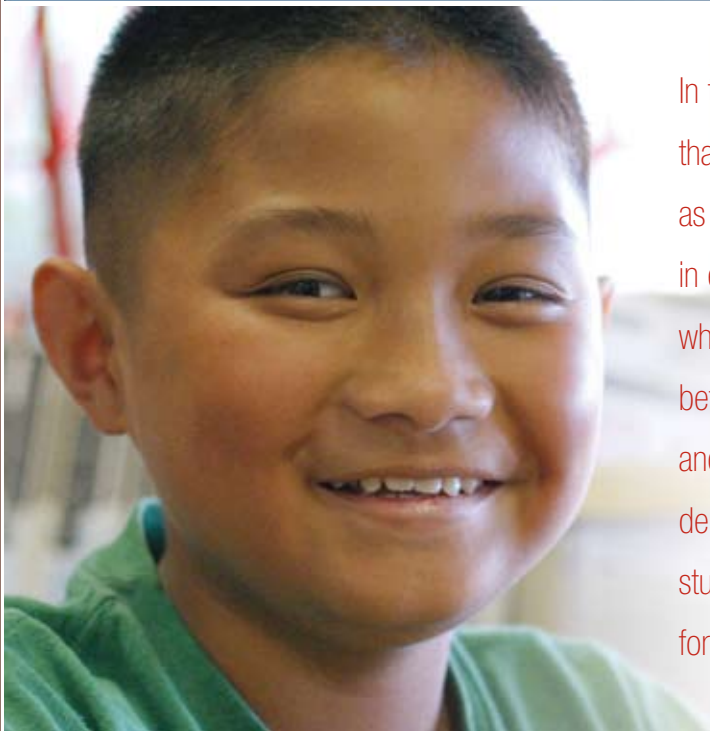




THE WORLD BANK

# Opportunities to Improve Social Services in the Pacific Islands

SUMMARY REPORT



In the vast Pacific region, impressive gains in education and health that began in the 1970s have given way to much slower progress as we begin the 21st century. To understand where improvements in education, health, and other social services continue to be made, where key indicators are slipping, and how resources might be better managed to improve lives across the region, the World Bank and its Pacific partners undertook a regional study of social service delivery in nine Pacific countries.<sup>1</sup> In this summary, we highlight the study findings, including a number of approaches that hold promise for individual countries and the region as a whole.

Education and health services in the Pacific have long been a focus of government effort and donor support, but in the 1970s and 1980s, as countries that had been protectorates and trust territories moved to independence, efforts concentrated on expanding social services, especially to remote islands and under-served populations. As services increased, social indicators rose steadily.

In education, enrollments grew both in primary and secondary school. Governments worked closely with non-government organizations to insure that nearly all children attended primary school. As a result, several countries, including Fiji, Samoa, and Tonga, have achieved net primary enrollment rates of more than 90 percent since the 1990s.

Progress in health was represented by the drop in mortality rates for children under five across the region. During the 1990s, under-five mortality rates were 50 per 1,000 live births in Kiribati, Solomon Islands, Vanuatu, and the Republic of the Marshall Islands. With sustained attention to immunization programs, Vanuatu and the Republic of the Marshall Islands

have cut their under-five mortality rates by 60 percent and 50 percent respectively in the past decade.

In the area of social protection, governments have been less involved (Fiji and Kiribati are the exceptions). In accordance with traditional practices, families and communities are expected to care for indigent people, disabled people, victims of natural disasters, orphans, the elderly, and those unable to find work.

## A Changing Profile

In recent times, however, a level of disquiet has emerged, reflecting a changing social profile in the Pacific and the slowing progress of earlier years.

Today, although most children enroll in primary school, concerns are rising about those still left behind and those attending low-quality schools. Enrollments in secondary education have

<sup>1</sup> This study addresses the nine World Bank member countries in the Pacific: Fiji, Samoa, Solomon Islands, Federated States of Micronesia, Republic of the Marshall Islands, Vanuatu, Tonga, Kiribati, and Palau.

