



PACIFIC ISLANDS FORUM SECRETARIAT



PACIFIC REGIONAL WORKSHOP ON AID EFFECTIVENESS

Nadi, Fiji
4, 5 and 7 April 2008

Outcomes Document

Preamble

Pacific Island Countries¹ participated in a Regional Workshop in Nadi, Fiji on 4, 5 and 7 April 2008 to consider progress in the implementation of the Pacific Aid Effectiveness Principles and preparations for the Accra High Level Forum on Aid Effectiveness, with specific focus given to managing for development results and mutual accountability and the role of aid information management systems. Other participants included the representatives of the Council of Regional Organizations of the Pacific (CROP) agencies and bilateral and multilateral development partners.²

2. The workshop was officially opened by Feleti Teo, Deputy Secretary General, Pacific Islands Forum Secretariat and the United Nations Resident Coordinator, Richard Dictus.

Pacific Principles

3. The Pacific Principles provide a guide to more effective aid management practices and together with the associated indicators allow the Pacific Island countries to monitor their performance and that of the donor partners in ensuring better development outcomes at the national level as well as the commitment to increased regional cooperation and integration as addressed through the Pacific Plan. The Pacific Principles have tailored the Paris Principles of ownership, alignment, harmonization, mutual accountability and managing for results to best reflect the situation in Pacific Island countries.

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

² Forum Fisheries Agency (FFA), Pacific Power Association (PPA), Secretariat of the Pacific Applied Geoscience Commission (SOPAC), and the University of the South Pacific (USP); Secretariat for the Pacific Regional Environment Programme (SPREP); the Asian Development Bank (ADB), Australian Agency for International Development (AusAID), European Commission (EC), New Zealand (NZAID); Pacific Financial Technical Advisory Centre (PFTAC), the United Nations Development Programme (UNDP), the United Nations Development Fund for Women (UNIFEM), and the World Bank.

4. Country experiences emphasized the importance of understanding the development planning and budget context of each country; their internal aid management/coordination practices; and relationship with a range of development partners.

Ownership, Alignment and Harmonization

5. Key issues raised that relate to the first three Paris Principles around ownership, alignment and harmonization included:

- Importance of political stability for ensuring sustained partner government commitment, leadership and ownership;
- Importance of a strong and well resourced aid management unit that has the capacity to ensure coordination among Government ministries and agencies and the Government's relations with donors is a key component of promoting local ownership and alignment between donor support and the priorities established through the planning and budget processes of individual governments;
- The role of effective aid information systems; capacity development mechanisms; and multi-year planning and budget frameworks are essential for partner governments if they are to assume effective leadership of the aid management processes and ownership;
- The need for donor partners to harmonize their technical assistance missions, analytical work and reporting and where possible involve partner country counterparts. All such assistance should be aligned with the priorities, policies and processes of the partner government. (Note that PNG has established comprehensive protocols around this issue);
- The need to recognize and include gender in all 5 Paris Principles. It is important to reflect on both the demand and supply sides for increased aid effectiveness and while ownership, alignment and harmonization were critical for ensuring partner country leadership there was a need for mutual accountability in how these issues were addressed as well as the need to understand the impact of unequal power relations;
- The need to recognize that more effective aid management requires a number of changes both within partner government institutional arrangements for planning and budgeting as well as in their relationships with a wide range of development partners and regional organizations, each with differing processes and procedures. Given this, it is vital that Pacific governments set a roadmap that allows sequential change and improvement to processes and that this roadmap is well understood by all parts of the Government as well as partner agencies;
- Some development partners are still to use government systems and onerous reporting systems, both regional and international that place a large burden on the limited human resources and capacity of FICs; and
- The implementation of the Aid effectiveness Principles was an evolving process and that these improvements will be built upon by overcoming the challenges identified and, more importantly, required the commitment of the whole of government as well as partners to the FICs.

Managing for Development Results (MfDR) and Mutual Accountability

6. While **Managing for Development Results (MfDR)** has not been widely discussed in the Pacific there is some good practice emerging from countries and donors. It was recognized that MfDR needs a focus on outcomes, supported by long-term commitment, based on national priorities as identified in National Sustainable Development Strategies. Key messages emerging included:

