partner involved.



## H. Conclusions

103. As recognized by the Australian Minister for Foreign Affairs in her forward to Australia's development policy, the Government's aid program reflects Australia's values and its commitment to reducing poverty and lifting living standards through sustainable economic growth. The aid program is not a charity but represents an investment in the future of the Indo-Pacific region. Well-targeted Australian aid is seen to complement Australia's diplomatic and security efforts to promote regional stability.
104. Australia is a committed and effective development partner that actively seeks to apply the principles of effective development cooperation, to varying degrees of success and overall, the Review Team concludes that:
  - Australia has established a sound policy and operational basis for the delivery of its aid program. The team notes the focus of the aid policy and the accompanying aid performance framework. Together the documents establish the rationale, direction and performance measures to drive a more targeted and effective aid program.
  - The development policy confirms that the purpose of the Australian aid program is to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction. As a result the aid program is focused on two development outcomes strengthening private sector development and enabling human development.
  - Through extensive organizational change, a new culture and ethos is emerging in DFAT that encourages learning and innovation. The integration of the former AusAID and DFAT has added new perspectives at both Headquarters and Posts and has seen the need for changes in the way staff approach their work in terms of foreign affairs and trade and development assistance.
  - Recognizing the paramount importance of leadership and ownership of the development agenda by their own countries, the team re-emphasizes the recommendations made through the Country Peer Review processes and encourages Australia to continue its strong support to the countries in capacity/institutional building initiatives as part of their development assistance, while also continuing to advocate for increased development partner cooperation with the Pacific island countries that recognizes the global and regional principles of development effectiveness.
  - With respect to the peer review recommendations, Australia is encouraged to establish clear time bound milestones in the development of the Implementation Plan and to work closely with the Secretariat in developing a monitoring and reporting approach for the Plan. The information from that reporting will contribute to the consolidated evidence and analysis across the Forum Compact processes that will form the annual Tracking Report on the Effectiveness of Development Efforts to Forum leaders.



## Annex A: Brief Biographies of the Peer Review Team



**Natalia Palu Latu**  
Deputy CEO  
Policy and Reform Division  
Ministry of Finance and National Planning  
Government of the Kingdom of Tonga

Natalia holds a Bachelor of Commerce Majoring in Economics and International Business from University of Auckland and a Masters in Business Administration from the University of the South Pacific. Natalia has been has recently been promoted to Deputy Secretary for the newly established Policy and Reform Division of the Ministry effective as of 20th January 2014. Prior to that she was Principal Economist in the Project and Aid Management Division of the Ministry of Finance and National Planning Tonga since June 2008. She has contributed extensively to the division's primary role of managing the overseas development aid programme (ODA) which includes both policy advice and operational and technical support. Specifically Ms Latu oversaw the set up of the Aid Management Project Tracking Database and has negotiated on behalf of Government several project proposals with the Pilot Programme on Climate Change Resilience (PPCR) being the most recent USD20m. Specific sectors she was responsible for in this role include Public Financial Management, Energy and Climate Change. Ms Latu was instrumental in establishing and leading the Government of Tonga's budget support initiative with key development partners such as the Government of Australia, Asian Development Bank, European Union, Government of New Zealand and the World Bank. She successfully led the negotiation of more coordinated agreement amongst development partners on policy reform actions for the Government of Tonga in receipt of budget support. Prior to her time with the Ministry of Finance and National Planning, she was a Financial Analyst with the Ministry of Public Enterprises who oversaw the set up of the Ministry as well as some of the State Owned Entity Government Rationalization and Reform Programme.



**Susan Sulu Dhari**  
Director of Aid Coordination in the Ministry of Development Planning & Aid Coordination, Solomon Islands.

She has been a Public Servant for 11 years, and has over 9 years of experience and leadership in aid coordination in Solomon Islands.

As Director for Aid Coordination, Susan has been responsible for oversight of the aid coordination portfolio, providing policy and technical advice and support on all matters relating to aid programmes, (design, implementation oversight and review), dialogue and Governments strategic engagement with development partners and national initiatives aimed at enhancing aid effectiveness and development coordination. Susan also has experiences and is actively involved in the areas of environmental management, climate change, particularly adaptation and financing, and disaster risk reduction. Susan is qualified with a Master of Environmental Change Management from the University of Sunshine Coast, Australia, and a Bachelor of Arts Degree majoring in Management and Public Administration and Marine Affairs from the University of the South Pacific.



