

Chapter 4

Development Effectiveness and Co-ordination: Partnerships on Pacific Terms

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4.1 Introduction¹

The majority of the Commonwealth Pacific small states (Fiji, Kiribati, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu) are anticipated to continue to rely on the support of a range of development partners in the foreseeable future. For countries like Tuvalu, Kiribati and Nauru, most of their development effort is funded with external support, and with limited prospects for generating significant new local revenue it is envisaged that this situation will remain much the same in 2050. However, all nine Commonwealth Pacific small states' governments and their development partners recognise the importance of ensuring that the receipt of aid does not in any way reduce efforts to maximise the mobilisation and effective use of domestic resources.

These developments are in line with global thinking, which is reflected in the Busan Partnership,² where it was agreed that aid should be considered a complement to other sources of development finance and a catalyst to mobilise resources to achieve development goals. This partnership urges all development partners to reconsider how and for what purpose aid is invested, ensuring that it is in accordance with commitments towards human rights, decent work, gender equality, environmental sustainability and disability.

Although specific global attention has been given to the issues of development effectiveness and co-ordination, with a series of high-level meetings held since 2003, it must be acknowledged that many of these issues have been discussed in the Pacific much earlier than this. For example, in a speech given in 1993 by the then Secretary-General of the Pacific Islands Forum,³ Mr Ieremia Tabai noted that:

it is not simply a two-party relationship between donors and recipients. It also includes partnership between donors, between aid agencies, between the PICs themselves, between the public and private sector within those countries and between governmental aid agencies and NGOs.⁴

However, he also emphasised that for the development process to be successful, it was imperative that the recipient country be central in the partnership.

A meeting of development practitioners in the Pacific in 2012⁵ underlined the importance of local ownership of the development process and concluded that people's attitudes (shaped by their culture, history and recent experience) are what impacts development progress. Self-respect, social cohesion, energy, openness to

change, and the involvement of honest and accountable leaders and governments, were also reported as critical to ensuring development effectiveness.

It is clear that there is a

growing recognition among donors that their core business is development effectiveness, not just aid effectiveness. As a consequence, there is now more emphasis given to addressing the impact of non-aid policies on development outcomes.

(Lockhart 2005)

This means that policy-makers seek not only to reduce a lack of coherence between aid, trade, finance, security, immigration and drugs policies that may result in contradictory outcomes, but also to mobilise complementary policies to achieve certain policy goals. In particular, there have been a number of country-based and development partner supported initiatives to strengthen the policies, processes and systems for planning, budgeting and service delivery.

This chapter outlines a range of issues that relate, directly and indirectly, to the level of development effectiveness achieved by the Commonwealth Pacific small states, and identifies national and regional policy options for strengthening results in the future. It highlights the steps already taken in the Pacific, at both national and regional levels, to make progress, and also underlines the importance of understanding the differences that exist in the economic and social determinants of the nine states. These determinants include their population size, availability of human and other resources, governance structures, political histories, cultural and social factors, and their current overall level of development.

4.2 Context

The nine Commonwealth Pacific small states are part of a unique and diverse region. Papua New Guinea (PNG) is the largest among the group with a population of about 7.3 million, while Tuvalu and Nauru, each with populations of around 10,000, are the smallest in the group by population. Kiribati is one of the most remote and geographically dispersed countries in the world, consisting of 33 coral atolls spread over 3.5 million square kilometres of ocean – an area larger than India. Solomon Islands is geographically splintered with 1,000 small islands and atolls. It has a low population density, with half a million people dispersed across 90 inhabited islands, 78 per cent of whom reside in rural areas, and is the poorest country in the Pacific when measured in terms of Gross National Income (GNI) per capita.

Each of these states face similar challenges as relatively small and remote island economies. Apart from PNG and to some extent Solomon Islands and Fiji, they have limited natural resources, narrowly based economies, large distances to major markets, and vulnerability to exogenous shocks – all of which can affect growth and have often led to a high degree of economic volatility. They are also some of the most vulnerable states in the world to the effects of climate change and natural disasters. Given this, it is generally recognised that sustained development progress will require long-term co-operation between international partners and governments. More broadly, greater economic integration, more equitable natural resource agreements,

Table 4.1 Growth rates of real GDP (%)

Country	2000	2005	2007	2008	2009	2010	2011	2012	2013	2014
Fiji	-1.7	-1.3	-0.9	1.0	-1.4	3.0	2.7	1.8	4.6	
Kiribati	5.3	-0.2	7.5	2.8	4.3	-2.2	-1.2	3.8		
Nauru		-9.8	-10.8	95.6	-20.3	20.1	14.2	20.2		
PNG	-2.5	3.9	7.2	6.6	6.1	7.6	11.3	7.7	4.9	8.4
Samoa	8.6	4.7	6.1	-1.0	-4.0	4.4	3.5	-2.3	0.5	1.6
Solomon Islands	-14.2	5.0	10.7	7.3	-1.8	7.9	10.6	3.3	3.1	2.0
Tonga	-0.8	1.6	-4.5	1.9	3.2	3.3	2.9	0.8	-3.1	2.0
Tuvalu		-3.9	6.4	8.0	-4.4	-2.7	8.5	0.2	1.3	2.2
Vanuatu	5.9	5.3	5.2	6.4	3.3	1.6	1.2	1.8	2.0	

Source: Key Indicators for Asia and the Pacific 2015, Asian Development Bank

more open labour markets and adaptation to climate change will be vital for the long-term future of the Pacific islands.

As shown in Table 4.1, annual GDP per capita growth across the nine countries has fluctuated significantly over the period 2000 to 2014. This highlights the vulnerability of these open economies to movements in global financial markets and fluctuations in oil and commodity prices. As noted already, the Pacific region is also highly vulnerable to a range of natural disasters that can quickly undo any development progress made. For some of these countries, there have been intermittent political coups, civil unrest, and frequent changes of government and/or leadership that have helped disrupt real progress.

Collectively, the Pacific region's progress in meeting the targets that were set under the Millennium Development Goals (MDGs) was slow and uneven. PNG's population of around 7 million people meant that overall progress for the region was dependent on PNG's progress. Consequently, as PNG remained off-track on all the MDGs, the region was also considered to be off-track on all the goals. However, excluding PNG, the region was assessed to be on track towards reducing child mortality, with mixed progress on all the other goals. The Polynesian countries (Samoa, Tonga and Tuvalu) reported better progress comparatively than the countries of Melanesia and Micronesia, and were reported to be on track to achieve four of the goals – achieving universal primary education, reducing child mortality, improving maternal health, and ensuring environmental sustainability (PIFS 2015a).

4.2.1 Development assistance to the region

Total official development assistance (ODA) flows to the nine Commonwealth Pacific small states was mixed, with Kiribati, Tuvalu and Vanuatu showing a small increase in support between 2013 and 2014, while Fiji, Nauru, PNG, Samoa and Tonga saw relatively small reductions (Table 4.2). However, when these flows are set against GDP levels, it demonstrates that in 2014, aid made up about 90 per cent of Tuvalu's GDP and more than 45 per cent for Kiribati. In the case of Samoa, Solomon Islands, Tonga and Vanuatu, aid accounts for more than 10 per cent of GDP in all cases. Aid flows to Fiji and PNG, the bigger and more resource-rich of the countries, account for less than 5 per cent of GDP.

Table 4.2 Official development assistance, US\$ million

Country	2012	2013	2014	2014 (% of GDP)
Fiji	101	91	95	2.1
Kiribati	60	65	81	48.5
Nauru	34	29	23	n/a
PNG	643	657	606	3.6
Samoa	116	118	95	11.9
Solomon Islands	291	288	208	18.0
Tonga	75	81	82	18.9
Tuvalu	23	27	35	92.1
Vanuatu	97	91	102	12.5

Source: OECD Statistics and OECD Development Aid at a Glance, *Statistics for Oceania*, 2016 Edition

The distribution of per capita aid is very different from that of total aid. The largest recipients of aid in the region – PNG, Solomon Islands, Vanuatu, Samoa and Fiji – all come out receiving much less per person than Tuvalu, Tonga and Kiribati (Table 4.3). In terms of per capita aid, seven of the nine Commonwealth Pacific small states make up the top 15 countries that received the highest aid per capita in 2014 (OECD 2017). Tuvalu received the highest aid per capita in the world, with Nauru in second place; Tonga recorded 6th place, Kiribati 7th place, Samoa 9th place, Vanuatu 11th place and Solomon Islands 14th place in the world.

While the focus is on ‘development effectiveness’, of which aid is only one resource available to countries to promote development, it is clear that for some of the Commonwealth Pacific small states there is a very heavy reliance on external assistance to fund their development plans/strategies. Tuvalu, Nauru and Kiribati are heavily reliant on the support of development partners and it is expected that these countries will remain dependent on aid for the foreseeable future. In recognising this and the potential unreliability of continued development partner support, Tuvalu worked with a number of development partners (Australia, New Zealand and the United Kingdom) to establish an international sovereign fund, the Tuvalu Trust Fund

Table 4.3 Net ODA received per capita, current US\$

Country	2011	2012	2013	2014
Fiji	91	123	104	104
Kiribati	611	606	595	716
Nauru	3,763	3,545	3,842	2,161
PNG	87	93	90	77
Samoa	545	639	621	483
Solomon Islands	631	555	514	347
Tonga	897	747	772	757
Tuvalu	3,950	2,484	2,714	3,476
Vanuatu	375	410	359	380

Source: World Development Indicators, the World Bank

in 1987, that remains in existence and continues to provide a source of funding for the annual recurrent budget.

4.3 Global and regional responses

This section includes a brief introduction to both the global and regional perspectives and highlights the high value placed on strengthening partnerships: across and between Pacific island countries and territories; between governments, non-government organisations and the private sector; between the countries and territories and the full range of other development partners (regional organisations, international and multilateral agencies, bilateral donors, private sector, non-government organisations and civil society); and between the development partners themselves (albeit under the leadership of the region or relevant partner country).

At the regional level there have been a number of initiatives to promote a greater degree of co-operation between the island countries and territories. The initiatives that are described in this section have all been designed to see the countries work together to bring development outcomes for the region. In no way is this expected to reduce the importance of national sovereignty; rather it is to recognise that in working together or supporting each other there can be added value and increased opportunities for promoting development effectiveness.

4.3.1 Importance of good policies and effective implementation

Although individual policies may be contested, what is clear from the Pacific 2020 report (Commonwealth of Australia 2006) is that there is broad agreement on some of the vital ingredients of growth. Good political governance, a dynamic private sector, regional co-operation, integration into global markets and well-managed infrastructure all emerged as essential for growth. This has been further underlined by the World Bank (Collier and Dollar 2001), which emphasises that to be effective, financial expenditure as a consequence of aid flows or other forms of public and private expenditure must be accompanied by a strong commitment to the development and implementation of well-defined economic, social and environmental policies. In this context, 'good policy' provides the necessary foundations for creating an environment for broad-based growth and poverty reduction.

The World Bank (Collier and Dollar 2001) measures the strength of good policy-making through its Country Policy and Institutional Assessment (CPIA), which has 20 components that can be grouped into four categories:

- *Macroeconomic policies*: whether fiscal, monetary and exchange rate policies provide a stable environment for economic activity;
- *Structural policies*: the extent to which trade, tax, and sectoral policies create good incentives for production by households and firms;
- *Public-sector management*: the extent to which public-sector institutions effectively provide services complementary to private initiative, such as the rule of law (functioning of the judiciary, police), infrastructure and social services;

- *Social inclusion*: the extent to which policy ensures the full participation of society through social services that reach the poor and disadvantaged, including women and ethnic minorities.