- MfDR is an agenda for countries in managing and implementing their own development frameworks and is not confined to the aid relationship. It needs to be built into country development plans and long-term expenditure frameworks, often with sectoral approaches. Often the connection with development impact is lacking in MfDR approaches in country systems.
- Countries want more investment in capacity building for MfDR both up-front and during implementation. Full capacity should not be a pre-requisite for starting work but be part of a continuous improvement approach.
- Assessments of capacity should be done early using one agreed framework to minimize duplication and responses should be planned in a way that enables a sensible division of labour. Countries should be open about what capacity exists or is needed, so that Development Partners can respond to these identified needs.
- The public in donor countries have an interest in the results of development assistance and are a potential lobby group for improved effectiveness and a focus on results.
- The demand side for MfDR is not well developed and is disparate. Parliamentary and political processes are potentially an important source of demand for results and can help support the development of a performance and results culture.
- Civil society has a role in the process and countries prefer to develop this by building on customary leadership values and accountabilities, while keeping in mind the need for full inclusiveness around gender.
- Countries particularly need to develop their monitoring, evaluation and statistical capability in order to take ownership of results monitoring and to support evidence based policy and planning. There is particular concern that there be more focus on establishing baseline data, and some process for objective verification of results.
- Country, regional and donor results monitoring frameworks must be rationalised, leading to one agreed Results Framework for a country, which would be used as the basis for monitoring development results including the MDGs. This is an opportunity to minimize the burden on countries. If standardized, these could be aggregated to form a regional reporting framework. In the interim there is scope to further align regional results based reporting.
- MfDR requires shared understanding and coordination from cabinet, parliaments, public sector organisations, civil society, private sector and donors, around expectations, and processes; and agreement on a development results framework.
- Creating a performance and results culture, where people want to use MfDR approach takes time and persistence and the demand for it is fed by demonstration of its usefulness.

- For donors, desire for information on performance stimulates MfDR approaches. There is need for some external scrutiny to drive this. This is closely linked to mutual accountability, capacity of civil society to bring pressure to bear, engagement of parliaments etc in terms of aid effectiveness.

7. **Mutual accountability** is based on shared vision and goals and relationships of trust. There are multiple levels/layers of accountability. Key issues included:

- Mutual accountability depends on the quality of relationships with agreements supported by effective country level donor coordination mechanisms. There are power differences between donors and countries which need to be understood and managed. Goodwill, trust, respect, openness and recognition of what everyone brings to the relationship are important.
- The accountability of governments to their people requires effective and transparent communication; a capable civil society and good information flows to and from the grassroots level including through local government. This should recognize internal cultural diversity. Civil society has a role in creating a demand for public information and participation in governance.
- Locally designed mutual accountability agreements can provide clarity of expectations and obligations for all players about the relationship, delivery and funding. These can support results frameworks linked to plans and budgets. They need to clearly address how the agreement will be monitored.
- Transparent communication about changes or constraints is important as is understanding of context, and flexibility in responding to changing environments.
- There is a need to give more thought to addressing what happens if agreements are not honoured.

The role of civil society in advancing aid effectiveness

8. The role of civil society in the implementation of the key Paris and Pacific Principles on aid effectiveness was discussed, and highlighted the following:

- Some countries have good relationships between government and civil society organisations. Yet donors sometimes field consultants to lead the consultative process with civil society, even when government has the capacity to do this. Donors thus sometimes undermine national ownership and the consultative process, highlighting the need for more dialogue to address this.
- CSOs have a role to play in supporting harmonization but they need to be more coordinated. This is not always easy to achieve since CSOs have widely differing agendas, needs, capacities and resources. Capacity development is needed for CSOs and national aid coordination agencies. It also needs to be long-term and as a consequence should include support for long-term institutionalisation and on-going training. PRNGOs (regional CSO umbrella) and national NGO umbrellas have been established in most countries to assist in strengthening CSOs and UNDP has developed a CSO capacity building programme that will commence in 2008 to strengthen CSO capacity with a focus on MDG achievement and greater demand for good governance.

- Aid effectiveness is about donors and partner countries working more effectively together, and civil society has contributed to bringing the development aspect back into the aid debate.
- Apart from the international NGOs active in the Pacific, the fabric of Pacific civil society is largely indigenous, with PRNGOs as an umbrella mechanism. CSOs should be broken down into those who are service providers and those focusing on advocacy. Faith based organisations are a significant actor in the Pacific region.
- Some Pacific countries are still trying to find mechanisms to involve CSOs. Where the economy is driven by the public sector, CSOs fulfil an important role. It is recognised that CSOs have changed and they are now more transparent. They not only perform key delivery functions, particularly in the education and health sectors, but are key recipients of aid. As a key partner in development, they should be part of the aid debate. It is recognised that sometimes governments spend a lot of time and resources to ensure CSO participation.
- Governments in some countries often do not know aid flows to CSOs/ NGOs, and sometimes donors fund CSO activities which are not seen as priorities by governments. This creates tension between governments and CSOs. The practice of donor consultations with government and information sharing on support to CSOs needs to be reinforced. It is also recognised that direct NGO/NGO funding is outside government purview.
- It is acknowledged that there is little feedback from civil society on sector policy reform, and that there is insufficient follow-up on holding government accountable for the effective implementation of national development strategies. Civil society need to strategise on how to use the aid made available to them.
- It was also recognised that ownership can be influenced by political stability, and in the context of fragility, this creates an even more important role for CSOs who then deliver assistance on behalf of donors.
- There are unique aspects of Pacific fragility – climate change and environmental vulnerability, population decline, issues caused by fragmentation and by distance, which drive up costs and make activities more costly and harder to sustain. Fragility is also linked to the issue of limited capacity and while government capacity can be an issue there are opportunities for civil society and private sector participation.
- There needs to be more donor/partner engagement on key cross-cutting issues of gender and human rights and CSOs fear being left out as donors focus on support to governments.