**Robert Jauncey**  
Regional Director, Pacific Subregional Office  
Suva, Fiji

Rob Jauncey is the Regional Director of the Asian Development Bank's Pacific Subregional Office (SPSO) based in Fiji. In this role, he coordinates ADB operations

in the Cook Islands, Fiji, Kiribati, Samoa, Tonga, and Tuvalu. Before joining ADB in February 2014, Rob worked with the World Bank Group from 2000 to 2014, in both Washington DC and Sydney, and with the Australian Government from 1990 to 2000. As well as the Pacific islands, Rob has worked in Papua New Guinea, the Western Balkans, and Lao PDR.



**Akiko Aikawa**  
Deputy Director, Pacific and  
Southeast Asia Division 6,  
Southeast Asia and Pacific  
Department,  
Japan International Cooperation  
Agency (JICA)

Akiko Aikawa is a Deputy Director of the Pacific and Southeast Asia Division 6, in charge of JICA operations in Solomon Islands and Timor Leste as well as liaison and aid coordination with other development partners in the Pacific region. She joined JICA in 2012 as a Research Officer at JICA Research Institute that planned and managed the interdisciplinary research activities. Prior to JICA assignments include Coordinator for Economic Cooperation at the Embassy of Japan in Mozambique (2008-2010) and Research Fellow of the Japan Society for the Promotion of Science at the National Graduate Institute for Policy Studies (2006-2008). Akiko obtained her Bachelors degree in international economics from Aoyama Gakuin University, Japan and her Master in policy studies majoring development economics from National Graduate Institute for Policy Studies, Japan.



**Setareki S. Macanawai**  
Chief Executive Officer  
Pacific Disability Forum  
Suva, Fiji

Setareki is currently the CEO of the Pacific Disability Forum and also has worked as the Executive Director for the Fiji National Council for Disabled Persons and

Head Teacher of the Fiji School for the Blind.

Setareki is a leading disability advocate in Asia and the Pacific region, and has served in the committees of many international and regional organisations concern with disability. Currently, he is a member of the Disability Inclusive Reference Group of the Australian Department of Foreign Affairs and Trade, Global Advisory Panel Member and Grantsmaking Committee Member of the Disability Rights Fund, Volunteer Regional Coordinator for the World Council of Churches Ecumenical Disability Advocates Network, Chair of the newly established Indigenous Persons with Disabilities Global Network and alternate member of the Governing Board of the International Disability Alliance. He has presented papers at regional and international meetings and conferences, and has written several articles, chapters and thesis on disability. Setareki is a keen advocate of disability inclusive development where persons with disabilities and their representative organisations are in the front and centre, and playing a key role in all aspects of development.

# Annex B: Terms of Reference - Australian Peer Review

## Introduction

Following the successful completion of Forum Island Countries (FICs) peer reviews, the Pacific Islands Forum under the Forum Compact is extending the peer-to-peer review process to Development Partners. This will be the 2nd peer review of development partners under the Forum Compact. The review is an opportunity for Development Partners to learn from, and share knowledge with FICs and other Development Partners about effective development coordination. A key focus of the review is for Development Partners to gain greater insight into how well their policies, procedures and actions support FICs' development efforts, and how these can be improved. It is also an opportunity for FICs and the region to increase their understanding of Development Partner policies and procedures.

A generic Terms of Reference (ToR) for the **Forum Compact Development Partners Peer Review** has been approved by the PIFS in consultation with development partners and forum members, to guide the review of individual Development Partners. Australia will host a Development Partner Review from 28 April 2015 – 8 May 2015.

This ToR details the specific Scope, Team and Outputs for the Forum Compact review of Australia's aid program.

## Overall Purpose of the Review

The Review will:

- Assess how effectively Australia's bilateral and regional development cooperation is delivered in order to meet the development needs of FICs – with particular focus on Australia's bilateral partnership with Samoa as a case study and using the Education sector to review Australia's regional partnerships<sup>14</sup>;
- Foster mutual learning on effective development cooperation practices, innovation and coordination to improve Development Partner development cooperation policy and practice;
- Increase understanding by FICs and Development Partners of Australia's development cooperation policies, strategies and procedures and its implementation;
- Identify recommendations for the improvement of Australia's development cooperation with FICs; and
- Establish an agreed Implementation Plan with targets and indicators for review follow up and monitoring.

<sup>14</sup> Australia's regional education programs are delivered in partnership with the University of the South Pacific (USP), the Secretariat of the Pacific Community (SPC) and the Australia Pacific Technical College (APTC).