Globally, development partners have continued to explore ways to impact how partner governments operate, and in doing so to influence the way policies are defined and implemented. In some cases in the Pacific, development partners have established specific 'good governance programmes' and/or specific ways to reward good governance.

However, the allocation of an aid budget is often seen as a 'political process', influenced by: personal relationships between decision-makers in partner countries and development partners; the role of in-country technical advisers in specific sectors who are able to argue effectively for funding (either from recurrent or development budgets); and the fact that development partners have multiple objectives, the weighting of which and how they are applied will differ between partner countries. Lobby or interest groups can also have some influence over development partner decision-making. This latter point has been demonstrated in the USA and Australia, where certain interest groups have lobbied to prevent aid funding to support certain activities in family planning programmes in the Pacific and elsewhere.

From the perspective of enhanced development, not all objectives are equally legitimate. Poverty reduction and peace are self-evidently legitimate goals for aid, shared by all development partners. However, development partner agencies have to contend with the interests of lobbyists that want to further commercial or political interests, unrelated to poverty reduction and/or peace objectives. By being explicit about its objectives and its allocation rules, a development partner may better defend itself from illegitimate pressures by demonstrating what the full costs are in terms of the legitimate objectives of making changes to its development programme objectives as a result of other pressures (Collier and Dollar 2001).

4.3.2 International commitments on development effectiveness

Amidst post-war optimism, global international development co-operation expanded in the early 1960s and it has continued to evolve. However, as with the rest of the world, the Pacific has also seen this expansion in development co-operation sometimes accompanied by a lack of co-ordination; establishment of overly ambitious targets; development of unrealistic expectations on when and how outcomes are to be achieved; and often variations in development partner budget commitments compared with the actual flows of funding. As noted in the previous section, there have also emerged concerns about the ways in which partners have used aid funding to shore up political self-interest, or by funding projects that have been insufficiently well designed or monitored during their implementation.

Under the auspices of the OECD, there have been four High-Level Fora on Aid Effectiveness: in Rome, Paris, Accra and Busan in 2003, 2005, 2008 and 2011, respectively. These high-level events have led to the formulation of four principles towards effective aid that are set out in the Busan Partnership Agreement, endorsed

to date by over 100 countries (including all of the Commonwealth Pacific small states except Nauru) as the blueprint for maximising the impact of aid. The formulation of these principles grew out of a need to understand why aid was not producing the development results expected, as well as to step up efforts to meet the ambitious targets set by the MDGs.

The heads of state, ministers and representatives of developing and developed countries, heads of multilateral and bilateral institutions, representatives of different types of public, civil society, private, parliamentary, local and regional organisations present at the High-Level Forum in Busan noted that the development effectiveness principles were consistent with agreed international commitments on human rights, decent work, gender equality, environmental sustainability and disability and formed the foundation of the co-operation for effective development. The four Busan principles are:

- **Ownership of development priorities by developing countries.** Partnerships for development can only succeed if they are led by developing countries, implementing approaches that are tailored to country-specific situations and needs.
- **Focus on results.** Investments and efforts must have a lasting impact on eradicating poverty and reducing inequality, on sustainable development, and on enhancing developing countries' capacities, aligned with the priorities and policies set out by developing countries themselves.
- **Inclusive development partnerships.** Openness, trust, and mutual respect and learning, lie at the core of effective partnerships in support of development goals, recognising the different and complementary roles of all actors.
- **Transparency and accountability to each other.** Mutual accountability and accountability to the intended beneficiaries of development co-operation, as well as to respective citizens, organisations, constituents and shareholders, is critical to delivering results. Transparent practices form the basis for enhanced accountability.

The Global Partnership for Effective Development Co-operation (GPEDC), created at the Busan High-Level Forum, is seen as an inclusive political forum bringing together governments, bilateral and multilateral organisations, civil society and representatives from parliaments and the private sector, committed to strengthening the effectiveness of development co-operation to produce maximum impact for development. Through its multi-stakeholder platform, the Global Partnership provides support and guidance and shares knowledge to boost development impact with a strong country focus, and to ensure a degree of coherence and collaboration among all development stakeholders on co-operation flows and policies. It offers a global mechanism to ensure that co-operation is based on Busan principles of ownership, results, inclusiveness; and transparency and accountability to deliver tangible results on the post-2015 agenda.

As a voluntary and multi-stakeholder forum, the Global Partnership plays a role in supporting implementation of the SDGs. The Global Partnership also tracks progress

in the implementation of Busan commitments for more effective development co-operation, through its monitoring framework comprising a set of ten indicators (see Appendix 4.1). These indicators focus on strengthening developing country institutions, increasing transparency and predictability of development co-operation and enhancing gender equality, as well as supporting greater involvement of civil society, parliaments and the private sector in development efforts.

The ten global indicators are grounded in the principles of country ownership, results focus, inclusive partnerships; and transparency and accountability. Each indicator includes a target for 2015, providing a foundation to measure progress in making development co-operation practices more effective. Periodic monitoring of progress on the indicators – complemented by other qualitative evidence – is used to inform discussions at the ministerial level. The first progress report, released in 2014 ahead of the Mexico High-Level Meeting, demonstrated the relevance of operational evidence to inform political discussions on the effectiveness of collective efforts, and to spur concrete action to accelerate progress. Forty-six countries participated in the first monitoring round (including Kiribati, Nauru and Samoa), with over 70 co-operation providers' data reported. The Steering Committee and the Joint Support Team of the GPEDC, which has included a very significant contribution from the Pacific, including the Government of Samoa and the Pacific Islands Forum Secretariat (PIFS), looks at ways to strengthen the process for monitoring.

4.3.3 The SAMOA Pathway

The Third International Conference on Small Island Developing States (SIDS) took place from 1–4 September 2014 in Apia, Samoa, under the theme of 'The Sustainable Development of SIDS through Genuine and Durable Partnerships'. The host government emphasised the need for the conference to focus on the promotion of 'realistic partnerships' to draw attention to the ultimate importance of all development partners working together in a mutually supportive way if the development aspirations of the small island states were to be achieved. Diverse actors from SIDS, the developed and the developing world, civil society and the private sector came together, realising that only in partnership could they hope to guide the world clear of threats and bring it closer to solutions and fulfilled commitments. The conference produced an outcome document, titled 'SIDS Accelerated Modalities of Action (SAMOA) Pathway' (United Nations 2014).

While the SAMOA Pathway highlighted the need for progress on a range of development issues, it also recognised gender equality and rights, as transformative drivers of sustainable development. To empower women as agents of change, the SAMOA Pathway supports eliminating gender discrimination and violence, integrating gender perspectives into sustainable development, and enabling equal access to education, health and work opportunities. The Pathway also promotes continued measures and targets to ensure women's participation in leadership decision-making at all levels, and in both the public and private spheres. The Pathway supports the human rights and sexual and reproductive health and rights of all women in SIDS, in accordance with existing international agreements.

In addition, the SAMOA Pathway stressed the importance of enhanced development effectiveness if the SIDS were to make real progress in achieving sustainable development. In this regard, it noted the need to increase programme-based approaches, use country systems for activities managed by the public sector, reduce transaction costs and improve mutual accountability and transparency, and called on all donors to untie aid to the maximum extent. The SAMOA Pathway also indicated that all participating countries would seek to make development more effective and predictable by providing developing countries with regular and timely indicative information on planned support over the medium term.

4.3.4 The Sustainable Development Goals

On 1 January 2016, the 17 Sustainable Development Goals (SDGs) that were adopted by world leaders in September 2015 as part of the 2030 Agenda for Sustainable Development officially came into force. Over the next 15 years, countries will mobilise efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.

The SDGs build on the success of the MDGs and aim to go further to end all forms of poverty. The new Goals are unique in that they call for action by all countries, poor, rich and middle-income, to promote prosperity while protecting the planet. The SDGs recognise that ending poverty must go hand in hand with strategies that build economic growth, and address a range of social needs, including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

While the SDGs are not legally binding, governments are expected to take ownership and establish national frameworks for the achievement of the 17 goals. Countries have the primary responsibility for follow-up and review of the progress made in implementing the goals, which will require quality, accessible and timely data collection. Regional follow-up and review will be based on national-level analyses and contribute to follow-up and review at the global level.

The means of implementation of the SDGs are covered under each of the goals, with SDG 17 focused on partnerships for the goals. SDG 17 places specific emphasis on development effectiveness, particularly the responsibilities of both partner countries and development partners, covering issues of finance, technology, capacity-building, trade and systemic issues. The targets covering systemic issues are key for development effectiveness (Box 4.1).

4.3.5 Pacific regional undertakings

As indicated already, for more than 20 years the Pacific has paid specific attention to the issue of development effectiveness. Consequently, Pacific island countries have actively participated in the global discourse on development effectiveness. Pacific perspectives have also been included in the ongoing development of the global development effectiveness agenda and the Global Partnership that has emerged. Globally, while the focus has been on the identification of ways to strengthen

Box 4.1 SDG 17 Target on systemic Issues

Policy and institutional coherence

- Enhance global macroeconomic stability, including through policy co-ordination and policy coherence.
- Enhance policy coherence for sustainable development.
- Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development.

Multi-stakeholder partnerships

- Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries.
- Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

Data, monitoring and accountability

- By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing states, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts.
- By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries.

development effectiveness at the country level, the Pacific has combined country-level initiatives with a number of regionally supported efforts. Given the small size of many of the Pacific island countries, there has been a strong focus on the promotion of regional collaboration, as well as on the delivery of services and support from a regional platform as a means to provide such support more cost effectively and efficiently. In other words, regional delivery mechanisms have been used to promote the benefits of adopting the principles of development effectiveness and also to encourage an increased commitment from development partners to work with partner countries to support the more effective use of aid as a complement to their own resources in promoting development.

Regional co-operation and the work of regional organisations, such as the PIFS, has helped focus national attention on the importance of achieving the MDGs through

better policies, systems and processes. In addition, it has provided a framework for promoting opportunities for even greater levels of co-operation and a number of initiatives designed to support a greater level of regional integration. This latter form of co-operation, co-ordination and integration has been at the basis of more than 40 years of the Pacific working together for both the benefit of the region as well as a means for further development progress at the national level.

While there are many views on the success or otherwise of regional co-operation and co-ordination in the Pacific, the concept of the region working together for economic and social advantage has led to the growth of a comprehensive architecture of regional organisations.⁶ The membership, governing council arrangements and mandates and responsibilities of these organisations are different, as is the support each receives from development partners (some of which are also members). In 1988, Pacific Islands Forum Leaders established the Council of Regional Organisations in the Pacific (CROP),⁷ with the mandate to improve co-operation, co-ordination, and collaboration among the various intergovernmental regional organisations in order to work towards achieving the common goal of sustainable development in the Pacific region. In 1995, Forum Leaders mandated the Secretary-General of the PIFS to be the Permanent Chair of CROP. The decision was reaffirmed at the Special Leaders Retreat in April 2004. Leaders also mandated the 'co-ordination role' of CROP to the Secretary-General, who also reports to leaders on CROP matters. In order to improve its effectiveness, the CROP Charter was reviewed in 2004 and 2012.