Learning from good and not-so-good practices

9. In discussing aid effectiveness practices in the Pacific, some good practices emerged, as well as examples of what may not work so well:

- Papua New Guinea highlighted its approach to localizing the Paris Declaration through the conclusion of the Kavieng Declaration which is a joint commitment of principles and actions between the Government of Papua New Guinea and Development Partners. It includes a set of targets and indicators for 2012; a 2008 Action Plan; a protocol for mounting development partner

- missions to the country; and Protocol for mobilizing and managing technical assistance in Papua New Guinea.
- The Pacific Regional Assistance in Nauru (PRAN) which is a short term programme for Nauru to access expertise from other Pacific Island Countries, particularly in the law and justice sector. Unfortunately, the program does not facilitate skills transfer because of its short term nature.
 - There are strategies for improving ownership, such as trust funds – e.g. Fiji, where government is looking at donor coordination mechanisms around use of a basket of funds, in order to improve aid predictability.
 - The Pacific Plan provides an example of good practice for country harmonization of regional priorities and coordination; and a framework for greater regionalism. It incorporates performance indicators that provide a basis for regional MfDR
 - Most countries in the region have current NSDS and therefore have a clear development agenda and clear sets of national priorities that donor partners should use. There are also joint country strategies (multi-donor Australia/New Zealand/ADB) or multi agency (UN agencies).
 - A regional education donor coordination group has been formed to strengthen donor harmonization of support to this sector. Some countries have established coordination partners group where SWAPs have been established
 - Donor Partner Roundtables are also becoming more common with countries taking the lead in organising these.
 - Division of labour amongst donors can work; e.g. some donors prefer to focus on building infrastructure, others are better at providing capacity development, but this has to be carefully managed.
 - Donors with similar practices (Australia/New Zealand) have agreed to delegate lead/management of aid to the other where comparative advantage exists (e.g. Australia delegates to NZ in Cook Islands).
 - Donor complementarity is part of an ongoing aid management process e.g. Japan has provided infrastructure in Samoa which Australia now uses to establish a regional technical training facility. In Vanuatu the school of Tourism funded by the EC is now used by Australia and New Zealand for their own projects.
 - Samoa has a good practice of bi-annual aid reporting which aligns with the National Development Strategy, reflecting the implementation of aid effectiveness principles. This could be a good example which can be highlighted at the Accra Marketplace.
 - Public Expenditure and Financial Accountability Assessments (PEFA) carried out in Samoa and Vanuatu; are good practices of mutual accountability of donor / country expenditure.
 - There are situations where a single strong donor in a country can distort the reporting process and sideline other donors and sectors of society, thereby creating a situation of imbalance.

Third High Level Forum in Accra September 2008

10. The Third High Level Forum (HLF3) will take place from 2-4 September 2008 in Accra to review the implementation of the Paris Declaration, reinforce country leadership and ownership and address emerging issues. The discussions at the HLF3 will be forward looking to broaden and deepen the implementation of the Paris commitments and to have

strong linkages to the Doha meeting in November 2008. The HLF3 is structured around three complementary segments: the Marketplace of Ideas, providing room for sharing knowledge and presenting innovative ideas; the Ministerial segment, addressing key policy level concerns and endorsing the Accra Agenda for Action; and the nine Roundtable discussions (RT), providing space for in-depth dialogue on selected topics. All three segments are integral parts of the HLF3. Several regional consultations are planned during the period April-June to seek feedback and inputs from partner countries to ensure the concerns and priorities of various regions are adequately incorporated in the lead-up to the HLF3. Consultations on the Accra process is also taking place at other international fora e.g., at annual meetings of multilateral finance institutions, OECD/DAC meetings, UN Development Forum, etc. In addition, a synthesis report from CSOs based on regional consultations undertaken will be tabled. The outcome communiqué of the meeting is the Accra Agenda for Action (AAA). The document will focus on the five principles of the Paris Declaration and to address the core priority issues that have been identified from partner countries' perspective (untying, conditionality, predictability, division of labour among donors, incentives, capacity development, as well as incorporate cross cutting issues covering gender, environment and human rights).