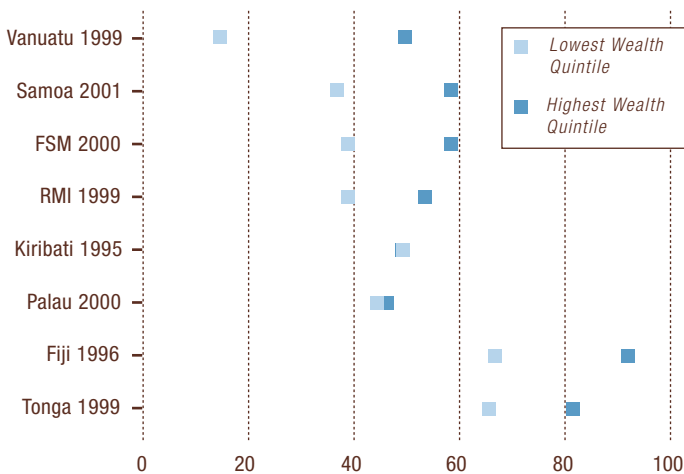
stagnated and equity issues have appeared, particularly as poorer children drop out or are squeezed out of the education system (see figure 1).

Public health systems, having yet to eradicate communicable diseases such as malaria, leprosy, and TB, are now also challenged by increasing rates of STIs and the emergence in the region of HIV/AIDS. Noncommunicable diseases of youth and adulthood, such as diabetes (see figure 2), liver disease, and cardiovascular problems, have multiplied, at huge financial and social cost.

As social issues have become more visible or have deepened in recent years, a focus on the well-being of youth in the Pacific has taken on increased urgency. This is a large, growing, and vital demographic group (see figure 3). In the Pacific as elsewhere, young people pass through life-defining transitions, from primary education to further schooling, from school to the workplace, and to families of their own, adult lifestyles and health risks, and the responsibilities of citizenship. Successful transitions can lead to satisfying and healthy lives, strengthen the social network, and contribute to economic growth. Failed transitions can diminish lives and weaken economic and social systems. Helping youth realize their full potential is a major issue, one to which Pacific governments are dedicating increasing resources and attention.

Other social issues long present in the Pacific have become both more evident and increasingly beyond the capacity of

**Figure 1. Net Secondary Enrollment Rates in the Highest and Lowest Wealth Quintiles**



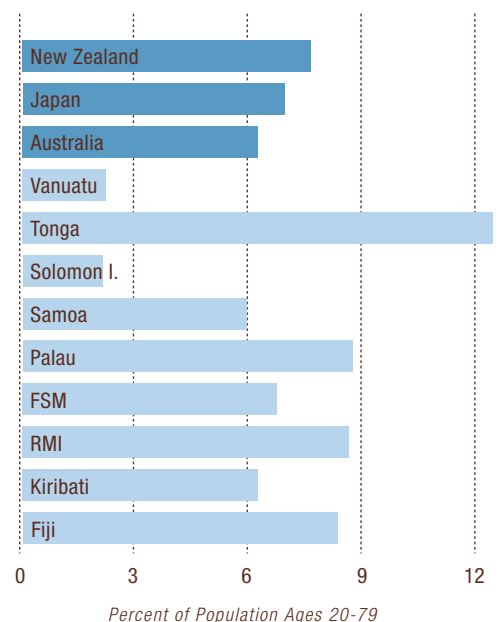
Source: Census data.

**HELPING YOUTH REALIZE THEIR FULL POTENTIAL IS A MAJOR ISSUE, ONE TO WHICH PACIFIC GOVERNMENTS ARE DEDICATING INCREASING RESOURCES AND ATTENTION.**

traditional family and community safety nets. The disabled, who tend to grow up in poor households and drop out of school, can face lifelong hardship without government intervention. Government roles in reducing domestic violence, alcohol abuse, and teen pregnancy are called for. And in a region where natural disasters are common and economies volatile, government responses can buffer the sometimes severe shocks to communities and individual households.

In this challenging environment, the first question to ask is whether enough resources are being directed into the social sectors. A related question is how those resources could be managed and governed to deliver better social outcomes.