Over the years, the degree of confidence in many of the regional organisations has waxed and waned, somewhat depending on their performance in meeting country expectations of service and support; and on their success in resource mobilisation and ensuring effective financial management. As a consequence, there has been much written and a range of reviews undertaken on the success or otherwise of regional co-operation, as well as on what should be the best regional architecture for the Pacific.

Anthony Hughes in his 2005 report on Pacific Regional Organisations (Hughes 2005) offered the following as an explanation for why there is often a gap between rhetoric and reality:

When Heads of Government get together away from home a mutually uplifting experience can occur, in which their political feet temporarily leave the ground. ... They may experience a strong sense of regional identity and common purpose, and their resulting joint statements may be set on a high visionary plane and be luminously expressed. But when they get home the tone commonly changes. Regionalism generally does not play well in domestic politics, and national governments are mainly concerned with staying in office. Statements by Heads of Government for home consumption may therefore shift to expressing reservations about loss of sovereignty and determination to protect the national interest, or simply saying nothing at all about regional issues. The order of political priorities thus revealed constrains national capacity to commit the resources needed for effective regional programmes, even in areas that are recognised as appropriate for regional cooperation.

The late Epeli Hau'ofa in writing about regional co-operation emphasised the need for a common identity:

A common identity that would help us act together for the advancement of our collective interests, including the protection of the ocean for the general good, is necessary for the quality of our survival in the so-called Pacific Century when important developments in the global economy will be concentrated in huge regions that encircle us. As individual, tiny countries created by colonial powers and acting alone, we could indeed 'fall off the map' or disappear into the black hole of a gigantic Pan-Pacific doughnut. Acting together as a region, for the interests of the region as a whole, and above those of our individual countries, we would enhance our chances of survival in the century that is already dawning upon us. Acting in unison for larger purposes and for the benefit of the wider community could help us to become more open-minded, idealistic, altruistic and generous, less self-absorbed and corrupt, in the conduct of our public affairs than we are today. In an age when our societies are preoccupied with the pursuit of material wealth, when the rampant market economy brings out unquenchable greed and amorality in us, it is necessary for our institutions of learning to develop corrective mechanisms if we are to retain our sense of humanity and of community.

(Hau'ofa 2005)

Hau'ofa also highlighted the importance of the ocean and the role it plays in drawing the region together and the advancement of collective interests. The idea was subsequently picked up by Pacific Islands Forum Leaders, who in 2012 included in their Communiqué, a description of Pacific islands as 'large ocean states'.

Against this background, it will be important to revisit the contribution of regional organisations to help ensure development effectiveness, as well as to find ways to ensure that the national commitment to regionalism is a reality and does not in any way limit opportunities for individual countries to follow their own path.

The Pacific Plan and the Framework for Pacific Regionalism

The Pacific Plan⁸ and the successor Framework for Pacific Regionalism are mechanisms to promote regionalism. These mechanisms encourage countries to work together and promote development effectiveness among the island countries and development partners. The Pacific Plan allowed many of the region's development partners to progress practical initiatives, such as regional collaboration to build the capacity of audit and customs, and the development and expansion of seasonal labour migration from the Pacific to Australia and New Zealand (Huges 2013).

The establishment of the Framework for Pacific Regionalism in 2014 maintained the case for regional co-operation and its importance to the countries of the region as they strive to maximise their development opportunities. This commitment is best summed up in the Framework's introduction:

Pacific peoples are the custodians of the world's largest, most peaceful and abundant ocean, its many islands and its rich diversity of cultures. We celebrate and draw strength from the culture and traditions, language, social values and religious

freedoms and beliefs that bind citizens and communities together, providing sustenance, social stability and resilience. We acknowledge our shared responsibility for our significant terrestrial and oceanic resources, which provide livelihoods and opportunities for sustainable development. We also face significant challenges, including complex vulnerabilities, dependencies, and uncertainties that arise for countries and communities as our region changes with modernity, the processes of globalization and the damaging effects of climate change. We stand together as a Pacific region because there are significant benefits to sharing and combining our resources to leverage our voice, influence and competitiveness and to overcome geographic and demographic disadvantages.

The principle objectives of the Framework are:

- sustainable development that combines economic, social and cultural development in ways that improve livelihoods and well-being and use the environment sustainably;
- economic growth that is inclusive and equitable;
- strengthened governance, legal, financial and administrative systems; and
- security that ensures stable and safe human, environmental and political conditions for all.

Based on these objectives, Forum Leaders will each year prioritise a limited number of regional initiatives (with no more than five, ongoing or new, to be selected at any one time) in support of deepening regionalism. The initiatives are expected to be the impetus for regional collective action that embraces one or more of the following: (i) co-ordination by establishing and managing agreed processes that facilitate regional dialogue and access to (and use of) information; (ii) co-operation by developing and committing to co-ordinated regional and subregional policies and strategies; (iii) collaboration by delivering regional public goods and pooled services; (iv) harmonisation by entering into specific regional or subregional commitments to common policies, regulations, standards and/or processes; (v) economic integration by lowering physical and technical market barriers to enable freer movement of people and goods within and among countries; and (vi) administrative/legal/institutional integration by agreeing to common rules, standards and institutions to foster and sustain integration.

Forum Compact on Strengthening Development Coordination

In August 2009, the Leaders of the Pacific Islands Forum established the Cairns Forum Compact on Strengthening Development Coordination to bring increased determination and commitment to lift the economic and development performance of the region. At the time, the key objective of the Forum Compact, implemented under the leadership of the PIFS, was to drive more effective co-ordination of available development resources from both Forum island countries and all development partners with the central aim of achieving real progress against the MDGs. This objective remains relevant today, although the focus has now shifted to the achievement of the SDGs.

To realise this objective, the Forum Compact principles were identified as:

- A recognition that broad-based, private sector-led growth was essential to achieving faster development progress and that donors should encourage the private sector, including through micro-finance and support for larger-scale private sector projects.
- A recognition that improved governance and service delivery are essential to achieving faster development progress.
- A recognition that greater investment in infrastructure would underpin greater economic development.
- An acknowledgement that country leadership, mutual accountability and mutual responsibility between Forum island countries and their development partners are fundamental to successful development outcomes.
- The need to draw on international best practice as expressed in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.
- A revitalised commitment to the achievement of the MDGs in the Pacific.

The Forum Compact provides for both:

- A peer review process which looks at the national systems and processes of planning, budgeting, public financial management and aid management in regard to development co-ordination; and
- An annual reporting process for development partners on their efforts to reduce aid fragmentation, ease the burden of aid administration and improve aid effectiveness, through measures such as increased use of country partner systems, multi-year funding commitments, pooled funding, the delegation of aid delivery to lead donors and collaborative analytical work.

Significantly, under the peer review process, 13 Forum island countries were peer reviewed by teams that included island country colleagues and a development partner representative (for some reviews there was also representation from civil society). In addition, both New Zealand and Australia have also opened up their systems and processes for peer review by island country and other development partner representatives. A key focus of the development partner peer review process is to allow partner countries to better understand how the policies, procedures and actions of the development partner are formulated and implemented, and to provide space for feedback on how they might be adjusted to more effectively support partner country development efforts.

With five years of learning together under the Forum Compact, partners in the region have a good idea of what is important and what can be done to improve the region's development performance:

- A simple national plan with a limited number of measurable targets that is consistent with likely national resources; that genuinely reflects political priorities and is owned and regularly reviewed by a high-level cross-government body or central agency and reported to Cabinet, Parliament and the public.

- Effective and mutually accountable partnerships with the private sector and civil society over the setting of and accounting for national priorities/plans and the means of implementation.
- Budget processes that ask public servants to specify what they will achieve with the domestic and external funds allocated to them, including a regular account of results.
- Attention to the public financial management (PFM) systems that convert budgets into actions in the most efficient, accountable and transparent way.
- Well-informed Parliamentary oversight.
- A strong central management point for all aid, preferably with close links to central budget managers, with a mandate from the country's leadership to shape development assistance in accordance with the country's needs and integrate it into the national budget.
- Responsiveness by development partners to provide aid in ways that enhance national leadership, strengthen national systems and minimise the management burden, particularly on smaller administrations.

These points are frequently described as technical or administrative in nature. However, in all cases, it is important to understand the power relationships within countries; the broader issues of governance as well as how decisions are made to allocate resources, as these all impact on the relationships that are formed and maintained with development assistance partners (PIFS 2015b).

Partly in direct response to the outcome of the Forum Compact peer review process, development partners have worked with countries, both individually and at the regional level, in an attempt to address a number of the points highlighted above. As a consequence, over the last few years there have been a range of initiatives to try and improve the quality of national and sector policy development, planning, statistical collection and analysis; as well as to provide support for a broad range of governance programmes, including national and regional interventions designed to improve the function of parliaments, addressing key aspects of gender inequality in leadership roles, anti-corruption efforts and a wide range of other activities. Most significantly, there have been efforts by the IMF through the Pacific Financial Technical Assistance Centre (PFTAC) and other partners to work with governments to bring improvements to overall public-sector financial management. This is seen as critical to encouraging development partners to use national systems and address one of the key principles of development effectiveness.

The 2010 meeting of Forum Economic Ministers endorsed the Pacific Public Financial Management Reform Roadmap and since then, with the active support of a number of development partners⁹, six of the Commonwealth small island states (PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu) have been subject to repeat Public Expenditure and Financial Accountability (PEFA) assessments of their experiences in implementing public financial management reform. In analysing these assessments, PFTAC has noted that progress in implementing reform can be

hampered where there is not: (i) a critical mass of specific skills (accounting and audit) available; (ii) wide buy-in across government to assure fiscal discipline; (iii) strong links between policy and multi-year frameworks; (iv) adequate attention given to some issues (i.e. fiscal risk of off-budget expenditures and state owned enterprise operations) because of political sensitivities; and (v) easily identifiable solutions to complex and entrenched practice, as is often the case in the area of procurement.

While the Forum Compact continues to be seen as the key Pacific instrument for promoting development effectiveness, a number of countries have also participated in broader global efforts, particularly through the GPEDC monitoring processes. The Forum Compact and peer review process complements the GPEDC in that it adapts the principles of the GPEDC to the country context. Together they help Pacific countries identify what processes, systems and institutional arrangements are important for delivering national development outcomes, particularly the SDGs. In pursuit of the SDGs, countries' attention to SDG 17, particularly to improve systemic issues, will also complement the work of the Forum Compact and GPEDC, including contributing to the aspirations of the SAMOA Pathway.

In November 2015, UNDP and the Pacific Islands Forum brought together senior representatives from Forum island countries, civil society, the private sector and development partners to make preparations for the second meeting on monitoring of the GPEDC. The level of Pacific country engagement and participation in development effectiveness monitoring at regional and global levels has increased significantly, with ten countries participating in this second GPEDC monitoring round. The workshop recognised the difficulty for a number of the smaller island countries to successfully monitor the effectiveness of development co-operation using the GPEDC indicators – an issue of data collection deficiencies and limited capacity as seen in the MDGs reporting and already anticipated in the roll-out of the SDGs. In response, a UNDP-OECD partnership, PIFS and UN Women have indicated that they will provide support to countries to help them meet the GPEDC reporting requirement if required.