11. The Accra Agenda for Action will not be a new Paris Declaration but it is meant to identify a small set of priority actions that will deepen the implementation of the Paris commitments, help achieve targets agreed in 2005 and address emerging issues that have been identified since 2005. A first (consultative) draft of the AAA was discussed by participants at the Pacific workshop which provided several useful comments and feedback for the HLF3 Steering Committee. In the development of the AAA, there are 3 key milestones: first consultative draft prepared in March 2008, a revised draft to be available in mid-June and based on July WP meeting, a final draft to be available in July will be presented to the Ministerial segment for their endorsement at the High Level Forum (HLF) on a no objection basis.

12. The 2008 Survey on the implementation of the Paris Declaration, with participation from 56 countries including Tonga & Papua New Guinea, will help inform the HLF3 by providing feedback on the achievements and key challenges. Before the HLF3 takes place, the Working Party on Aid Effectiveness (WP) will hold two meetings (early April and July) to review and finalize the preparations of the HLF3, including the nine Roundtables and the draft AAA. As part of the preparation, Ghana as host country has established appointed a special adviser to facilitate dialogue with senior level officials of partner countries on the draft AAA.

13. There are 9 Round Tables (RT), will each have 2 co-Chairs (one each from a donor + partner country) who will be supported by various institutions. Their task is to organize the RT discussion and to do this, they have set up core groups to seek inputs to help shape the RT discussions. The Pacific Regional workshop focused on identifying key issues of concern that are specific to the Pacific under each of the topics to be considered in the roundtables; the workshop also discussed the kind of participation needed from the Pacific in the various events at Accra Forum itself including and the market place. Workshop participants suggested some possible ideas for the Marketplace (Pacific Plan and PNG's experience with localizing the Paris Declaration).

14. Issues highlighted in the group discussions which reflect concerns of the Pacific are found in Annex I.

15. Discussions on the Accra Agenda for Action (AAA) are found in Annex II. In summary, there was general support for the AAA Principles but participants agreed that the AAA document needs to be more forceful, practically focused and action oriented. It was suggested that national consultations might be useful in highlighting benefits of participating in the AAA process. Donors can also support country participation and assist countries in implementation and monitoring of the AAA. There is a need for the Accra process to be localized, particularly in terms of follow-up actions and identifying concrete actions will be important.

16. Participants suggested the AAA also needs to more strongly address capacity constraints and cross-cutting issues such as gender, and the needs of marginalized groups. In addition, the AAA does not sufficiently address issues of regional level support and regional aid effectiveness.

Aid Information Management Systems

17. The workshop discussed a web based data management system, aid information management systems, and useful tools for strengthening government partnerships. These systems are useful for strengthening governments' position in managing government aid allocation, increase predictability, monitor progress on the Paris Declaration indicators and reduce administrative burden for both governments and donor partners. The workshop heard that leadership, information disclosure, inter-Ministerial coordination, donor support and financial and human resource requirements were necessary for the success of any AIMS.

18. PNG shared its experience that to foster greater accountability and transparency in reporting, government is in the process of setting up an aid information management system that combines loans/grants/government financing. The system will link up all the provinces and provide updated information on availability and use of resources.

19. Samoa has a nationally developed and evolving aid management system that arises from its own context and responds to expected development results in line with the NSDS. The information provides a good basis for constructive dialogue with donors and assists in evidence-based policy making, including decisions on human resource development. The AIMS provides timely feedback for the integration of aid, by sector and by donor, into the budget framework, and contributes to mutual accountability.

20. Conclusions from the discussion highlighted the need for governments to be supported by their development partners in accessing information and tool kits related to AIMS as an important element of strengthening their aid management systems. UNDP's work in developing tool kits regarding the design of AIMS and in supporting government's overall design and implementation of aid management strategies was noted. The importance of ensuring that the AIMS are practically appropriate to country context was recorded. Finally it was noted that there was good experience in the Pacific in implementing AIMS to achieve change on development partnerships regarding provision of TA, number of donor missions and access to aid information for the general public.

The Way Forward

21. The Workshop in considering the next steps confirmed the following:
 - The Outcomes Document for this Workshop will be made available to the Accra Steering Committee and Roundtable Co-Chairs as a reflection of Pacific issues for consideration in the AAA.
 - The Representative of the Government of Samoa was nominated by the Participants to present the Workshop Outcomes to the Pacific Island Countries/Development Partners Meeting on 8 April 2008.
 - A brief report on country responses to improved aid management including follow-up to the Pacific Principles, is expected to be provided to the annual Pacific Island Countries/Development Partners Meeting.
 - Those countries yet to endorse the Paris Declaration, and all country participants were invited to seek participation at the Accra High Level Forum.
 - With the support of PIFS, UNDP, ADB, and others, Pacific Island Countries urged to prepare appropriate posters for display at the Marketplace in Accra.

Conclusion

22. The Workshop Co-facilitators thanked the Members for their contribution especially Members who presented case studies. They also thanked the development partners for sharing their experiences as observers at the Workshop. Before declaring the workshop closed, the Co-Facilitators thanked the ADB, World Bank and other Organisations for contributing to funding the Workshop.