**Figure 2. Prevalence of Diabetes Mellitus, Population Ages 20-79**



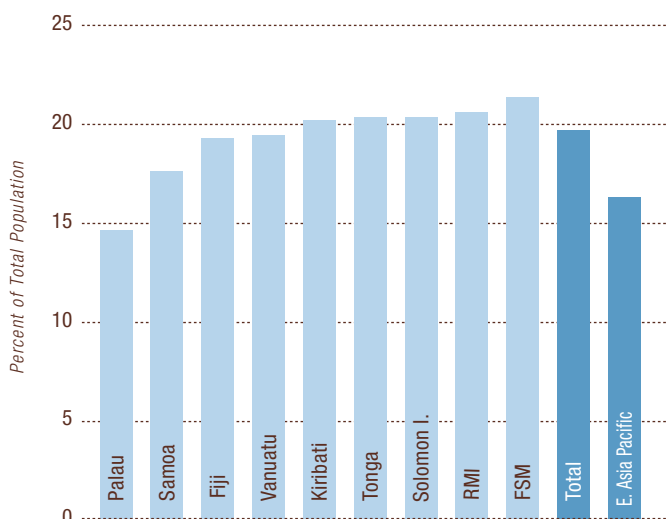
Source: International Diabetes Federation, Diabetes Atlas.



## Abundant Resources – How Effective Are They?

The Pacific island countries in this study have more resources for human development than other similar countries. On average, these governments and their donors spend around US\$319 per capita on education and health, nearly double that spent in other small-island countries and almost 14 times that available to African countries with “abundant” aid (see table 1). Given this high level of funding in the Pacific, the expectation would be for high outcomes in education and health. For such a correlation to hold, however, governments must succeed in

**Figure 3. Youth Ages 15–24 as a Percent of Population in the Pacific**



Source: Secretariat of the Pacific, 2004 estimates.

setting up well-functioning institutional structures for social service delivery. The behaviors of policy makers, frontline service providers, and the clients they serve are critical. At this juncture in the Pacific, the relationships between key actors in delivering and using social services appear to be more relevant than the number of service facilities, staff, and equipment at their disposal.

## Better Social Outcomes Through Management and Governance

Although government and donor resources for education and health have attained high levels compared to other countries, the effectiveness of these resources has lost momentum in key areas. Because governments in the Pacific region can no longer assume an automatic impact from resources spent on social services, they are trying to introduce new and more effective institutional arrangements and management instruments. Donors and the governments they support have focused on this central issue of resource effectiveness and have asked how governments, as coordinators of foreign assistance and managers of their own human development programs, can get more from the comparatively abundant resources at hand. The role of governance in the Pacific, and in particular the “effectiveness of government” is thus likely to be more influential on outcomes in the education, health, and social protection sectors than the availability of resources alone. But what does effective government mean in the context of social services? Government effectiveness can be examined in three different policy domains: service expansion, sector management, and governance (see figure 4). This framework suggests new directions for development in the Pacific — “accountability for improved outcomes.”<sup>2</sup>

**Service Expansion:** In the policy domain of service expansion, government interventions take the form of the familiar efforts in the Pacific to recruit staff, train and qualify them, build and expand facilities, and equip and supply them. This is the policy domain of input management and logistics.

**Sector Management:** Techniques that sectoral policy makers utilize to get more out of the existing resources at hand, no

<sup>2</sup> The accountability framework introduced in the recent *World Development Report 2004, Making Services Work for Poor People*, World Bank 2004, is a key point of departure for this study of human development in the Pacific islands.