The implementation of the Forum Compact since 2009 has made a very positive contribution to improving development effectiveness in the region. It has focused attention at country and regional levels on both the political dimensions and technical aspects of development effectiveness. The Forum Compact peer reviews provided space for countries to consider with their peers how to more effectively negotiate with development partners. The Forum Compact encouraged governments to recognise the importance of them being more inclusive and transparent in their decision-making processes around development priorities and budget allocations, as well as the effectiveness of their own systems in delivering better public services for all in the community.

Despite this success, there is still some way to go before the four principles of development effectiveness are firmly grounded in the processes of the countries and are genuinely supported by all development partners in the region. In many cases, the relevant policy documents are in place and the ownership, results-based systems and inclusive approaches are understood. However, in deeper analysis, much of what

is reported is a ‘thin veil of truth’ with much more to be done to make sure that what is planned is funded, and when funds are allocated that programmes are actually delivered. It is also apparent that while most development partner policies and processes are considered to be in line with the GPEDC Framework and the Forum Compact itself, the reality is often less encouraging. Some development partners still prefer to operate quite independently of the national planning and budget processes or continue to not respect attempts by countries to define more clearly an engagement or reporting process for partners.

4.4 Key issues and challenges

This section covers the key issues and challenges faced in the Pacific in seeking to achieve better development outcomes for the people of the region. It is recognised that while many of the issues are most relevant at the national level and differ between countries, there are also some issues that can be considered regional in nature: because they are common to a number of countries; because a number of development partners have chosen to deliver their support from a regional platform; and also because of the significant role played by the regional organisations and the promotion of regional co-operation in the Pacific.

4.4.1 National level

The following analysis of issues faced at the national level draws on the Forum Compact peer review process, where the primary focus was on how countries plan; how they develop, manage and monitor the implementation of the national annual budget; and how the countries manage the flow of external development assistance and integrate this with other national revenue. Fiji, while not covered in the peer review process, given its suspension from the Pacific Islands Forum at the time these were conducted, is considered to have faced many of the same challenges as other countries in the region.

The Forum Compact peer reviews were intentionally focused more on the processes followed to promote development effectiveness rather than evaluating the appropriateness or otherwise of plans and policies that had been adopted to meet the development aspirations of the country being peer reviewed. It must also be underlined that many of the countries (in particular those which were subject to peer reviews soon after the Forum Compact was agreed) have already taken steps to address a number of the challenges identified. For at least one or two of the countries many of the issues are no longer entirely relevant as they have been progressively addressed in recent years. Samoa is often singled out as a Pacific island country that has made good progress in introducing a number of policies and revised systems and processes to improve development effectiveness, and others have shown better results in some areas.

As a result, the list of issues that follow do not necessarily apply in all countries. However, they have been included as they apply in at least one of the nine countries being covered in this analysis. The structure used to consider these challenges has also been adopted from the key issues identified globally as the prerequisites for ensuring development effectiveness.

Leadership and ownership of development priorities

A key issue in the majority of the countries remains their capacity and determination to take leadership (see Box 4.2) and to ensure that they are driving the national development agenda and that they are able to articulate the development priorities clearly and consistently to all country stakeholders and their development partners. Leadership in this form remains difficult to fully achieve for some countries and the reasons are often complex, including how to form an effective partnership between a recipient and development partner where both enter the negotiation based on their own cultures and customs. It is also complicated because development partners generally have their own policies, rules and procedures, which influence how they as individual partners can interact with partner countries and work with other partners. The latter can make joint programming with a range of partners, with the partner country in the lead, difficult to fully achieve.

It is also a fact that in most situations development partners have much greater access to qualified specialists and analysis capacity than countries in the Pacific. As a result, the analysis and design of projects and programmes in countries is often influenced or prepared by development partner funded technical assistance.¹⁰ As a result, actual ownership can become blurred or distorted. In some instances, the performance indicators for programmes are established and monitored by the development partners – sometimes completely outside country procedures.

Political instability and/or a lack of bipartisan support for national development plans and strategies can have a negative impact on longer-term planning and policy formulation, with new governments bringing new agendas and priorities. Over recent years, Vanuatu has had a number of interrupted government terms that have resulted in new or adjusted plans and strategies. While not unique to Vanuatu, these situations demonstrate that a new government is likely to seek new directions or agendas (if only to ensure a differentiation from their opposition). To minimise the impact of changes of government, it is important that the longer-term development goals/intentions are

Box 4.2 Leadership and Ownership of Development Priorities by Samoa and Vanuatu

In the Pacific, Samoa and to a slightly lesser extent Vanuatu, have made the greatest progress in the region in taking strong leadership of their development processes. Over many years, both countries have progressively implemented reforms that have combined both policy and institutional changes, which have allowed both Samoa and Vanuatu to develop a series of national development strategies that have increasingly been backed by strong sector plans. The development and recurrent budgets of both countries are integrated and expenditure reports to Parliament pay attention to how effectively the national strategy intentions are being addressed. Samoa has specifically demonstrated a willingness to make sure development partners direct their support to the priorities of the country and that this support is as much as possible designed and implemented using local personnel and national systems and processes.

debated and endorsed by the Parliament, allowing new governments to change the focus on 'how' development goals are achieved but not the overall goals.

Political upheavals and natural disasters can also be detrimental to ensuring partner government ownership of the development agenda. Under these circumstances there is often increased activity by a range of development partners (international and national), with local leadership and authorities sometimes sidelined or losing overall ownership of decisions, with a subsequent lack of co-ordination and, in the case of disasters, a less than adequate response to those most needing support. The unrest that occurred in the Solomon Islands in the late 1990s, which led to the Regional Assistance Mission to the Solomon Islands (RAMSI) being in place for more than ten years has had a negative impact on local ownership and leadership of the development agenda. It is also evident in the response to the recent disasters in Vanuatu, Solomon Islands and Fiji that local administrations have struggled to effectively co-ordinate emergency support provided by a large number of partners and, in particular, to lead broader recovery efforts.

Development partner agendas can be a significant influence on how partner countries retain ownership of their development agenda. Understanding the culture and form of leadership in a country is of critical importance to ensuring that partners work together effectively. For example, a partner country's silence on an issue does not necessarily mean affirmation of the type of support being offered. While this is a difficult issue to easily identify in a negotiation process of projects or programmes, there is some evidence that in the design of some regional programmes, country participation/perspectives are often not fully considered or taken into account.

Recognition and support for planning ministries and departments within the partner government hierarchy. In some countries, national planning ministries are still considered of secondary importance to those of senior portfolios such as the Ministry of Finance and/or the Office of the Prime Minister and as a result, Cabinet attention to the national plan or development strategy is often less than optimal. Where national planning and co-ordination is not seen as a central function of government, there can be a perception that the development priorities are more fungible and that the views of senior ministries and sectors are paramount. Three- to five-year planning documents are often set aside or largely ignored once they have been completed, with sector ministries and development partners embarking on programmes that are primarily designed to attract resources rather than fall in line with the intent and priorities of the national development goals.

A lack of co-ordination between the national planning agency and sectors within a government can often lead to confusion and mixed messages about the development priorities and directions of partner countries. Under these circumstances, the flow of development assistance resources can be skewed by specific sector agency-development partner relationships and/or the specific priorities of a development partner. In some countries the presence of an effective technical adviser in a particular sector with strong links to a development partner can mean more effective budget submissions and/or development assistance requests, with the result that the development agenda of the country is 'captured' or overly influenced in this way.

The use of foreign contractors to implement or manage the implementation of development assistance projects can lead to a loss of national ownership. In such cases, the main emphasis is often on the bottom line or profit margin for the company, with the development outcome a secondary issue. Under these circumstances, technical advisers end up having a dual reporting requirement, with local supervision losing out to the needs and targets of the consulting firm. Where infrastructure projects are implemented using imported labour and materials, there are lost opportunities for the creation of local employment and skills development. There are also downstream issues of equipment maintenance and availability of spare parts. For example, there are a number of large infrastructure projects across the Pacific where follow-up maintenance has not occurred, leading to the re-tender of work in subsequent years, once again involving external development assistance.

Focus on results

A major concern continuously discussed in the region over the last few decades has been the lack of measurable and sustained progress in the small island states of the Pacific. In 1993, the World Bank (World Bank 1993) introduced the idea of a 'Pacific Paradox' as a way to explain the low growth rate in the Pacific island countries compared with other small island developing states of the Caribbean and Indian oceans, despite the same constraints (small internal markets, narrow production bases, high unit costs of infrastructure, heavy dependence on external trade, vulnerability to external shocks and natural disasters and isolation from large high-income markets) and the same advantages of high levels of basic subsistence, favourable climate, sustainable concessional aid flows and remittances.

At that time, the Bank asserted that 'the blend of customary practices and modern systems have inhibited development but has also helped provide some stability and social safety nets'. The implication was that 'culture' and 'customary practices' were critical and that it was important to not impose development models derived elsewhere but to adopt new approaches. Despite these suggestions, there appears to have been only limited work done to design programmes and implement budgets to ensure that adequate account is taken of the cultural and social situations in the Pacific.

Langi Kavaliku (Kavaliku 2005) argued that the World Bank suggestion of a 'Pacific Paradox' only exists because of the influence of the concept of westernisation, and it was important to differentiate westernisation from modernisation. He considered that the World Bank work provided a

telling lesson that if we do not take culture into account and understand the interplay between it and development, we cannot move as surely as we should. If we are to participate in the global society we can only do so if we are Tongans, Papua New Guineans, I-Kiribati, Fijians, and Samoans who are modern and not as modern people who happen to live in the Pacific islands.

With many continuing to express concern about the poor performance of programme/project interventions and efforts to build capacity, greater attention is now being paid to the measures used for assessing results. This has led to: support for

increased monitoring against the MDGs; support for the increased collection and use of statistical data so that there are established baselines from which progress can be measured; greater attention to the involvement of all potential partners (internal and external) to maximise an understanding of what development priorities are paramount at any given time; support for the introduction of anti-corruption activities to avoid waste and inappropriate public expenditure; recognition that gender equality is an important determinant of development success; and increased attempts to bring the recurrent and development budgets together so that all resources available to the Government are used more effectively to achieve the development results outlined in the national development plans/strategies.

In the first few years after the global adoption of the MDGs, Pacific countries were initially reticent to adopt the eight goals and associated targets and indicators because they were considered to be driven by a global agenda, which did not relate closely enough to the situation in the small island states of the region. When the targets and indicators were tailored to the individual country situation, it was then found that there were issues of data availability and, in some cases, a lack of baselines from which to measure progress.

The regular collection, accuracy and analysis of data continue to be a major hindrance for policy-makers, planners and those designing development programmes and projects in the Pacific. For the global SDGs monitoring framework, there is a proposed set of 231 indicators to monitor progress of the 17 Goals. The breadth and depth of the SDGs will place a significant challenge on the Commonwealth Pacific small states to firstly try and ensure alignment of the SDGs with their national plans before considering localising the targets and indicators to monitor progress. The process of localising the SDGs indicators, establishing baselines, and in particular the disaggregation data requirements, will pose significant challenges and further test the already strained statistical capacity in the region. In this regard, it will be important that new measures are carefully reviewed at the country level to ensure that the targets and indicators which are selected and incorporated in plans and budgets are helpful in focusing attention on maximising development progress.