PIFS/UNDP Pacific Centre
Nadi, Fiji Islands
7 April 2008

Key issues summarized from the Round Table discussions

Roundtable 1: “Country Ownership”

The key issues highlighted in the discussions around country ownership as it pertains in the Pacific were:

- Despite the high level of aid per capita in the Pacific and enhanced cooperation among donors the impact on growth and sustainable human development remains patchy. To move forward, there is a need to recognise and acknowledge the tension that aid is an iterative process and that an improvement to policies, processes and systems needs to match local capacity to embrace change.
- Democratic ownership exists, with most Pacific countries democracies and with parliaments reviewing and voting on budget appropriations annually. However, there is a need to strengthen civil society understanding of the technicality of aid and how it is delivered as well as how civil society can be more closely involved in monitoring the development process.
- There is insufficient understanding that democracy is about both men and women, resulting in a tension between national ownership and ideas coming from the outside. In the case of gender, for example, there is clear tension between what countries want and influences on what they should want. However, regardless of the influences of donors in the process, ownership still rests with government and the country. So national ownership is important.
- Countries have a consultative process to identify priorities and give voice to those not represented in parliament. This is seen as important to reinforce democratic ownership. The need to include grassroots communities and use a language which people understand was noted, although the danger of over-consultation was highlighted. Because it is not always possible to have broad-based consultations, island states which are widely scattered select representatives from different islands to facilitate consultations.
- There are clear links between conditionality and mutual accountability in that it is important to define what is expected from each party and what happens if commitments are not honoured. For example, the Pacific Principles have conditionalities for both donors and partner countries. But the term conditionality has negative connotations, and it is a contradiction in terms because countries would like to see a non-conditionality environment. However, sometimes government themselves put internal conditionalities, such as wanting to use the funds for specific purposes.
- Strong leadership is needed for governments to be able to say no to donors when conditionalities are too difficult or there are insufficient capacities to implement projects. While it is felt that conditionality can be an incentive for government to access funding, the need for donors to harmonise approaches to conditionalities and not have conflicting conditionalities was noted.
- It is useful to talk about conditionalities within the framework of mutual accountability, and the Workshop noted that conditionality is dependent on political situations and country contexts. Regarding the proposal at the High Level

- Forum for a Code of Conduct on Conditionality, Governments from the region felt that they should be included in its design.
- Capacity is an internal problem which is relevant throughout the region, given the small size of many populations, the high rate of turn-over and the frequent absence of mechanisms for skills transfer. It is important that governments make commitments to strengthen their public service and link capacity development to remuneration, based on regional / international markets.
 - In terms of recording external resources in the budget, it is felt that in a fragile situation, government cannot coordinate all external resources because information is not shared. This is seen as having a potential impact on security.
 - The appropriateness of recording funding to civil society in the budget was raised.

Good practices

- Tuvalu and Vanuatu are two good practices on management of national planning and aid effectiveness
- Another good practice highlighted is the Pacific Regional Assistance in Nauru (PRAN) which is a short-term programme for Nauru to access expertise from other Pacific Island Countries particularly in the law and justice sector. Unfortunately the programme does not facilitate skills transfer because of its short-term nature. PRAN could be a good example for the Marketplace.

Roundtable 2: “Alignment”

2. Group discussions on alignment led to the following points being highlighted:

- Use of country systems: This is partially happening, but donors still have public sector accountabilities they need to meet. Some countries may also prefer donors to use other mechanisms eg trust funds, which then disburse funding. These funds might then realize earmarked or tagged funding into government budget systems.
- There are situations where use of government systems not always optimal, depending on the capacity of those systems and needs and desires of governments.
- Some governments are moving to take on more responsibilities and seeing the benefits that accrue to the countries themselves through alignment and use of government systems. But need to approach this carefully, gradually build up more robust systems and approaches. This constitutes a shift in responsibilities to the countries themselves, ideally through budget support.
- Some government systems do not have the required M&E and assessment tools in place, which limits the amount donors, can utilize them given demands on accountability. There may also be questions around corruption/checks and balances. It is best to take a country specific and case specific approach. Also should look at the option of still using these systems and strengthening them from within.
- Alignment can also be complicated through harmonization itself, particularly he need to get agreement from different donors. This can cause delays. Often donor systems don't align with each other and have different requirements that partner governments might need to meet. The Pacific Plan is a useful document to foster harmonisation.