## Scope of the Review:

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### POLICY DIALOGUE, COHERENCE AND ALIGNMENT

**Key Question:** How well does Australia's policy dialogue and priorities, align coherently with the regional, national and sectoral development priorities of FICs?

#### Guiding questions

- Identify what (national, regional, global) political drivers, directives, policy and strategies influence both bilateral and regional development cooperation priorities and aid allocation of Australia
  - Describe how well Australia's development cooperation policies, strategies and priorities enable Australia to deliver on international (Paris, Accra, Busan, Mexico) and Pacific development effectiveness principles and commitments
  - Assess how well Australia's development cooperation priorities at bilateral level align with country and sector level priorities and development needs of FICs
  - Using the education sector, assess how well Australia's regional level assistance align with country and sector level priorities and development needs of FICs
  - Describe how well Australia engages a "whole of government" approach to ensure policy dialogue and coherence, including with its Non-state Actors (NSA), to support improved delivery of bilateral assistance to Samoa
  - Describe how well Australia engages with other development partners to harmonise policy dialogue and ensure policy coherence; including sectoral focus to support improved development outcomes in Samoa, and other FICs
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### COORDINATION

**Key Question:** How well does Australia engage with FICs and other development partners to improve coordination and harmonisation (aimed at maximising development outcomes in line with FIC national and sector development plans)?

#### Guiding Questions:

- Assess the extent to which Australia uses donor coordination mechanisms at national and sector levels in Samoa and other FICs.
  - Assess how well Australia contributes to the strengthening of Samoa's donor coordination mechanisms and encourages/supports other donors to use FIC donor coordination mechanisms.
  - Identify opportunities for greater Australia use, or strengthening, of regional and sector donor coordination and dialogue mechanisms.
  - Describe and assess Australia's approach to strengthening coordination, alignment, and accountability of their regional assistance across key implementing agencies and organisations
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## PREDICTABILITY

**Key Question:** How well does Australia provide firm financial commitments and forward estimates?

Guiding Questions:

- Assess how well Australia's provision of forward estimates, commitments and expenditure enable effective budget and forward planning by FICs
  - Does Australia provide firm financial commitments and forward estimates for up to 3 years to Samoa and other FICs?
  - How has the education sector benefitted or otherwise from Australian ODA provided to regional organisations over the past 5 years?
- Identify opportunities for how Australia can increase the predictability of financial contributions to better support regional organisations' alignment of and delivery of Australia's assistance through FICs' national budgeting and planning systems.

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## USE of PARTNER SYSTEMS AND REDUCING AID FRAGMENTATION

**Key Question:** How well does Australia use FICs' country systems?

Guiding Questions:

- Describe how Australia makes decisions on the use, or not, of FICs country systems; identify key factors that enable or prevent this
- Has Australia supported the implementation of PFM reform programmes in Samoa, if so in what specific areas and what total level of assistance?
- How many programme based programmes, projects does Australia support and deliver in Samoa? Have the number of stand-alone projects declined or increased? Are the numbers of programme based approach and budget support increasing?
- Identify how much budget support Australia provides to Samoa, over the past 5 years and also in other FICs? Specify if they are general or sector budget support and in what areas?
- Identify opportunities for Australia to increase the use of FICs country systems and regional organisations' financial management systems including strengthening of FIC public financial management systems and capacities

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## USE of TECHNICAL ASSISTANCE AND ADVISORS

**Key Question:** How effective is Australia's technical assistance/advisers in Samoa and the rest of FICs?

Guiding Questions

- How well does Australia identify, select and manages technical assistance and advisers in the design, implementation, management and evaluation of programmes
  - Assess how well Australia coordinates with FICs on identifying the need for, selecting and managing technical assistance and advisers
  - Assess strengths and gaps in how Australia manages technical assistance and advisers to achieve positive development outcomes
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## INNOVATION, GOOD PRACTICE and KNOWLEDGE SHARING

**Key Question:** How well does Australia promote and sustain innovation, good practice and knowledge sharing and uses this to inform change to its development policy and processes in their partnership engagement with FICs and regional organisations?