**Table 1. Total Resources Per Capita for Education and Health, 1997–2003**

Country	GDP per capita (constant 2000 US\$)	Population ('000s)	Average annual aid per capita for education and health	Average annual government recurrent expenditures for education and health	Total
	2003		(US\$, 1997–2003)	(US\$, 1997–2003)	
<b>PACIFIC ISLANDS COUNTRIES</b>					
Fiji	2,184	835	18.6	166.0	184.6
Kiribati	530	96	40.5	157.4	197.8
RMI	1,802	59	70.1	461.7	531.8
FSM	1,846	125	18.2	293.9	312.1
Palau	6,331	20	41.6	1,006.8	1,048.4
Samoa	1,381	178	37.6	124.6	162.2
Solomon I.	617	457	16.7	96.6	113.3
Tonga	1,617	102	46.1	122.4	168.6
Vanuatu	1,103	210	45.8	104.4	150.1
Average	1,934.3		37.2	281.5	318.8
<b>LOW-INCOME COUNTRIES WITH ABUNDANT AID</b>					
Madagascar	233	16,894	4.2	12.2	16.4
Uganda	277	25,280	6.8	11.3	18.1
Zambia	354	10,403	13.1	21.1	34.2
Average	288.0		8.0	14.9	22.9
<b>OTHER SMALL ISLAND COUNTRIES</b>					
Belize	3,635	274	7.7	276.6	284.3
Comoros	363	600	13.8	30.0	43.8
Djibouti	848	705	36.5	60.2	96.7
Dominica	3,477	71	6.0	386.7	392.7
Dominican Republic	2,436	8,739	9.9	85.6	95.4
Guyana	951	769	22.0	122.3	144.3
Haiti	463	8,440	8.0	10.4	18.4
Maldives	2,529	293	13.8	188.3	202.1
Sao Tome and Principe	334	157	39.2	36.8	76.0
St. Vincent and Grenadines	3,226	109	28.8	471.7	500.4
Average	1,826.2		18.6	166.9	185.4

Source: OECD database, budget book, World Development Indicators.

matter what the source or who delivers the services, are the purview of this policy domain. Examples of effective sector management include setting standards, allocating resources to priority programs and functions, targeting services to those most in need, delegating responsibilities to local providers, providing cash and in-kind incentives to staff, and assigning accountabilities more clearly to the front line where those who provide services interact with those for whom the services are designed.

**Governance:** Governments are realizing that larger gains in performance may come from cooperation with partners outside the sector ministries and service delivery structures — partners such as ministries of finance, local governments, civil service commissions, NGOs, and community organizations. The governance policy domain deals directly with the broad forces that are regulated by government in the interest of the public good. These include the areas of information gathering and use, sharing information and making processes transparent, decentralizing services through local governments, building partnerships with the private sector, using prices and costs to attract more clients and manage demand, and mobilizing community participation.

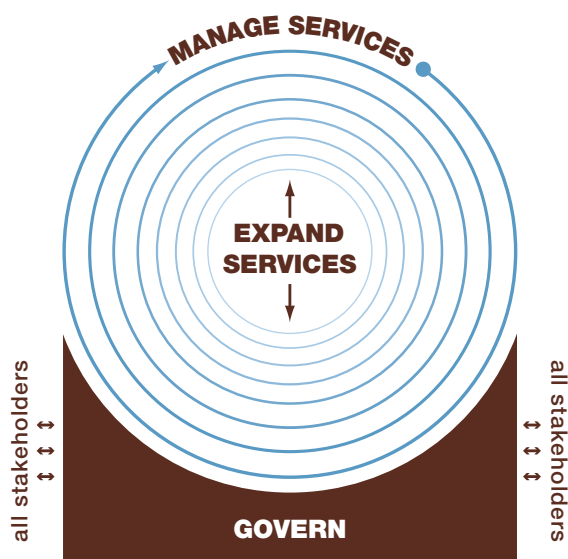
In the Pacific region at this time, it appears that performance in the social sectors will be most effectively addressed within the policy domains of service management and governance, and that reforms that include all stakeholders will be most productive. With some important exceptions such as secondary schooling, the agenda for service expansion has shrunk dramatically in the region, and further investments will prove less effective than new efforts in management and governance.

Among the strategic policy choices that emerge from the study analysis, some apply most directly to particular circumstances in a few countries, but many apply broadly. Implementing any of these strategies is a complex process, as Pacific governments have already experienced in their efforts to reform the management of public expenditures. Reforms necessarily require changes in relationships between the actors in a delivery system, and the transitions involved in managing reforms in social services and engaging citizens and service providers will be unique for each country. We recognize that some of these policy actions have already been successfully implemented in the region, and such examples are highlighted below.

Governments have found that good monitoring and evaluation of reform initiatives combined with continuous dissemination to all major stakeholders are essential to successful change. Within

this framework, how donors work together to fund services and provide policy advice is highly relevant and can serve as a catalyst for progress.

**Figure 4. Government Effectiveness Viewed Through Three Policy Domains**



### MAKING STRATEGIC CHOICES IN EDUCATION

In education, Pacific island countries continue to face two major challenges. The first priority is to ensure that every child completes basic primary education of at least adequate quality. The second is to ensure equitable access to a quality secondary education for a rising proportion of children. In view of these needs, what strategic choices would be most helpful?