- Some donors may sometimes also work through civil society, rather than through government systems, which further complicates alignment.
- In the Pacific, assistance is also provided through regional organizations and through other donor systems, rather than directly through partner government systems. An example in Pacific is assistance through the CROP agencies and mechanisms. This then becomes an issue of how far these organizations go in delivering assistance at national levels and through national systems. There is a question of regional effectiveness versus bilateral effectiveness. This can also affect aid predictability. This differentiates Pacific from other regions.
- There needs to be a certain volume of funding and a need to allow systems to mature. This should be part of a longer term approach that uses and at the same time also improves systems. One strategy is to take a progressive approach and build on these systems.
- There is a need for more commitment by donors to use partner systems, as long as certain requirements are met. Countries are putting systems in place along with agreements with donors such as quarterly meetings etc. In this regard, it is important to develop standardized approaches.
- Many issues around alignment relate to capacity. This often relates to the numbers of available people rather than to skills. HR Management is often centralized and it is difficult to resource country systems properly. So capacity can be more about volume of capacity, rather than skills. Often partner agencies are “understaffed and overwhelmed.” A strong suggestion is to develop capacity and use of country systems concurrently.
- Often systems such as M&E systems that draw on international approaches need to be simplified. Limited capacity can cause problems in implementation. Important to ensure effective integration of these systems at a national level. Should also look more at the option of “pooling” of resources, utilizing regional resources more effectively. Need to also look more at capacity substitution.
- In discussing alignment, important to also maintain a focus on cross cutting issues, which need to be highlighted and addressed by governments in strategic plans. A lack of predictability can also act as an incentive for the more effective use of funds in the short term.
- Multi year funding tranches are one way of providing increased certainty in funding. Also allow for phased approaches, as often difficult to deliver on objectives in just one year. So multiyear funding important in terms of continuity.
- Procurement systems – use of government procurement systems plays a major role in improving confidence. Must be practical approaches applied. There is also a capacity issue – need to integrate into country systems and not build parallel systems.

Roundtable 3: “Harmonization”

3. Some of the specific points raised around “harmonisation” were:
 - Countries must take greater ownership/leadership in driving the harmonisation process. However, limited capacity in aid-coordination functions makes this difficult in the small PICs. Harmonization should not lead to a reduction in overall levels of assistance
 - In Pacific there are only a few major donors (Australia, New Zealand, EU, Japan, China, Taiwan, and ADB), DFID has effectively withdrawn from Pacific. As a

- consequence countries have little “choice” and consequently little leverage. Some new donors exert influence over countries in the way that they offer assistance and there are political issues at play
- In some cases donors and partners say they will do one thing but in practice do another. They sometimes have their own agenda and do not always follow the country’s agenda and respond to national strategies and priorities. Donors have different and often incompatible legal frameworks that preclude great harmonization between donors and with countries
 - Increasing awareness and adoption of Outcome indicators rather than just output/project/activity indicators as measures of development results
 - Pacific countries should develop a “one-pager” or Poster for the Accra HLF Market Place to highlight the Pacific Plan as a good practice that works for PICs

Roundtable 4: “Managing for Development Results (MfDR)”

4. Building on the earlier discussions the group work emphasized the following:
- MfDR – clearly defined baselines and availability of baseline data are key issues. Also important to have evaluation strategies. Often the connection with development impact is lacking in MfDR approaches in country systems. M&E is a major issue.
 - Donor incentives in terms of MfDR – focusing on donor incentives can be problematic, as it shifts the onus onto donors rather than countries, where countries need to be building their own systems. This should not be directed by donors.
 - For donors, desire for information on performance stimulates MfDR approaches. Need some external scrutiny to drive this. This is closely linked to mutual accountability, capacity of civil society to bring pressure to bear, engagement of parliaments etc in terms of aid effectiveness.
 - Agreements with governments, MOUs etc can also be incentives for improved donor effectiveness for MfDR. So too can mechanisms for additional financing/budgets as certain responsibilities are met. Its important to remain realistic however about capacity of countries to influence donors. Can be hard to increase accountability in donors, particularly in small countries and countries where civil society not strong.
 - Much depends on the degree to which donors are outcomes focused, and the set of conditions for incentives at a political level. There will be trade offs at political levels so buy in for results focus essential.

Roundtable 5: “Strengthening Mutual Accountability”

5. Again as the issue of mutual accountability was considered in an earlier session in the workshop the group work noted the following:
- Mutual accountability should be looked at from both the national and international aspects. It was proposed that a regional monitoring mechanism be introduced for the Pacific, given that there is the Pacific Plan, regional MDG monitoring and other regional frameworks. This regional monitoring mechanism would incorporate country results reporting as well.