### Guiding Questions

- Describe how Australia identifies key sectors for the delivery of innovative and/or good practice interventions
  - Assess the key role/s Australia plays to support innovation and good practice to deliver on identified priorities in key sectors
  - Assess how well Australia aligns the identification of priorities in key development sectors with expertise and capability to deliver innovative and good practice interventions
  - Assess how well Australia has implemented recommendations from Forum Compact country peer reviews and annual reporting to Forum members and development partners on development effectiveness in the Pacific.
  - Assess how well Australia documents lessons identified and good practice and how well this informs designs and policy dialogue.
  - Identify opportunities for both Australia and FICs to improve knowledge sharing and identification of good practice for stronger evidence-based development policy and practice.
- 

## MONITORING and EVALUATION

**Key Question:** How well does Australia monitor and evaluate programmes to achieve results and engages with regional organizations and FICs in these processes:

### Guiding Questions

- Describe how well Australia's monitoring and evaluation processes support achievement of results
  - Assess how well Australia engages with regional organisations and FICs in these processes
  - Identify opportunities for Australia, regional organisations and FICs to improve monitoring & evaluation of Programmes for stronger programme management and alignment of results
- 

## REGIONAL PARTNERSHIPS & DELIVERY

**Key Question:** How effective are Australia's regional partnership mechanisms and approach towards supporting regional and country level priorities?

### Guiding questions:

- Describe and assess Australia's partnership arrangements with regional organisations and implementing agencies, including how decisions are made to reach agreement on resource allocation, results and priority sectors
  - Identify and assess the role of Australia in the implementation of its regional assistance through regional organisations
  - Identify opportunities to strengthen regional partnerships and mutual accountability between Australia and other development partners in regional delivery and monitoring for results
  - Highlight key challenges and strengths in Australia's support and advocacy for regional partnerships and approaches to support FICs.
-

## Implementation Management

DFAT will coordinate closely with the PIFS to manage and implement the review.

**PIFS** will be responsible for:

- Confirming participation of the nominated Review Team FICs, development partner, host FIC and Observer;
- Facilitating agreement and finalisation of the Review ToR between Australia, the host FIC and Review Team;
- Preparing necessary background briefs and documentation for use of the Review team prior to the review, drawing on: policy and procedures documentation received from Australia; Regional tracking and synthesis reports under the Forum Compact; FIC peer review reports; and global monitoring reports on effective development cooperation;
- Organising and managing travel and accommodation for the PIFS and Review team;
- Organising and managing logistical arrangements for Review Team meetings in Samoa, including key stakeholders, venues and transport to and from meetings;
- Preparing the draft review report in close consultation with the Review Team; and
- Facilitating finalisation of the Review Report in close consultation with Australia and the Review Team; and its publication for dissemination.

**DFAT** will be responsible for:

- Identifying and proposing Review team members and host FIC;
- Jointly drafting the Review ToR in consultation with the PIFS;
- Jointly drafting the Review Programme for Headquarters and Country mission in consultation with the PIFS;

- Preparing and organising Review documentation; including a Memorandum addressing Australia's own response to the scope of the review
- Organising and managing logistical arrangements for Review Team meetings in Canberra including key stakeholders, venues and transport to and from external DFAT meetings; and
- Providing logistical support to PIFS as needed via Post in Samoa.

## Resourcing

The PIFS receives annual core funding from a range of development partners, including Australia, to facilitate the implementation of the Forum Compact.

From their core budget PIFS will cover the costs of:

- Contracting a PIFS technical consultant;
- Travel, accommodation and in-country costs for the PIFS review team representatives; and
- Drafting and publication of review reports.

Australia will cover the costs of:

- Preparing, hosting and facilitating review meetings in Canberra, Suva and Apia; and
- Travel, accommodation and in-country costs for two FIC review team representatives.

Development partner review team representatives and any observers will cover their own costs.

## Methodology

The review will be conducted in April and May 2015 and will adopt an open and participatory approach.

## Review Team

The Review Team will consist of:

- Two Development Partner representatives from the Asian Development Bank and Japan International Cooperation Agency (JICA);
- Two Forum Island Country representatives from Tonga and Solomon Islands;

- One CSO Observer from the PRNGO Alliance;
- One representative from the Forum Secretariat; and
- One Technical consultant appointed by the Forum Secretariat.

A Review Team Leader will be appointed through a consensus decision, by the Review Team. Individual team members will be mutually agreed and proposed by the Forum Secretariat and Australia and finalised by respective FICs, development partners and observers.

## Review Dates and Locations

28 April – 1 May 2015	DFAT Head Office, Canberra, AUSTRALIA
4 May 2015	USP, SPC, APTC Head Offices – FIJI
5-8 May 2015	SAMOA

## Outputs and Reporting

Key outputs from the review will be:

- Memorandum** prepared by Australia of their development cooperation programme, with a particular focus on outlining key responses to the Scope of the review and its specific questions. This aims to assist the Review team in establishing context and progress made by Australia against the areas of query in the Review;
- Aide memoire** from each of the Review team missions outlining preliminary reflections of the Review Team drawn from respective stakeholder consultations and observations;
- Review Report** prepared by the Review Team and will document key findings; analysis and recommendations of Australia's development cooperation with FICs; and
- Implementation Plan** to be prepared in response to key findings and recommendations from the Review. Australia will work closely with PIFS to develop the Implementation Plan that will provide the basis for follow-up and monitoring of progress against the recommendations.