Experience in the Pacific suggests that many of the countries have grasped the importance of developing plans and strategies, as well as integrating key targets and indicators to monitor performance. However, in most countries there is still some way to go before there is a sustained capacity to ensure effective implementation of these plans and strategies. This is particularly apparent in those countries where external partners are called upon to finance the majority of the annual development budget and where the government allows the performance monitoring to become the responsibility of the relevant development partner.

Despite efforts to break down a 'silo approach' to development, there remains a strong emphasis on the design of programmes and projects that focus attention on a single sector as these are considered to be easier to manage as they can normally be housed within a specific Government ministry or department. A project, and even programme approach, may have reduced impact because it leaves aside other dimensions or fails to recognise the dynamic nature of development and/or the importance of ensuring

Box 4.3 Pacific Public Financial Management Reform Roadmap

The Pacific Public Financial Management Reform Roadmap (covers Cook Islands, PNG, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu), showcases how partners can join forces to work together with countries to progressively change processes and systems to improve public financial management (PFM). The Roadmap has had a positive impact on how countries view development effectiveness, particularly in recognising that improvements in planning and budgeting processes are just as important for how governments spend their own resources, as it is for how development partnerships operate. Development partners will use national systems only if there is effective planning and budget oversight, as well as robust procedures for financial management.

that all stakeholders are able to participate in the design and implementation of activities. The majority of development partners also continue to maintain a focus on the development of projects or one-off interventions with their own monitoring and evaluation frameworks, and management structures. Development partners usually justify the continuation of this approach because of their own requirement for accountability of funds provided or a perception that national systems are unable to effectively manage expenditure and/or provide adequate advice on the results achieved.

Although there have been efforts to strengthen budget preparation systems and the introduction of broad-based public financial management reforms (see Box 4.3) in most countries, there is only vague adherence to budgets and commitment to meeting development targets as set down in national plans or strategies. Decisions by central ministries on budget allocations are regularly seen as only indicative at sector level, with the movement of funds between budget heads a frequent occurrence and justified because of ‘urgent emerging requirements’.

Inclusive partnerships

Mutual accountability and accountability to the intended beneficiaries of development co-operation, as well as to a country’s citizens, organisations, constituents and shareholders, is critical to delivering results. Transparent practices form the basis for enhanced accountability.

Openness, trust, and mutual respect and learning, while recognising the different and complementary roles of all actors, are at the core of effective partnerships in support of development goals. An ongoing challenge in most of the Pacific countries is to ensure an active and participatory process in developing national plans and strategies and ways to ensure that there is real engagement with partners outside the government in the formulation of key policies. In a number of countries, there continues to be a mistrust of civil society and non-government organisations, while in some countries there is a selective approach as to which of these organisations

are consulted by government agencies when designing national and sector plans and budgets.

Working with the private sector and civil society organisations is seen as critical to ensuring development effectiveness, but in this area there remain issues of trust on both sides. There is a reluctance to be open and to share ideas, and a lack of genuine commitment to realistic consultations.

For small administrations, understanding and meeting the programme design and reporting requirements of different development partners can be a particular burden. The adoption of national systems by development partners is an obvious solution but can be difficult to achieve fully. As a consequence, there remains a need for development partners to work together in each country situation with the relevant government to help minimise the complexity of systems and processes to help address this concern.

In all countries, there is a need to strengthen the links between national, regional/provincial and village or community levels of governance (see Box 4.4) to ensure the development priorities at the national level adequately reflect the aspirations of these other levels of government. It is also important that before a national strategy is agreed that there is an assessment made to ensure that the necessary capacity exists or can be developed at all levels of government to ensure effective implementation and maintenance of activities agreed in national plans/strategies.

Box 4.4 The Civil Society Support Programme in Samoa

In many of the Pacific countries, there remain difficulties in effectively building the capacity of civil society so that it can play a more effective role, as a partner with government in designing, managing and delivering development assistance initiatives. Recognising this, Samoa has put in place a Civil Society Support Programme (CSSP) where the Government is working alongside a number of development partners to ensure civil society organisations (CSOs) access assistance that brings social economic benefits; builds capacity in the community; and strengthens CSOs' ability to advocate during community consultations on government policy and legislation.

Development partner support is provided under funding agreements that are clear and flexible, with the requirements for parties spelt out clearly. Partners have aligned their reporting requirements using the six-monthly report template for CSSP. This has avoided delays in endorsing reports and CSSP reporting directly on what is expected. The current template also allows the CSSP the liberty to determine budget priorities that are then endorsed by the Steering Committee. This flexibility also allows for re-programming when needed.

A challenge faced by all countries is to make sure that there is effective co-operation and co-ordination across and between sectors in the implementation of the strategy. This is particularly important when designing and implementing programmes so that there is a detailed analysis and reflection of the gender dimensions, environmental impact and other cross-sectoral aspects. Samoa has attempted to improve this aspect of its planning through the formation of a number of sector working groups where issues such as gender, youth, disability and the environment are considered as part of the planning and implementation process.

Over the years, a number of agencies (UN, SPC and others) have attempted to support gender mainstreaming and/or gender budgeting efforts in planning and implementation at sector level. Unfortunately, in most instances success has been limited. All countries now place a greater level of importance on the role of women and most have established a Ministry of Women or a division within a ministry with such responsibilities. However, most are under-resourced and have only limited skills to ensure gender mainstreaming throughout government. In all the nine Commonwealth Pacific small states, non-government organisations often supplement the role of government, implementing programmes designed to strengthen the role of women and girls, and as such are often leading the drive for change in these areas.

Accountability and transparency

While work has been done in the region to strengthen the role of parliaments and statutory authorities (such as audit and anti-corruption) to ensure effective oversight of the work of the government and/or the executive, there remains a challenge in some countries with frequent changes of government and/or leaders. In some cases, there are inconsistent parliamentary timetables, a lack of regular and effective operations of the public accounts committee and interruptions to the work of the office of audit and anti-corruption agencies where they are in existence. The parliamentary process is expected to allow all national partners and the broader community to be kept informed of government policies, plans and programmes.

Parliaments and civil society, including independent media and audit and evaluation offices and local and regional government authorities and offices, each play distinct and essential roles in increasing accountability and participatory governance (see Box 4.5). An enabling, democratic environment, including the requisite legislative and institutional frameworks, mechanisms that inform, consult and involve citizens, and civic education are essential to foster social accountability of ODA spending and the national budget.

A consistent and inclusive approach among government ministries and public-sector agencies is also problematic in some countries, where central planning and finance ministries often propose policies, design programmes and implement budget revisions with limited consultation and measures to canvas a wide range of views. This is most apparent where budget controls are not decentralised, limiting sector responsibility for managing expenditure and performance.

Given the significant levels of development assistance that is provided to Pacific island countries it is critical that increased efforts are made to ensure that the partnerships

Box 4.5 Good practice: Parliamentary oversight of RAMSI in Solomon Islands

A number of countries have made progress in raising the level of parliamentary oversight of the development process. This has come about primarily through development partner support for legislatures in a number of countries (Fiji, PNG, Samoa, Solomon Islands, Tonga) through which the Speakers' and Clerks' offices were provided with support.

One of the key examples of parliamentary oversight was the review of the Regional Assistance Mission to Solomon Islands by the Foreign Relations Committee of the National Parliament. This involved comprehensive community consultations across the country and written submissions from all interested parties including the RAMSI Office itself. The inquiry was the first formal review undertaken by the National Parliament of the Solomon Islands. It was an immense undertaking, without parallel for the Parliament, extending over almost one and a half years and involving 35 public hearings and hundreds of witnesses across the country. A report by the Foreign Relations Committee entitled *Inquiry into the Facilitation of International Assistance Notice 2003 and RAMSI intervention* was submitted to the Parliament in November 2009.

between the country and the development partners are managed in an open and transparent way and are seen to be focused on the highest priorities of the country and not of the development partner or partners. Achieving this in a realistic way is often complicated by the difficulty of developing a partnership between at least two parties, where one is the funder and the other is the recipient. It can also be complicated when partners have differences over how funding or technical assistance should be provided, managed and monitored for performance.

A number of development partners use national systems in selected partner countries, for direct budget support or more often sector budget funding. However, the majority of the Pacific island countries continue to lack the capacity to set up national budget and finance systems that provide adequate assurances to the development partners. Direct budget support is relatively new in most countries and is connected to a policy framework with agreed triggers and risks. Sector-wide support, where partner funding is provided through the government system, based on a joint agreement over areas of expenditure, have been in place for some time and are considered to be examples of good practice. In all cases there is a need for open and transparent communications between the development partner and the government. It is important to respect national priorities and benchmarks for measuring achievement.

In June 2014, a number of development partners (Australia, European Union, New Zealand, World Bank, ADB and PFTAC) agreed to develop a set of 'good practice principles' for the design and implementation of budget support in the Pacific.

The principles were developed in consultation with a number of Pacific partner governments and are now known as the Multi-Donor Budget Support (MDBS) Good Practice 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.

The principles are intended to capture what has been found to work best when developing and implementing MDBS programmes and will guide the future actions of development partners in working with Pacific countries. This is so that lessons do not have to be relearned and positive impacts can be maximised.

4.4.2 Regional level

As indicated earlier, the Pacific has taken a number of very concrete steps at the regional level to try and bring a greater degree of co-operation and co-ordination in the Pacific. This is considered a positive way to work with each other and support programmes of benefit to the region. Regional co-operation is also seen as important for ensuring solidarity on issues of concern to the region and as such it also strengthens Pacific positions in international fora. It has also given the Pacific island countries access to a range of technical advice and programmes promoting regional co-operation in selected areas and/or technical advice and support at individual country level.

Issues common across the region

Any attempt to identify issues that are common across the nine countries is difficult given the significant differences that exist between them in terms of such issues as: level of economic development; availability of and access to natural resources; strength of governance structures; and strength of human resource and aid management capacity. However, it is clear that many of the countries continue to struggle to maximise their development potential. All have endeavoured to put in place development planning tools but struggle to ensure effective implementation of these plans and strategies or to ensure that development partners follow the strategies as defined locally. In some

of the smaller countries, there remains a strong reliance on external support to design national and/or sector strategies and plans. As a consequence, local counterparts often feel little ownership or commitment to monitor implementation.

A lack of data and analysis as well as a real and sustained commitment to building adequate databases and using data for comprehensive analysis, policy formulation and planning is evident in most countries and this has led to inadequate identification of targets and indicators in plans and strategies and limited opportunities for effective monitoring and evaluation. There is also clear evidence that countries often feel overwhelmed by the number of targets and indicators that have been developed internationally for measuring development progress. Many have accepted the many suggestions from global and regional partners to adopt a range of targets and indicators for which there is little available baseline data or capacity to collect and analyse data to effectively measure progress in plans and strategies.

Until the last few years, efforts to address gender inequality have been limited or largely unsupported in most Pacific island countries. There is no shortage of 'commitment on paper' at regional and international level by Pacific island governments but this has generally not been adequately reflected in the policies and programmes at national level. As a consequence, while national plans and strategies may make reference to the need for greater support for the empowerment of women as agents of change; the importance of eliminating gender discrimination and violence; the need to integrate gender perspectives into sustainable development; and promoting equal access to education, health and work opportunities, the level of follow-through and implementation with appropriate resources is often lacking and left largely to underfunded civil society organisations. Unfortunately, this situation is evident in all countries but most prevalent in PNG and Solomon Islands. Bilateral partners, regional organisations and UN agencies have been supporting efforts to strengthen regional and national responses to this issue but again these efforts are often hampered by a lack of resources (particularly in the case of the regional organisations and UN agencies) and prioritisation by governments generally.