**1. Policy and financing framework.** An important first step would be the development and refinement of a strategic policy and financing framework. This is already well underway in several countries and is vital to understanding how best to match available resources to pressing performance issues. For example, a careful review of public expenditure patterns, both government and donor financed, could promote a balance between funds spent on tertiary education and those spent on interventions for improving education quality, meeting secondary education needs, and increasing equitable access to education. In another example, teacher salaries consume over 90 percent of recurrent education expenditures in primary education, so expenditures on quality-related inputs and operating costs are almost non-existent. Recognition of such an imbalance can

**IN THE PACIFIC REGION AT THIS TIME, PERFORMANCE WILL BE MOST EFFECTIVELY ADDRESSED WITHIN THE POLICY DOMAINS OF SERVICE MANAGEMENT AND GOVERNANCE.**

lead governments to free up funds from teacher salary costs by increasing pupil-teacher ratios in ways that preserve sound education. Such options include multi-grade teaching and “clustering” infant and lower-grade schools with senior “mother” schools, as in **Papua New Guinea**.

**2. Partnerships with the private sector and the community.** Strengthening and refining partnerships with the private sector and community can increase both the supply and quality of secondary education. Such partnerships, however, need to be developed *within a coherent policy and regulatory framework*. In the **Solomon Islands**, communities were enlisted in helping to construct new community-based junior high and high schools. The result, more secondary schools in more localities, has helped to address capacity issues and the expenses and other disincentives of having to leave remote areas to attend secondary school. Quality assurance mechanisms such as setting school standards and monitoring school achievement can improve the quality of all education services. In the **Republic of the Marshall Islands**, the public system has turned recently to teacher testing and publication of results as a standard-setting and monitoring mechanism. Private schools there have long enjoyed a formal accreditation system through the Western Association of Schools and Colleges (WASC), which has stimulated school-level discussion about quality schooling and problem solving among teachers and parents.

**3. School-to-work transitions.** A strategic choice to focus on issues that would facilitate school-to-work transitions can help to improve the outlook for youth in the Pacific. High rates of academic failure, language loss, “educated unemployment,” and the attendant disaffection of youth are of rising concern.

Curricula need to reflect local cultural contexts and aspirations. Curricula reform can ensure that children attain basic skills in language, mathematics, problem solving, and information technology, and that they have options for technical and vocational subjects *that meet the needs of the economy*. A focus on school-to-work transitions can lead to the development of curricula that are relevant to the job market or that build entrepreneurial skills. Other options include partnerships with the private sector as well as training through work attachments and apprenticeships.

**4. Delegation of responsibility/accountability.** By delegating more responsibility to those delivering education services, such as through school-based management, governments can also increase the investment service providers have in outcomes — in effect, delegating accountability. For example, giving principals some discretionary control to purchase teaching materials can help create a greater demand from principals and teachers for quality instructional materials. Giving principals the responsibilities of managing and monitoring the ongoing assessment of students and sharing this achievement data with parent-teacher associations and wider school communities is another way to delegate accountability. The achievement data can help guide instructional practices and can help parents to better support their children's learning. For example, in the **Republic of the Marshall Islands**, the renowned Likiep primary school outperforms public and private competitors through its innovative approach to school-based management, community involvement, and monitoring and evaluation. Principals can also be empowered to better manage teachers and their performance. In the

### High-Impact Choices in Education

1. **Develop and refine a strategic policy and financing framework.**
2. **Strengthen and refine partnerships with the private sector and communities.**
3. **Focus on issues that would facilitate school-to-work transitions.**
4. **Increase delegation of accountability to those delivering services.**
5. **Put in place systems that allow policy makers and education managers to track progress.**
6. **Reduce participation constraints on the poor.**

## IN EDUCATION, THE FIRST PRIORITY IS TO ENSURE THAT EVERY CHILD COMPLETES BASIC PRIMARY EDUCATION OF ADEQUATE QUALITY.

**Kosrea** state of the **Federated States of Micronesia**, principals and teachers have been successful in managing teacher absenteeism by agreeing on whole-school make-up days when funerals or other community events would cause many teachers to miss school.