Pacific Islands Forum Secretariat, Suva Fiji.  
26 March 2015

## Annex C: Key Documents

Author	Year	Title
Australian Government, Department of Foreign Affairs and Trade	2014	Australian Government Development Policy: "Australian aid: promoting prosperity, reducing poverty, enhancing stability", June 2014
Australian Government, Department of Foreign Affairs and Trade	2015	Forum Compact Development Partner Peer Review: Memorandum of Australia, April 2015
Australian Government, Department of Foreign Affairs and Trade	2015	Performance of Australian Aid 2013-2014, February 2015
Australian Government, Department of Foreign Affairs and Trade	2014	Aid Program Performance Report 2013-2014, Papua New Guinea, September 2014
Australian Government, Department of Foreign Affairs and Trade	2015	Australia's Bilateral Aid Program in Papua New Guinea, April 2015
Australian Government, Department of Foreign Affairs and Trade	2015	Organizational Structure, April 2015
Australian Government, Department of Foreign Affairs and Trade	2014	Making Performance Account: enhancing the accountability and effectiveness of Australian Aid, June 2014
Australian Government, Department of Foreign Affairs and Trade	2013	Guidance Note: Pacific Regional Organizations, Peer Review Draft
Australian Government, Department of Foreign Affairs and Trade		DFAT Innovation Strategy: A more innovative DFAT
Australian Government, Department of Foreign Affairs and Trade		InnovationXchange – Promotion material
OECD – Development Assistance Committee	2014	Mid-Term Peer Review- Australia: Narrative and Matrix, November 2014
OECD – Development Assistance Committee	2015	Mid-Term Peer Review of Australia: Letter to DAC Delegates and Observers from the Head of Division, Development Cooperation Directorate, Review, Evaluation and Engagement
Government of Samoa	2010	Government of Samoa Development Cooperation Policy: "Partners in Development: Promoting Aid Effectiveness", Ministry of Finance, Aid Coordination and Debt Management Division
Government of Samoa	2012	Strategy for the development of Samoa (2012-2017)
Pacific Islands Forum Secretariat	2013	Peer Review of Samoa
Pacific Islands Forum Secretariat	2010-11	Synthesis of Development Partner Reporting on Aid Effectiveness in Forum Island Countries Report
Pacific Islands Forum Secretariat	2011	Tracking the Effectiveness of Development Efforts in the Pacific Report
Pacific Islands Forum Secretariat	2012	Tracking the Effectiveness of Development Efforts in the Pacific Report. Celebrating progress, pursuing the challenges
Pacific Islands Forum Secretariat	2013	Sustaining Progress and Moving Forward. Tracking the Effectiveness of Development Efforts in the Pacific Report

Pacific Islands Forum Secretariat	2014	Effective leadership, Institutions and Mutually Accountable Partnerships. Tracking the Effectiveness of Development Efforts in the Pacific Report
Secretariat of the Pacific Community	2014	SPC Pacific Benchmarking Education Quality for Results: Pacific Islands Literacy and Numeracy Assessment (PILNA) – Samoa Country Report
Secretariat of the Pacific Community	2014	SPC Pacific Benchmarking Education Quality for Results: Technical Working Group, Nadi, Fiji, 26-28 February 2014, A Report on PILNA and PaBER Progress to the Forum Education Ministers Meeting (FedMM)
University of the South Pacific	2013	USP Strategic Plan (2013 – 2018)
John Fargher & Associates Pty Ltd	2014	Independent Review of Reporting Practice in DFAT Pacific Regional Program: "Report of findings, tools, data and guidance", June 2014