Programmes delivered from a regional platform

For a number of development partners there is a preference to deliver support in the Pacific from a regional platform. This can be seen in the number of bilateral partners that have developed regional programmes directly under their management or are delivering them through a regional or international organisation. The decision to deliver resources in this way is usually because of:

- Sensitivities or a perceived lack of national commitment for a development issue. A regional intervention allows for issues such as anti-corruption, human rights and gender equality to be promoted regionally as national support for change is built over time;
- Economies of scale and scope, which is particularly relevant in the Pacific where distances, small populations and the cost of doing business combine to make regional implementation more efficient;

- An understanding that there already exists within the regional institutional architecture established channels and capacity to support programme implementation.

During the Forum Compact peer review process and in other regional fora a number of concerns are often raised when regional programmes are discussed with Pacific island countries. These can be best summarised as follows:

- A lack of ownership by individual countries over the design of the programme or the way it either impacts or is delivered at country level;
- Often a lack of understanding of how the regional programme is positioned vis-à-vis national development efforts. While there may be a better understanding at the relevant sector level, this is sometimes not effectively communicated at the national level so that the expected outcomes can be captured as part of the implementation of the national plan/strategy;
- Regionally delivered programmes are often most responsive to global commitments or those of the particular agency involved and are not adequately tailored to ensure effective delivery in a Pacific context;
- A lack of transparency about the magnitude of resources or how the resources are to be utilised; and
- Perceptions of inadequate collaboration between partners with the potential for duplication and/or overlap of objectives.

Role of regionalism and regional organisations

The Pacific island countries have a long history of working together as a region, with a strong network of regional organisations promoting regional co-operation and regionalism. However, this has also led to a growing list of issues that are seen as priorities for the region or groups of specific countries within the region, with the consequent result that the list has become unmanageable and not always focused on what is considered to be truly regional. As discussed earlier, in establishing the Framework for Pacific Regionalism in 2014, the Forum Leaders made the case for regional co-operation and its importance to the countries of the region. In terms of development effectiveness and co-ordination, the Framework is expected to strengthen the focus, role and effectiveness of the work undertaken at the regional level. It is intended to avoid a 'shopping list' approach to identifying what activities should be pursued at regional level while recognising that there is a limit to what can be achieved regionally, with most development effort still required at individual country level.

The identification of the regional integration priorities through the Framework for Pacific Regionalism commits the Pacific Islands Forum and its stakeholders to advance beyond regional co-operation towards deeper forms of regional integration and creates mechanisms to enable leaders to better prioritise issues. Although the Framework has only been operational since 2015, with five priorities agreed by leaders in that year, it is a clear example of how the region is seeking to learn from the

Pacific Plan and build on the ideas initiated then to focus attention on what countries can do together as partners to progress work in areas where regional collaboration is seen to maximise the benefits for those countries which are involved.

The growth of regional organisations and suggestions of mandate overlap has been at the centre of debates over the effectiveness of the regional architecture and its contribution to sustainable development in the region. As members of these organisations, the island countries and their development partners have sometimes questioned the impact of the work done at the regional level and in particular, how effectively it is linked to the specific priorities of individual countries. In some of the smallest countries (Tuvalu, Kiribati and Nauru), the resources available to them from the various regional organisations and other regional programmes can be significant in terms of their national development budgets. However, for some of the larger countries (PNG and Fiji), the activities and national impact of the regional organisations are considered far less important. In all cases, there is a general concern that significant resources appear to be used in running these organisations, limiting what is then spent at country level.

In some cases, there is a perception that regional organisations are competing with each other for resources and the capacity to deliver programmes. This appears to happen in situations where more than one agency is involved or considers it has the mandate in the same or a similar development issue. However, it can also be the result of effective resource mobilisation by a particular organisation or the emergence of a new management team in an organisation where the programme priorities shift. It may also be partly due to the fact that the regional organisations have different governing bodies and relationships with their respective development partners. As a consequence, regional organisations have different priorities based on what the respective governing body decides. The interface between the way governing bodies make decisions on mandates linked to resource allocation, is a key focus of an ongoing analysis of governance and finance study, commissioned by the Pacific Islands Forum Leaders in 2015 and co-ordinated by the Forum Secretariat. Central to this work is recognition that all CROP governing bodies consist primarily of the same membership and their mandates overlap, which is also a reflection of the nature of internal relationships between government central and line ministries.

The CROP was established to try and address these issues of co-operation, co-ordination and definition of mandates. However, many of the perceptions outlined here continue to persist.

While specific attention has been given to regional co-operation involving all countries in the Pacific, there has also been continued interest in subregionalism, where a smaller number of countries have formed specific groups with a more limited membership. These arrangements enable more contextualised and focused approaches, allowing the promotion of more nuanced benefits for members and the setting of targeted priorities and results to better influence and mobilise external resources. Subregionalism provides the opportunity to recognise the political, economic or social concerns common to the group, such as those subregional groupings formed by geography (Melanesian Spearhead Group, Polynesian Leaders

Group and Micronesian Summit); by thematic or economic interests (Parties to the Nauru Agreement) and by specific vulnerabilities (Smaller Island States of the Pacific Islands Forum).

4.5 Despite progress, some gaps remain: Looking to 2050

This section highlights remaining gaps to be addressed in the existing national and regional policies and programmes to more strategically address the challenges outlined in the previous section. These gaps also highlight the considerable differences that exist between the nine Commonwealth Pacific small states. As a consequence, in considering the possible scenarios for where the region might find itself in 2050, it will be important to address these gaps but also understand how development effectiveness responses will need to be tailored to address individual country situations.

The potential scenarios for where the region might find itself in 2050 can be broadly described as:

1. A deterioration in quality of political governance, a breakdown in partnerships, reduced support from development partners and a significant lack of progress in the achievement of the SDGs and opportunities for building economic, social and environmental resilience in the region.
2. A status quo situation where there continues to be political instability and a patchy response to sustainable development in most parts of the region.
3. A transformation at both national and regional levels of governance institutions, processes and systems; economic, social and environmental management and effective regional co-operation. All of which lead to a region that has been described in the Vision for the Framework for Pacific Regionalism as ‘a region of peace, harmony, security, social inclusion, and prosperity, so that all Pacific people can lead free, healthy, and productive lives.’

There are a few concerns in scenario building and making predictions for 2050. The first concern is that if the region is going to make real progress, with all its people benefiting (in line with the commitment that ‘no one is left behind’), then it will be important that all nine countries are seen to prosper. However, given that the majority of the region’s population is in PNG, where their MDGs progress by 2015 was well behind much of the rest of the region, then the achievement of economic and social progress that brings benefits for all Pacific people by 2050 will require much greater and more rapid progress to be achieved in PNG compared with the other countries in the region. Despite its size and relatively resource-rich economy, PNG has found it difficult to maintain stable and consistent leadership and, therefore, economic progress. The other Melanesian countries of Solomon Islands, Vanuatu and Fiji have all faced both political unrest and recent natural disasters, interrupting progress.

Kiribati and Nauru, as the two Micronesian states, have had mixed development results. Kiribati continues to face population growth issues and complexities of

supporting a population scattered across a number of islands in the group, while Nauru continues to face political unrest and difficulties adjusting to a post-phosphate mining period and long period of poor public financial management and waste. In other parts of the region, and in particular in the Polynesian countries, MDGs progress has been more consistent, mainly because of their relatively stable governments and small populations, making service delivery a little easier.

A second concern is how to deal with the unpredictability of countries facing an increasing occurrence of natural disasters and/or the full impact of sea level rise and climate change. These issues, along with civil and political instability, are impossible to accurately predict and while the latter can hopefully be more effectively avoided if other steps relating to governance and development effectiveness are appropriately implemented (and even these are not always entirely in the hands of national governments), natural disasters can set back development agendas for years. In looking at the recent experiences following the floods in Solomon Islands, the cyclone in Vanuatu and the regional intervention (RAMSI) in Solomon Islands it is also clear that development partner assistance has often unintentionally undermined national capacity and, in the case of RAMSI, where the task has been much longer, resulted in a loss of ownership and leadership of the development processes.

A third issue is the likelihood that even by 2050 a number of the Commonwealth Pacific small states (for example, Tuvalu, Kiribati, Nauru) will remain highly dependent on external assistance for their continued existence. This means that while every effort should be made to maximise the growth and effective use of national revenue options, development partner support will need to continue and be provided in accordance with the basic principles of development effectiveness.

A fourth issue relates to the future of regional co-operation and the role of the current regional architecture, because the implementation of the Framework for Pacific Regionalism foreshadows the need for the support, commitment and ownership of all Pacific people, including governments and administrations, civil society organisations, private sector representatives, regional organisations, development partners, media, and other key stakeholders. As has been evident over the last 20 or more years, there have been differing levels of commitment and support among countries for regional co-operation and integration. There have been a number of reasons for this, but as has been discussed, the description of how Forum Leaders embrace regionalism¹¹ is in reality not always the actual situation in countries.

In recent years, we have seen Fiji remain outside of the Forum Leaders meetings, the establishment of the Pacific Islands Development Forum (PIDF), a stronger commitment to subregional groupings and often, in developing partnerships with the rest of the world, an increasing emphasis on the promotion of national interests first. It is also clear that regionalism is probably more critical to countries like Kiribati and Tuvalu than to others and subregional groupings built around a specific issue – political, economic, social or environmental.

Against this background and the obvious challenges that exist for the region, there are a number of issues that can be addressed more consistently or more robustly

to help ensure the region can go beyond the status quo and, by 2050, begin to see some realisation of the vision of the Framework for Pacific Regionalism. In terms of development effectiveness, some of the issues that remain to be addressed more consistently are set out below.

4.5.1 Beyond the rhetoric

The Forum Compact peer review process has been an effective ‘inclusive and mutually accountable learning tool’, involving Pacific island countries working with each other to identify country-specific measures to strengthen development effectiveness. However, it has focused largely on processes, structures and systems to strengthen the way development plans and strategies are designed and managed. It has not been a review of how countries have actually performed in meeting their development priorities or how the institutional arrangements have worked to maximise co-operation and inclusive development that addresses issues such as gender equality. Taking the peer review process to the next level would involve south-south co-operation, combined with integrated technical assistance to ensure improvements in actual development outcomes and enhanced living standards for all in the respective country.

4.5.2 Improving the availability and quality of data to better monitor development strategies

The Forum Compact review process identified the importance of developing national plans and strategies that have a realistic set of performance indicators with baselines and realistic milestones. Linking national strategies to strong sector and corporate plans and directly to the budget process is essential if there are to be significant improvements in development effectiveness reporting and increased levels of satisfaction about the expenditure of development resources, whether from national sources or external development partners. As already discussed, a key constraint in the region continues to be the collection and maintenance of comprehensive datasets, as well as limited capacity to undertake proper analysis. This situation points to capacity gaps and a lack of commitment to ensure that national statistics offices are well resourced, as well as limited capacity in planning and sector ministries to undertake the necessary analysis prior to the development of policies and programme interventions.