### 5. Information collection, management, use, and sharing.

More focus, especially in countries at risk of not meeting the Millennium Development Goals (MDGs), is needed on putting systems in place that allow policy makers and education managers to track progress in terms of enrollment, achievement, and specific at risk groups. This would involve strengthening or developing Education Management Information Systems (EMIS).

**6. Reducing participation constraints on the poor.** Innovative programs such as conditional cash transfers, inclusive or special needs education for children with disabilities, revising school fee structures, and using appropriate pro-poor targeting mechanisms (such as using household characteristics as in **Fiji** and **Kiribati**) in the allocation of secondary scholarships are strategies that can make access to education more equitable in the Pacific. Subsidies such as targeted conditional cash grants to families can encourage parents to keep their children in school. Children with disabilities have benefited in **Samoa** through the training all teachers have received in special needs education and by way of other government reforms. Other approaches for increasing the participation of special needs students include per capita grants to local schools and private providers or grants targeted directly to families who then purchase special services from their local schools. Strategies for increasing access to secondary school for the many poor children from outer islands include income-related sliding fees, scholarship policies that



specifically target the poorer sections of society, quota systems that ensure that schools equitably select students from different regions or different ethnicities, and boarding subsidies and travel grants. **Kiribati** has demonstrated a way to increase the participation of outer island students in secondary school through travel grants and enrollment quotas.

### MAKING STRATEGIC CHOICES IN HEALTH

In health, countries continue to face challenges that include the unfinished agenda in achieving the MDGs, high fertility rates, continued prevalence of communicable diseases and the emerging threat of HIV/AIDs, and a rising if not crisis incidence of noncommunicable disease. To face these challenges, Pacific health systems will want to reconsider their priorities and improve their delivery of services. What strategic choices in the Pacific might best help achieve desired health outcomes?

**1. Aligning resources with high-priority health outcomes.** Better alignment of resources, both government and donor funds, toward achieving high-priority health outcomes can improve overall sector performance. Such alignment requires careful thinking about the outcomes, how best to address the underlying causes, and the links with health policy and service delivery. For example, in the area of noncommunicable diseases, health budgets in the Pacific are skewed toward expensive hospital care. Realigning them to focus on prevention, early intervention, and clinical management would help first of all to reduce the incidence of these diseases and would also improve the prognosis for those already ill. Additionally, high-cost interventions that drain the health budget could be avoided.

## PACIFIC HEALTH SYSTEMS HAVE THE OPPORTUNITY TO RECONSIDER PRIORITIES AND IMPROVE THE DELIVERY OF SERVICES.

**2. Diversifying the sources of health financing.** Public revenues pay for the huge majority of health care expenses in the Pacific. By diversifying the sources of health financing to include risk-sharing mechanisms and individual payments, governments would have more budget flexibility for improving health outcomes. At the same time, because equity concerns are of paramount importance, financing decisions should not limit access of the poor to free health services. One option is to introduce or increase user fees for outpatient services provided at hospitals (with exemptions for local populations who have no lower-level facilities within access), while making the same services free at the primary-care level. The additional resources could be used, for example, to strengthen health services in rural and remote areas and to provide travel allowances to patients for referral

### High-Impact Choices in Health

1. Improve alignment of resources, both government and donor funds, toward achieving high-priority health outcomes.
2. Diversify sources of health care financing to include risk-sharing mechanisms and individual payments.
3. Increase delegation of accountability to those delivering services and tap service providers outside of the government.
4. Use incentives to increase the quality of services and their appropriate use.
5. Support initiatives that encourage healthy lifestyles.
6. Understand and link to demand, especially at the household and community levels.



care. Other options include experimenting with social health insurance or insurance for overseas care while using income-related sliding scales and copayments to protect the poor.

**Tuvalu**, by sending those requiring overseas care to Suva rather than to New Zealand or the United States, spends half as much as it otherwise would in this category of services.