## Annex D: List of Those Consulted by the Review Team

CANBERRA, AUSTRALIA		
Organization	Name	Position
<b>Australian Government</b>		
Department of Foreign Affairs and Trade	Ric Wells	Deputy Secretary
Department of Foreign Affairs and Trade	Ewen McDonald	Deputy Secretary
Department of Foreign Affairs and Trade	Daniel Sloper	First Assistant Secretary, Pacific Division
Department of Foreign Affairs and Trade	Bill Costello	A/g First Assistant Secretary (Development Policy Division)
Department of Foreign Affairs and Trade	Kate Logan	Assistant Secretary (PNG and Fiji Branch)
Department of Foreign Affairs and Trade	Mat Kimberley	Assistant Secretary (PNG Development and Solomon Islands Branch)
Department of Foreign Affairs and Trade	Jenny Da Rin	Assistant Secretary (Pacific Bilateral and New Zealand Branch)
Department of Foreign Affairs and Trade	Elizabeth Wilde	Assistant Secretary (Pacific Regional Branch)
Department of Foreign Affairs and Trade	Rob Christie	Assistant Secretary (Pacific Analytical and Effectiveness Branch)
Department of Foreign Affairs and Trade	Andrew Collins	Assistant Secretary (Aid Management and Performance Branch)
Department of Foreign Affairs and Trade	Derek Rooker-Smith	Assistant Secretary (Office of Development Effectiveness)
Department of Foreign Affairs and Trade	Lisa Hannigan	A/g Assistant Secretary (Development Policy and Education)
Department of Foreign Affairs and Trade	Tracey Newbury	Director (Gender Equality and Disability Inclusiveness)
Department of Foreign Affairs and Trade	Perry Head	Director (Fisheries and Environment, PAD)
Department of Foreign Affairs and Trade	Dan Heldon	Director (Health, Education and Sports, PAD)

CANBERRA, AUSTRALIA		
Organization	Name	Position
Department of Foreign Affairs and Trade	Peter Rayner	Director (Regional Organizations and Governance)
Department of Foreign Affairs and Trade	Tony McGee	Director (Pacific Performance Quality and Risk)
Department of Foreign Affairs and Trade	Nic Notarpietro	Director (Polynesia and French Collectives)
Department of Foreign Affairs and Trade	Sean Batten	Director (Development Policy Section)
Department of Foreign Affairs and Trade	Jessica Hoverman	Director (World Bank Group Section)
Department of Foreign Affairs and Trade	Beth Delaney	Director (Development Partnerships Section)
Department of Foreign Affairs and Trade	Alison Chartres	Director (PNG Governance, Justice and Performance)
Department of Foreign Affairs and Trade	Tim Hainsworth	Director (PNG Health and Infrastructure)
Department of Foreign Affairs and Trade	Michelle Manson	Director (Solomon Islands Section)
Department of Foreign Affairs and Trade	Fiona McKergow	Director (Micronesia and Micro-States Section)
Department of Foreign Affairs and Trade	Nicola Rosenblum	Director (Humanitarian Response)
Department of Foreign Affairs and Trade	Michael Hassett	Director (Humanitarian Response)
Department of Foreign Affairs and Trade	Courtney Hoogen	Director (Pacific External Engagement and Briefing Coordination Section)
Department of Foreign Affairs and Trade	Peter Brooks	A/g Director (New Zealand Section)
Department of Foreign Affairs and Trade	Joanna Pickles	Assistant Director (Poverty and Social Transfers Section)
Department of Foreign Affairs and Trade	Mark Rounds	Assistant Director (External Engagement)
Department of Foreign Affairs and Trade	Claire McGeechan	Assistant Director (External Engagement)
Department of Foreign Affairs and Trade	Richard Bontjer	Specialist (Public Financial Management)
Department of Foreign Affairs and Trade	Robert Harden	Specialist (Pacific Economics)
Department of Foreign Affairs and Trade	Peter Kelly	Specialist (Pacific Infrastructure)
Department of Foreign Affairs and Trade	Rebecca Dodd	Specialist (Pacific Health)
Department of Foreign Affairs and Trade	Anna McNicol	(Economic Growth)
Department of Foreign Affairs and Trade	Fiona Cook	(Pacific Performance Quality and Risk)
Department of Foreign Affairs and Trade	Andrew Elborn	(Regional Banks Section)
Department of Foreign Affairs and Trade	William Hilton-Thorp	(Vanuatu, PAD)
Department of Foreign Affairs and Trade	Flynn Dovey	Executive Officer (Briefing Coordination)
Department of Foreign Affairs and Trade	Ian Eckersley	(External Engagement and Briefing Coordination)
Secretariat of the Pacific Community	Dr. Colin Tukuitonga	Director General
	Cameron Bowles	Director SEPPF
Corporate/Managing Contractors		
Cardno	Trina Howley	Senior Consultant
Cardno	Louise Morrison	Contractor Representative for Pacific Leadership Program
Coffey	Roger Bednall	Manager, Technical Services
Pacific Diplomatic Representatives		
Solomon Islands	Fiona Indu	Acting High Commissioner
Papua New Guinea	Buri Gari	First Secretary
Tonga	Leonaitasi Kuluni	First Secretary
Non-Government Organization and Australian Council for International Development (ACFID)		
ACFID	Beth Sargent	Head of Policy
ACFID	Priyanka Sunder	Government Relations Adviser
World Vision	Nancy Waites	Advocacy Manager, WV Pacific Timor Leste
Australian National University		