- It is important to align donor commitment to government priorities and planning frameworks on a multi-year basis. If donors default on their commitment, one recourse maybe high level dialogue and good leadership; or "constructive embarrassment", which can consist of publishing available information on donor assistance. Those who provide the information on a timely basis are included in such reports. It is felt that, in certain countries, this provides an incentive for donors to comply with providing information.
- Some countries have signed an MOU with donors and this is reviewed on a quarterly basis. In such cases, regular reviews help manage mutual accountability. There are also sometimes robust internal (national) debates on what national interests are to ensure that external aid funds national priorities.
- The importance of having a strong aid management unit which is well resourced and staffed to secure mutual accountability was highlighted. Vanuatu, for example, has a Government Investment Program (GIP) in which all projects are registered and endorsed by government, and once this is done, the projects benefit from tax incentives. Projects not registered in the GIP have to pay taxes and this is a disincentive for donors.
- It was felt that there are different layers of capacity requirements (national, provincial, local, etc) and to ensure mutual accountability, expectations have to align with available capacities at those levels. There is a gap between political will at national level and existing capacity on the ground which needs to be addressed to meet implementation requirements and ensure mutual accountability.

Good practices

- Samoa has a good practice of bi-annual aid reporting which aligns with the National Development Strategy, reflecting the implementation of aid effectiveness principles. This could be a good example which can be highlighted at the Accra Marketplace.
- Public Expenditure and Financial Accountability Assessments (PEFA) carried out in Samoa and Tuvalu

Round Table 6: Role of Civil Society

- Some Pacific countries are still trying to find mechanisms to involve CSOs. Where the economy is driven by the public sector, CSOs fulfil an important role. It is recognised that CSOs have changed and they are now more transparent. They not only perform key delivery functions, particularly in the education and health sectors, but are key recipients of aid. Consequently, they should be part of the aid debate.
- It was noted that the role of civil society in advocacy was also a crucial aspect and not just in service delivery.
- Government in some countries often do not know aid flows to CSOs/NGOs. The practice of donor consultations with Governments on support to CSOs is a practice which needs to be reinforced.
- It is recognised that direct NGO/NGO funding is outside Government purview.
- It is acknowledged that there is little feedback from civil society on sector policy reform and that there is insufficient power on holding Governments accountable for the effective implementation of national development strategies. Civil society needs to strategise on how to use the aid made available to them.

- It was also recognised that ownership can be influenced by political stability. In such circumstances where international measures are put in place, CSOs deliver assistance on behalf of donors.
- Sometimes donors fund CSO activities which are not seen as priorities by Governments. When these need to be endorsed by Governments it creates tension between Governments and CSOs.
- It was noted that aid effectiveness is about donors and partner countries working more effectively together, and civil society has contributed to bringing the development aspect back into the aid debate.
- It is recognised that sometimes governments spend a lot of time and resources to ensure CSO participation.
- Apart from a few international NGOs, there are few Northern NGOs active in the Pacific, as the fabric of Pacific civil society is largely indigenous, with PRNGOs as an umbrella mechanism. CSOs should be broken down as those who are service providers and those focusing on advocacy. Faith based organisations are significant actors in the Pacific region.

Roundtable 7: “Aid Effectiveness in Situations of Fragility and Conflict”

6. Issues of fragility and conflict were:

- Political stability is an issue, so need to look at underlying causes including social issues. There can sometimes be tension between traditional systems and developments such as urbanization. It is predictable that more people will be drawn into towns, but need to address this issue of urbanization in terms of planning, and issues like breakdown of traditional structures that can drive instability.
- Ethnic diversity another issue of conflict dynamics in the Pacific, particularly in the context of still evolving nation-states. There are also issues of smallness and associated capacity issues, also environmental issues such as climate change.
- Promoting good governance is a key issue as well as the importance of understanding the causes, dynamics and drivers of conflict. This can include gender relations in conflicts and working with men in terms of violence. Need to be able to also assess capacities and what sort of support is required. In designing interventions it is important to address the conflict implications, and also who the beneficiaries are as this could be a further source of conflict.
- In responding to a conflict situations or disasters, aid effectiveness principles are just as relevant, but it is more complicated/harder. However, it is easy to get diverted and lose sight of either the root causes of conflict, or lose sight of the wider poverty agenda. Often responses very much are about plugging gaps, rather than longer term approaches, with donors often under pressure to act quickly.
- In discussing role of Paris Declaration in this context, it is important also to note the DAC principles of engagement in fragile states. These should form a reference point for engagement. In this context, a Solomon Islands case study was prepared for the DAC which could be used as an example of fragile/conflict issues in a Pacific context.
- There are also different types of engagement pre-conflict and post-conflict, particularly in engaging with communities where institutions are weak. A dual track approach is needed, where donors need to work both with governments and civil society – can’t rely on one system.