4.5.3 More inclusive policy formulation and development of plans

Despite the feedback given during the Forum Compact peer reviews, there remains uncertainty about how truly effective the consultation process has been in the national planning and review processes. Almost without exception, partner countries report that civil society and the private sector are included in the consultation process in the design of the national plan or strategy. However, the style of consultation is seen by some to be simply ‘information sharing’ sessions or restricted in scope and time to limit the sharing of ideas and suggestions from a diverse group. In many cases, the consultation with those outside of government occurs only at the time of drafting of the policy, plan or programme, with little follow-up or feedback that would

allow the civil society and the private sector to have a more consistent engagement. A key concern will be to ensure that non-government agencies can maintain their independence and are able to provide unfettered advice.

4.5.4 More effective co-ordination at national levels

The 2030 Agenda for Sustainable Development draws attention to the important roles that must be played by all stakeholders, including governments, private sector, civil society and development partners, if the SDGs are to be achieved. It is also recognised that all 17 goals are integrated and indivisible, and if they are to be effectively implemented it is important that there is a real commitment to design and implement cross-sectoral interventions. Through the processes developed to implement the MDGs, all of the Commonwealth Pacific small states have established cross-sectoral taskforces or committees, whose membership goes beyond government ministries. However, there remains a need to strengthen the roles and responsibilities of these taskforces or committees as they are now being refocused on SDGs implementation.

4.5.5 Greater focus on issues of gender

The Pacific island countries continue to face significant challenges in ensuring progress on gender equality in terms of the effective participation of men and women in country leadership and in access to economic opportunities. It is also a region with a very poor record on gender-based violence. The lack of progress on these issues is well recorded and has led to a number of regional commitments to try and address the issue, including the establishment of a ten-year regional funding commitment from Australia to support national and regional efforts.¹² Transforming regional commitment into strong government leadership and efforts at the national level remains problematic in the majority of the countries.

4.5.6 Regional co-operation which delivers results

The Framework for Pacific Regionalism is only in its second year of implementation and was the result of an extensive review and consultation process on the performance of the Pacific Plan. As such, it is premature to suggest how the Framework process might be made more effective. However, in the area of regional co-operation, there is clear evidence that despite the significant resources that are directed by external partners to the operations of the regional organisations, there remains concern about how effectively these organisations complement and/or support the achievement of better development outcomes at the national level. Making the regional co-operation efforts more useful is hindered by a lack of sustained ownership at the national level.

In the past there have been a number of studies and recommendations made on how the architecture and operations of the Pacific regional organisations might be enhanced. Some of the recommendations have been accepted and progress made in both the rationalisation of roles and responsibilities within organisations, as well as in more broad-based restructuring and merging of organisational responsibilities. However, more widespread reform remains problematic because the views and considerations of each governing council are not necessarily the same and because

the members of the governing councils or their associated management committees fear a loss in access to resources from regional programmes if they are merged with others or managed by an alternative organisation.

4.5.7 Ensuring the best technical advice

The Commonwealth Pacific small states continue to rely on external technical assistance to support the development planning and implementation process. The choice and management of technical assistance will be critical in order to strengthen national ownership of the development process and address ways to ensure that the development strategies reflect key economic, social and environmental considerations and also take account of the specific island country context. The involvement of external technical assistance is only helpful if there is a willingness to understand the country context and be able to listen to the views and opinions of locals.

4.6 Recommendations

The following are recommendations and proposed strategies for improving development effectiveness and addressing the gaps outlined. As highlighted, there remain a number of challenges, both human and natural, that will continue to impact the region for the foreseeable future and complicate economic and social progress for the small island states of the Pacific. Improved planning and policy-making, with better definition and monitoring of results, along with stronger partnerships and commitments by development partners, will not solve all of these challenges or ensure the region meets the Vision of the Framework for Pacific Regionalism by 2050. However, the following recommendations, which for consistency have been grouped according to those proposed for national action and those proposed for regional or international level action, are expected to help prevent the region from stagnating or slipping back into continued political instability and deteriorating partnerships with the rest of the world.

All of the recommendations point to the need for a continuation of capacity-building efforts that should focus as much on the institutional arrangements for promoting change and sustainable development as they do on the skills development of individuals. As a consequence, it is proposed that increased attention be given to the preparation of guiding notes or toolkits to ensure that there is consistency in the institutional arrangements, policies and processes, as well as guidance to new staff, even as inevitable changes occur within the relatively small administrations. Such toolkits would need to draw on regional and global experience and lessons learned, while reflecting current thinking, including the processes proposed for mainstreaming the SDGs, as well as the necessity for effective and integrated follow-up to the SAMOA Pathway, Framework for Pacific Regionalism and other important commitments linked to the promotion of sustainable development.

The majority of the recommendations recognise that while the governments must lead implementation, the support and commitment of development partners remains critical to their success. The Global Partnership indicators (Appendix 4.1) provide governments and their partners with a way to measure the effectiveness of their

partnership arrangements, as they seek to take forward these recommendations in the national context.

4.6.1 Recommendations to improve ownership of development priorities

National-level actions

Design and implement a policy and planning formulation process that considers macroeconomic and structural policies and local context, and addresses their public-sector management impact. This recommendation is primarily focused on providing effective capacity-building support that nurtures local capacity and takes fully into account the culture and traditional values of the country, as well as the ethnic and regional differences that exist. The technical support should give specific attention to climate adaptation, better risk assessment, enhanced responses to natural disasters, gender equality and better recognition of the role of women in development.

Address the continuing concern in most countries regarding the lack of data, as well as the limited capacity to effectively analyse data to ensure evidence-based decision-making and policy formulation. While there are ongoing efforts to strengthen data collection in the region, principally through regional programmes implemented by the Secretariat of the Pacific Community (SPC) and sector-based work by a range of development partners, there remain concerns about the quality and availability of data that can be used by policy-makers and planners to better inform development initiatives. This issue was highlighted in monitoring the MDGs and remains a significant limitation, even as countries design new or revised national strategies and sector plans that reflect the SDG targets and indicators.

Implement a set of comprehensive institutional strengthening programmes. While building the capacity of personnel is important, it is also critical to undertake comprehensive institutional building of the central agencies of government and focus on both their internal operations and their interrelationships with each other. It is also important to recognise that it is a sequenced approach and that progress is monitored to identify any ‘road bumps’ that might emerge elsewhere as a consequence of the changes implemented in policy, institutional or operational areas. An example of this emerged in the 1990s implementation of the institutional strengthening programme in Samoa’s Treasury, where it was found that progress in making changes led to a requirement that changes were needed in other areas of the government, including the role of the Public Service Commission. As the ADB capacity development study (ADB 2008) concluded, where the core functions of government are weak, as they have been in many Pacific island countries, the delivery of public services (such as security, justice, basic education and basic health services) has also been weak. Just providing additional funds has rarely been able to strengthen and sustain that delivery. Strengthening core government functions is a prerequisite to strengthening state operations and to restoring and expanding private markets.

Implement a strengthened consultation process of good governance as promoted through the SDGs and which addresses ways to improve the relations between

the government and its constituents. Engagement with civil society and the private sector is essential, as is building trust and confidence. Opportunities to participate in building and rebuilding relations between the government and civil society, between the main urban centre and rural areas or outer islands, and between the formal and informal sectors are important in building a more inclusive society.

Strengthened oversight of government performance is necessary and should include policies to ensure gender equality and that development programmes are inclusive of all members of the community. This will include a stronger, more effective public accounts committee; regular reports from the auditor that are submitted and considered by Parliament; and more effective anti-corruption policies. For countries such as the Solomon Islands, where the National Strategy is simply tabled in Parliament upon approval by the Cabinet, the process could be enhanced and more inclusive if it included submission of a draft Plan or Strategy to Parliament with adequate time provided for debate at both Committee levels and within the full Parliament.

Develop a monitoring process for the national strategies/plans that involves civil society and/or national private sector organisations. This could include a nationwide tender process to select organisations or individuals to conduct joint annual reviews and performance reports with relevant government agencies using established indicators that are then included in an annual report by the government to the parliament. Alternatively, it could be a joint review process, involving government, non-government organisations and/or a development partner, of a national plan or strategy, with the findings of such joint reviews discussed within a broad stakeholder forum in the country. This approach would allow the government to strengthen its partnership with development partners, civil society and the private sector. It would also help build local capacity and commitment to the development priorities of a country, both inside and outside of government.

Strengthen co-ordination within governments to ensure that all stakeholders, government, civil society, private sector and development partners are fully involved in the planning and budgeting processes of each country and are given the necessary support to ensure accountability and transparency in the decision-making of governments. It should also involve new and more effective approaches that promote horizontal and vertical co-operation and co-ordination to ensure that development initiatives reflect the three aspects of sustainable development (economic, social and environmental) and promote strong links between sectors and between village, provincial and national levels of government. Most governments had set up national taskforces or committees to co-ordinate monitoring of their national strategies and plans, including the MDGs. While these committees remain relevant, including for monitoring the SDGs, there is a need for most of these committees to have stronger terms of reference, particularly to be more active in monitoring plans and budgets.

Regional-level action

Over the last few years, the Pacific Islands Forum Secretariat, with the support of CROP agencies, the United Nations organisations and other development partners,

has been seeking to bring a greater level of co-ordination in the development partner support provided to Pacific island countries. This led to the establishment of a National Sustainable Development Strategies Partnerships Group (NSDSPG)¹³ at the SIDS Conference in Samoa in 2014. The primary goal of the NSDSPG is to help Pacific island governments improve their planning and budgeting, while embracing nationally tailored SDGs, key elements of the Samoa Pathway and the Framework for Pacific Regionalism. In addition, the Secretariat of the Pacific Community regularly convenes meetings of senior planners and statisticians in the region, to guide regional support for improving national-level statistical databases, that are feasible and sustainable, but which also respond to the needs of policy-makers and planners.

Against this background, it is recommended that regional-level actions focus on making sure the NSDSPG is inclusive of all development partners and that future support to strengthen national ownership of the development process is consistent and well co-ordinated. Through this process it offers opportunities for building on aspects of the Forum Compact of sharing lessons learned and promoting south-south co-operation and knowledge management. Critical to the success of this recommendation is agreement within governments of which an agency or agencies are responsible for leadership and implementation of the various policy objectives. The NSDPG also offers opportunities for drawing on lessons from other regions, which can be facilitated by the Commonwealth Secretariat.

4.6.2 Recommendations to better focus on results

National-level action

Efforts continue to be made in all countries to ensure that the development priorities are clearly reflected in a fully integrated national budget (combined recurrent and development expenditure). Most countries have adopted a single integrated budget (apart from the Solomon Islands) and a number have moved to adopt a programme budgeting approach (including Samoa, Tonga, Tuvalu, PNG and Vanuatu). However, there remains more to do to ensure that the budgeting process is fully reflective of the costs of development programmes. National budgets do not fully capture much of the funding provided by development partners; nor the contribution of civil society organisations in areas such as health, education and environmental protection; nor do they identify the operational or maintenance costs of development projects.

If an integrated budget is produced it will mean that the full cost of all development activities is captured and this will ensure that development partners increasingly use national systems. Where there is still resistance to the production of a fully integrated recurrent and development budget, it is important that the national development strategy and, more specifically, the sector plans, set out the total contribution of each government ministry and agency, as well as contributions of the relevant civil society groups and the private sector. This will allow for a full disclosure of the costs of implementing a programme.