CANBERRA, AUSTRALIA		
Organization	Name	Position
Development Policy Centre	Dr. Mathew Dornan	Research Fellow
	Dr Terence Wood	Research Fellow
SUVA & NADI, FIJI		
Organisation	Name	Position
Australian High Commission	Solstice Middleby	Counsellor, Regional Development
	Sheona McKenna	Counsellor Regional Health, Education and Gender
	Tina Seniloli	Program Manager, Regional Education
University of the South Pacific	Professor Richard Kevin Coll	Deputy Vice-Chancellor (Learning, Teaching & Student Services)
	Iresh Asil Lal	Development Manager
	Valda Hoerder-Howard	Monitoring & Evaluation Officer
Secretariat of the Pacific Community	Ana Raivoce	Director
Australia Pacific Technical College	Denise O'Brien	Chief Executive Officer
	Carol-Anne Blechich	Director-Strategy and Development
APIA, SAMOA		
Organization	Name	Position
Australian High Commission	HE Sue Langford	High Commissioner
	Rosemary McKay	Deputy High Commissioner
	Clyde Hamilton	First Secretary-Development
	Vena-Liz Upton	Senior Program Manager, Education
Government of Samoa		
Ministry Of Foreign Affairs	Aiono Mose Sua	CEO, Minister of Foreign Affairs
	Tasha Siaosi	ACEO Political division
	Theresa Penn	Principal Officer
	Amorette Posini	Principal Officer
	Hinauri Petana	High Commissioner Designate to Australia

SUVA & NADI, FIJI		
Organisation	Name	Position
Australian High Commission	Solstice Middleby	Counsellor, Regional Development
Ministry of Finance	Peseta Noumea Simi	Assistant CEO, Aid Coordination and Debt Management Division
	Leiataua Henry Ah Ching	Assistant CEO, EPPD
	Elita Tooala	A/g CEO, SOEMD
	Litara Taulealo	Assistant CEO Climate Resilience Investment and Coordination
	Lae Siliva	Assistant CEO FSCD
	Abigail Lee Hang	Assistant CEO, Budget Division
	Karl Lauulu	Principal Officer, FSCD
	Maliliga Vasa	Principal Officer, EPPD
	Hesed Lauano	Snr. Officer, EPPD
	Siaituvao Talatania	Principal Officer, EPPD
	Funefeai Tupufia	Principal Officer, EPPD
	Sione Foliaki	Assistant CEO, Energy Division
	Peresitene Kirifi	Principal Officer, (DMU) Aid Coordination and Debt Management Division
	Lita Lui	Principal Aid Coordination Officer, Aid Coordination and Debt Management Division
Ministry of Health	Gaulofa Matalavea Sa'aga	Assistant CEO, HSCRM Division
	Adele Keil	Principal SCRM
Ministry of Women, Community and Social Development	Faauga Mulitalo	Acting CEO
	Seira Fuimaono	Community Sector Coordinator
	Faafetai Koria	Assistant CEO, Policy Research and Information
Ministry of Education	Maugaoali'i Fa'amanu D. Mualia	Assistant CEO, Sector Coordinator
	Peone Fuimaono	Assistant CEO, Culture
	Faatamaalii Jenny Lavano	Assistant CEO, Teacher Development
Ministry of Communications and Information Technology	Tua'imalo Asamu Ah Sam	Chief Executive Officer
Other Government Partners		
Australia Pacific Technical College	Francis Howes	Country Manager, Samoa
EPC	Tologata Tile Tuimaleilifano	General Manager
EPC	Sofia Silipa	Manager, Corporate Services
Samoa Chamber of Commerce	Ane L. Moananu	Chief Executive Officer
Civil Society Organizations		
SUNGO	Alalatoa Breda Tipi-Faitua	President
	Satui Bentin	Secretary
Civil Society Support Program	Vaitoa Toilupe	Programme Manager
	Taeaoe Mina-Tamaseu	Financial Manager