Roundtable 8: “Enhancing Results by Applying the Paris Declaration at Sector Level

7. The issue of a sector approach led to discussions around the following points:
 - SWAPs are not yet very common in the Pacific, as a consequence little serious attention has been given specifically to applying the Paris Declaration at sector level. It is also clear, that some donors are limited in their capacity to commit to multi-year programmes, despite the fact that their programmes have been on-going for many years.
 - Countries would prefer greater direct budget support rather than programme/project specific funding where funds can be tied-up in slow-implementation of complex programmes
 - Although most countries have in place National Sustainable Development Strategies there are often weak links between planning and sector priorities and the budget and resource allocation process. Sector ministries also need more support and tools to improve capacity for building these linkages
 - EU has been providing more direct budget support to some countries (Vanuatu/Solomon Islands) - but has recently terminated its direct budget support to Tuvalu
 - Regional education donor group has been formed to strengthen donor cooperation and coordination in support to education sector across PICs
 - Sector partnership/co-financing agreements are being established in some countries (Samoa)
 - Countries are taking steps to increase links between the planning and budgeting
 - UNDP has developed policy/MDG costing tools that are being introduced through sub-regional workshops on MDG-based planning, costing and budgeting, and will be followed-up at national level with country-level training

Roundtable 9: ‘The Changing Aid Architecture: Implications for Aid Effectiveness’

8. Issues considered with respect to the changing architecture included:
 - Capacity of small PICs to manage changing aid-architecture and to cope with new aid-modalities is limited by small size of aid-coordination functions
 - Many Global Funds (and some donors) have complex procedures and consequently these are a big burden on small administrations; in practice donors are reluctant to be more flexible despite agreeing to Paris Declaration.
 - Role of new/emerging/non-DAC donors are sometimes linked to other motives (political, trade and access to resources) and are not always compliant with Paris and have different types of conditionality.
 - Countries should take stronger lead to ensure that new donors are aligned and moving towards Paris compliance, with the region’s traditional donors providing a stronger example to new donors thereby empowering/strengthening government’s ability to ensure compliance
 - Although Pacific Plan is a good practice for strengthening regional cooperation it often takes a long time to reach regional agreements and to develop regional initiatives, most countries need action quickly on emerging policy issues and needs

- Samoa has introduced new financial management legislation that will help to ensure greater compliance with Paris/Pacific principles and to ensure that all aid is recorded “on-budget”
- PNG has developed a national agreement on Aid Effectiveness (Kavieng Declaration) with its principle donors to strengthen aid effectiveness in country; also convenes regular donor roundtables.
- Donors have major responsibilities under Paris/Pacific to supply information to governments on development assistance flows; these responsibilities should be taken more seriously and complied with
- Donors, where possible, should be encouraged to move from a project based approach towards a programme based approach, and eventually towards more direct budget support; commit to providing more longer-term capacity building to enable countries to comply with Paris/Pacific Principles; and give greater commitments to building complementarity amongst themselves.

**Feedback on the Accra Agenda for Action
Plenary discussions**

Participants discussed the Accra Agenda for Action (AAA) and its implications for the region. While there was general support for the AAA principles, participants agreed the AAA document needs to be more forceful, practically focused and action oriented in order to be more politically appealing to Ministers. The AAA is a global level document and benefits for countries in participating in and endorsing the AAA process need to be clearly addressed.

It was suggested that national consultations might be useful in terms of providing further information, identifying benefits for countries of endorsing the AAA, and assisting countries in their preparations. Donors need to support this dissemination of information and assist countries to prepare for participation in the Accra process. Countries also called on donors to provide more resources to assist countries to participate in implementation and monitoring of the AAA, e.g. survey instruments.

On the AAA proposal for an International Code of Conduct for transparently implementing conditionality, it was felt that further internal consultations were needed on the objectives and implications of a Code of Conduct.

Participants felt that the AAA document needs to be localized, in terms of actions both at the regional and at the national levels. AAA is a useful reference point in terms of addressing issues such as ownership, accountability and results, but the key issue is how these are taken forward at country levels. Identifying concrete actions in the AAA and the follow up processes at regional and national levels would be important in taking this forward.

Participants felt that capacity constraints need to be more forcefully reflected in the AAA. Issues such as gender and needs of marginalized groups also need to be further addressed. The AAA could also be strengthened through deepening its discussion on issues such as ownership, conditionality and strategies such as utilizing national systems to increase country ownership, including use of budget support.

Participants agreed the AAA did not sufficiently address issues of region-level support and related regional aid effectiveness, which is an important issue in the Pacific context and further complicates issues around harmonization and alignment. The AAA process needs to address issues such as strategies for measuring effectiveness of regional organizations on delivery of national priorities.

Participants also proposed a number of initiatives that could complement the AAA process and strengthen alignment and mutual accountability. This includes complementing existing expenditure and financial assessments with a similar instrument for donors, and more attention to monitoring of technical assistance. At present, monitoring of TA is donor driven. The role of national aid coordination mechanisms as a vehicle for ensuring coordination and alignment needs to be promoted, including to new and emerging donors.

PACIFIC REGIONAL AID EFFECTIVENESS WORKSHOP

Nadi, Fiji
4, 5, & 7 April 2008

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