Even when a partner is unable to provide support directly using national budget systems, it is important to be able to measure the results achieved, as well as

understanding the contribution of all parties. Standalone projects or programmes will usually only have a short-term impact, unless the implementation and longer-term follow-up are fully integrated into the responsible ministry or agency at the time of design and the full cost of sustained implementation understood.

Promote the full integration of the SDGs by tailoring the targets and indicators to ensure they are the most effective measures for monitoring national strategies/plans, with progress reports produced in line with the monitoring and evaluation processes already developed. It will also be important to ensure that the SDG 17 targets are selectively reflected in national development co-operation policies as they address the key elements of: financial resources and investment; north-south, south-south, triangular, regional and international co-operation; effective and targeted capacity-building; trade; and a range of systemic issues. It will also be essential that the ongoing issue of a paucity of data combined with a lack of capacity in countries for effective analysis and use of accurate data for policy-making is addressed, including through the existing Pacific Statistics Steering Committee.¹⁴

4.6.3 Recommendations to enhance inclusive development partnerships

National-level action

To help overcome the perceived mistrust between governments and other national stakeholders (non-government organisations and private sector), it is recommended that there be more frequent and well-organised consultations (and not simply information sharing sessions) between governments and non-government organisations, and that these consultations respect the roles of all partners and the contributions each make to the development process.

Despite efforts to increase the participation of civil society and the private sector in the planning and implementation of national and sector strategies, it is clear that more needs to be done. In doing so, it is important that the degree of mistrust and/or apprehension among both government officials and non-government organisation representatives is overcome. This is critical to develop a more realistic partnership between the parties. This will only be possible if both sides better understand and respect the role of each other and that there are more open lines of communication developed on how the development priorities of the government are decided and how these priorities are to be achieved. While non-government organisations are often successful in directly mobilising their own resources from development partners or from overseas affiliates, the information on the programmes that are implemented is often inadequately acknowledged or reported by the government.

Regional/international-level action

The Forum Compact and peer review process, a good practice example of south-south co-operation is continued and expanded to take forward the value of Pacific island countries working together and learning from each other, including the value of development partners, regional organisations and civil society working together to

promote more effective processes, systems and decision-making for the achievement of enhanced development results and outcomes. This will include a continued rollout of public financial management reforms and ongoing confidence building among development partners to embrace national systems and provide increasingly untied budget support. It would also be an opportunity for countries to learn from each other on how to more effectively integrate international and regional commitments into national development agendas. The Commonwealth in collaboration with PIFS, the UN and the regional organisations could promote this idea as a part of the follow-up to the SAMOA Pathway, reflecting the value of all SIDS working together.

4.6.4 Recommendations to advance transparency and accountability to each other

National-level action

There is a need to **strengthen the planning function beyond writing of plans** to include: policy formulation and presentation of options; public finance; public service structure and focus; and rules and regulations for increased private sector development and NGO contributions. It is also vital that the plans and the associated budgets can be monitored and reported on in a transparent and accountable way. This will only be possible if effective indicators are identified, data are accurately collected and baselines are established to allow monitoring of performance over time.

Design and implement context-specific budget and aid management information technology solutions that allow for better collection and analysis of revenue and expenditure data to monitor more effectively the achievement of results against the priorities of the national and sector strategies and plans. It is important that information technology solutions are not overly complicated; are easily maintained; and are effective as monitoring and reporting tools. Where this has not been the case in the past, systems have languished because data providers lose enthusiasm and reports have either not been produced in a timely manner or have lacked complete data from which sensible conclusions can be drawn.

Regional-level action

Develop a **cultural sensitivity training programme for technical advisers** to ensure they fully understand the cultural and social conditions of working in the Pacific and together with Pacific island counterparts are able to prepare draft policy and legislation and design programme interventions that carefully take account of country context. The Commonwealth, in close collaboration with the Pacific Islands Forum Secretariat, could implement this recommendation.

Reconsider the current regional organisation architecture and with these agencies consider how their roles and responsibilities in the context of the Framework for Pacific Regionalism can remain focused on promoting regional co-operation and/or deliver support at country level that responds to national development priorities. This is an area where the Commonwealth could be involved and share the experiences of regionalism from the Caribbean and Africa.

Notes

- 1 This chapter benefited from valuable comments from the Pacific Islands Forum Secretariat (Alfred Schuster) and the Commonwealth Secretariat (Resina Katafono, Denny Lewis-Bynoe, Wonderful Hope Khonje and Ahmed Ali).
- 2 The Fourth High-Level Forum on Aid Effectiveness, held in Busan, Korea, in 2011 under the auspices of the Organisation for Economic Co-operation and Development (OECD). The Forum forged a new global development partnership that recognised the role of a broad range of state and non-state actors. It focused attention on the need to increase and reinforce development results and to leverage and strengthen the impact of diverse sources of finance to support sustainable and inclusive development, including taxation and domestic resource mobilisation, private investment, aid for trade, philanthropy, non-concessional public funding and climate change finance.
- 3 The Pacific Islands Forum includes the nine Commonwealth Pacific small states plus Cook Islands, Federated States of Micronesia, Republic of the Marshall Islands, Niue and Palau.
- 4 Extract from the Pacific Islands Forum Secretary-General's opening speech at the 1993 Pacific island countries/Partners Meeting, Suva Fiji, April, 1993.
- 5 'What we've learned about development in Pacific island countries', Report of the What Can We Learn Project, 2012-2013.
- 6 There are currently eight regional organisations: Pacific Islands Forum Secretariat (PIFS), Secretariat of the Pacific Community (SPC), the Pacific Islands Forum Fisheries Agency (FFA), the Secretariat of the Pacific Regional Environment Programme (SPREP), the South Pacific Tourism Organisation (SPTO), the University of the South Pacific (USP), the Pacific Islands Development Programme (PIDP), and the Pacific Power Association (PPA).
- 7 Formerly called the South Pacific Organisations Coordinating Committee
- 8 In 2005, Forum Leaders endorsed the 'Pacific Plan' that was described as a comprehensive document that set out how countries, through promoting and committing to the true sentiments of regionalism, would work together for joint and individual benefit. It was seen as a guide but did not restrict national or bilateral development. The four pillars of the Plan were economic growth, sustainable development, good governance and security, and its success was seen to be dependent on the support for regional approaches by the Forum member countries, civil society, private sector development partners and other stakeholders.
- 9 The Pacific Financial Technical Assistance Centre (PFTAC), Asian Development Bank (ADB), Australia, EU, New Zealand and World Bank
- 10 In 2016, technical assistance from the ADB and the UN has supported the production of new National Development Strategies in Fiji, Kiribati, Tuvalu and Solomon Islands. In all of the Commonwealth Pacific small states, development partner funded advisers continue to support the development of national and sector policies and plans.
- 11 Forum Leaders embrace Pacific Regionalism as: 'The expression of a common sense of identity and purpose, leading progressively to the sharing of institutions, resources, and markets, with the purpose of complementing national efforts, overcoming common constraints, and enhancing sustainable and inclusive development within Pacific countries and territories and for the Pacific region as a whole.'
- 12 Pacific Women Shaping Pacific Development (Pacific Women) is a ten-year programme focused on enabling women and men across 14 countries in the Pacific to improve the political, social and economic opportunities for women. It reflects the Government of Australia's commitment to work for improved equality and empowerment of women. Pacific Women will support Pacific countries to meet the commitments by Pacific Leaders to work for gender equality. The goal of the programme is 'Women in the Pacific (regardless of income, location, disability, age or ethnic group) participate fully, freely and safely in political, economic and social life.' The outcomes are described as follows: (i) Women, and women's interests, are increasingly and effectively represented and visible through leadership at all levels of decision-making; (ii) Women have expanded economic opportunities to earn income and accumulate economic assets; (iii) Violence against women is reduced and survivors of violence have access to support services and to justice; and (iv) Women in the Pacific will have a stronger sense of their own agency, supported by a changing legal and social environment and through increased access to the services they need.

- 13 Membership includes representatives from the ADB, DFAT, FFA, PIFS, SPREP, PFTAC, SPC, WB, UNDP and UNESCAP
- 14 The Pacific region has in place a Ten Year Pacific Statistics Strategy (TYPSS) 2010–2020, which provides a framework and governance structure for improving national capacity through regional co-ordination and integration of statistical activities in the Pacific. The Pacific Statistics Steering Committee (PSSC), which consists of statisticians, planners and development partners from the region, was created to monitor and oversee the implementation of the TYPSS.

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Appendix 4.1 Global Partnership for Effective Development Co-operation Monitoring Framework

The set of global indicators (see table below) includes some that are based on the previous indicators from the Paris Declaration that developing countries have identified as particularly important. Other indicators capture some of the broader dimensions of the Busan Partnership agreement.

Indicators	Targets
1. Development co-operation is focused on results that meet developing countries' priorities	
Extent of use of country results frameworks by co-operation providers	<i>All providers of development co-operation use country results frameworks</i>
2. Civil society operates within an environment which maximises its engagement in, and contribution to, development	
A preliminary assessment of CSO Enabling Environment building on qualitative, multi-stakeholder information	<i>Continued progress over time</i>
3. Engagement and contribution of the private sector to development	
A three-dimension index providing a measure of the quality of public-private dialogue	<i>Continued progress over time</i>
4. Transparency: information on development co-operation is publicly available	
Measure of state of implementation of the common standard by co-operation providers	<i>Implement the common standard – All development co-operation providers are on track to implement a common, open standard for electronic publication of timely, comprehensive and forward-looking information on development co-operation</i>
5. Development co-operation funding is more predictable	
(a) Annual: proportion of development co-operation funding disbursed within the fiscal year within which it was scheduled by co-operation providers; and	<i>Halve the gap – halve the proportion of aid not disbursed within the fiscal year for which it was scheduled (Baseline year 2010)</i>
(b) Medium-term: proportion of development co-operation funding covered by indicative forward spending plans provided at country level	<i>Halve the gap – halve the proportion of development co-operation funding not covered by indicative forward spending plans provided at country level.</i>

Indicators	Targets
6. Aid is on budgets which are subject to parliamentary scrutiny	
% of development co-operation funding scheduled for disbursement that is recorded in the annual budgets approved by the legislatures of developing countries	<i>Halve the gap</i> – halve the proportion of development co-operation flows to the government sector not reported on government’s budget(s) (with at least 85% reported on budget) (Baseline year 2010)
7. Mutual accountability among development co-operation actors is strengthened through inclusive reviews	
% of countries that undertake inclusive mutual assessments of progress in implementing agreed commitments	<i>All developing countries</i> have inclusive mutual assessment reviews in place (Baseline year 2010)
8. Gender equality and women’s empowerment	
% of countries with systems that track and make public, allocations for gender equality and women’s empowerment	<i>All developing countries</i> have systems that track and make public, allocations for gender equality and women’s empowerment
9. Effective institutions: developing countries’ systems are strengthened and used	
(a) Quality of developing country PFM systems; and	<i>Half of developing countries</i> move up at least one measure (i.e. 0.5 points) on the PFM/CPIA scale of performance (Baseline year 2010)
(b) Use of country PFM and procurement systems	<i>Reduce the gap</i> (use the same logic as in Paris – close the gap by two-thirds where CPIA score is ≥ 5 ; or by one-third where between 3.5 and 4.5) (Baseline year 2010)
10. Aid is untied	
% of aid that is fully untied	<i>Continued progress over time</i> (Baseline year 2010)