SUVA & NADI, FIJI		
Organisation	Name	Position
Australian High Commission	Solstice Middleby	Counsellor, Regional Development
<b>Resident Development Partners in Samoa</b>		
New Zealand	Jackie Frizelle	High Commissioner
	Michael Upton	First Secretary, Bilateral
Japan	H.E Kazumasa Shibuta	Ambassador
	Hideyuki Suzuki	Resident Representative, Japan International Cooperation Agency (JICA)
	Tetsuji Nakasone	JICA
United Nations	Lizbeth Cullity	UN Resident Coordinator and UNDP Resident Representative
World Bank Group Asian Development Bank Joint Samoan Liaison Office	Maeva Betham Vaai	Liaison Officer

# Annex E: Multi-Donor Budget Support Guiding Principles

- **A joint policy matrix and single policy dialogue mechanism.** MDBS works best when all required actions are listed on a single matrix and when a single meeting or process (with government and all development partners represented) is used to negotiate actions, monitor and verify progress, and coordinate required technical assistance. This ensures coordination and avoids large costs of dealing with different donors and multiple matrices. There is no 'best' arrangement for policy dialogues, which vary in terms of frequency and representation. Having a lead donor represent all development partners is sometimes useful<sup>15</sup>.
- **Strong government ownership of supported reforms.** MDBS is a mechanism to accelerate progress against shared priorities that link to partner governments' development plans – it does not work and should not be used by development partners to force reforms that are not government priorities. Governments will be held accountable for reform progress and strong ownership is therefore required. Strong ownership is typically grounded in adequate government-led consultative processes within government and with other stakeholders such as the private sector and non-government organizations.
- **Supported policy actions address critical constraints to development progress.** Actions should strike an appropriate balance between ambition and realism. Difficult reforms should still be pursued if government and development partners agree that they are important for growth, poverty reduction, or other government goals.
- **Policy matrices with a small number of substantial reforms.** MDBS works best when it focuses policy attention and reform capacity on a small number of important and challenging actions. Including too much in a policy matrix can spread reform capacity too widely and drastically increase the costs of monitoring progress.
- **Technical assistance provided to support actions in the policy matrix.** Development partners have a vital role to play providing adequate technical assistance to support implementation of supported reforms. Government and development partners should be identifying technical assistance requirements and planning to ensure that technical assistance needs can be met in a timely manner as policy matrices are being negotiated. Coordination of technical assistance from participating development partners and other TA-based partners (e.g. Pacific Financial Technical Assistance Centre (PFTAC) and the Pacific Private Sector Development Initiative (PSDI)) is an important role for the policy dialogue mechanism.
- **A medium-term perspective.** Capacity constraints and political economy factors limit the feasible pace of reform in some areas. Policy matrices should reflect this, with iterative steps towards larger longer-term goals included as actions, rather than trying to achieve everything within the timelines of a single annual cycle. Current reforms should be bedded down before moving to new reform agendas, and the program of reforms should follow a logical sequence.

<sup>15</sup> A lead donor is an identified agency that donors and government agree will lead the coordination and consolidation of proposed actions from development partners and work closely with the partner government to refine it to better reflect the intention for the proposed reform.

- **Government and donors share a clear understanding of objectives of supported reforms.** While there is flexibility as to the types of reform that can be included in MDBS policy matrices, it is important that a sectoral or thematic focus and long-term goals are agreed upon. This ensures coherence of supported actions and prevents matrix drift.
- **Balance between flexibility and predictability.** It is important that development partners and partner governments establish clearly the performance indicators against which budget support will be mobilized, how progress will be assessed and verified, how much budget support will be provided, and to what timeframes. But events beyond the control of government will sometimes delay or constrain reform progress. Development partners need to have the flexibility to take such events into account when making decisions on disbursement while maintaining credibility and clarity. Dialogue with the authorities should include an explicit discussion of the main types of developments within government control that could jeopardize budget support operations, as well as exogenous developments that could warrant flexibility in budget support. Open and frequent dialogue is vital.
- **Adequate time and resourcing for policy dialogue** (especially during early stages). Reaching agreement on a joint policy matrix, tracking progress, and coordinating technical assistance requires time and effort from government and all development partners. While these costs might be initially high, they have proven to be much lower than the costs of insufficient dialogue and poor coordination.
- **Shared analysis to improve dialogue.** Conducting joint analysis with partner governments and amongst development partners helps reduce duplication of efforts. Joint analysis can boost knowledge and understanding among parties on the underlying issues and facilitate the identification of reform actions that represent shared priorities.

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