**3. Delegation of accountability and inclusion of extra-government service providers.** Delegating management and financial resources to local health providers can better assign accountability and foster improved performance. With dispersed population groups and geographic barriers, this is perhaps a necessity. The key is to ensure that there are clear links across all levels of the system. In **Fiji**, by allowing divisional directors to allocate human resources and budgets to meet local needs, morale has improved among health personnel. Governments can also achieve improved health outcomes by including private and non-government health providers as appropriate. For example, when government services are unable to make headway in addressing specific health problems, particularly in remote areas or in instances of highly resistant patient behaviors, contracting with churches or NGOs to provide services would enable governments to focus on output and outcome, circumvent capacity constraints, take advantage of the flexibility and autonomy of the private sector, and use competition to increase effectiveness and efficiency. Recognizing the role of traditional healers (who are often the first point of contact) and building partnerships with non-governmental organizations and communities is important in the areas of reproductive health, health education and promotion, and, particularly, services targeted to adolescents. For example, community health councils in the **Republic of the Marshall Islands**, village

health workers in the **Solomon Islands**, and women's committees (which are responsible for maintaining rural health facilities) in **Samoa** have helped control the spread of communicable diseases. In **Vanuatu** and **Samoa**, communities still help to build and maintain their own aid posts and health centers.

**4. Using incentives for service providers and service users.** Incentives have many applications for improving the likelihood that quality services are delivered and utilized appropriately. Linking remuneration with performance, as long as it is done in conjunction with broader civil service reforms, can help motivate service providers. As an accountability measure in **Fiji**, **Samoa**, **Vanuatu**, and the **Solomon Islands**, senior managers in the public health systems (CEOs and directors) are now appointed to five-year performance contracts. Incentives such as improved working conditions and higher remuneration can attract qualified personnel to work in hard-to-fill positions in remote areas. Doctors have begun returning to **Solomon Islands** because the scheme of service was updated and public salaries and benefits adjusted in line with current market conditions. Innovative mechanisms such as health equity funds (held and disbursed by local authorities to poor households) and vouchers can encourage utilization of immunizations and other preventive health services.

**5. Supporting initiatives that encourage healthy lifestyles.** With the high prevalence of noncommunicable diseases, especially in Micronesia and Polynesia, and emerging diseases such as HIV/AIDs, emphasis on changing behaviors and using preventive services is particularly important in protecting populations and health budgets. In the **Federated States of Micronesia**, the diabetes health education program has been effective using diabetes patients to spread the message about how diabetes has affected them and how important it is to prevent the disease. Cash or in-kind incentives (smoking cessation programs, fitness programs) can also be effective in encouraging people to take preventive health measures and in reducing the prevalence of noncommunicable diseases.

**6. Understanding and linking to demands, especially at the household and community levels.** In the Pacific, scant data exist about the use of health services or the costs incurred by households in accessing health care (such as transportation costs, drug costs, and fees). By investing in population-based surveys and qualitative assessments of health-seeking behavior, in addition to collecting health statistics from internal service-based information systems, governments can better serve their populations. **Tonga**

and **Samoa** have collected household-level data on health care use and expenditures, and they use survey results to produce National Health Accounts on a regular basis to inform policy and planning.

## MAKING STRATEGIC CHOICES IN SOCIAL PROTECTION

Social protection is a relatively new field of government activity in the Pacific, and existing programs are few. However, several social problems have worsened in recent years and more entrenched conditions caused by economic volatility and natural disasters have become more visible. The emergence of a large population of restless, unemployed young people is of primary concern, while serious urban social problems and the needs of chronically poor sub-groups call for attention. To address such problems, governments will need to engage more directly than they have in this social sector, establishing roles for themselves and making strategic choices for social protection in the Pacific.

**1. Ensuring that mechanisms exist to prevent and reduce social risk instead of managing or coping with the impact of those risks after they have occurred.** Because social protection is nascent in the Pacific region, carrying out country-specific assessments and strategic development plans are key first steps. This would be a multi-agency, multi-partner activity, through which governments would aim to produce a strategy document that outlines the country's risk profile; the government's strategic objectives in the sector; the opportunities for risk prevention, risk reduction, and risk-coping interventions; the appropriate role of government *vis-à-vis* families, communities, and NGOs; and a series of prioritized and phased actions, with a focus on risk prevention and reduction rather than coping with or managing risks after they have occurred.

**2. Coordinating existing initiatives within a common financing and policy framework.** This will yield as many benefits as launching new programs, given the large number of separate independent initiatives usually being undertaken by donors, NGOs, and community institutions. In **Vanuatu**, development projects generally must pass through a rigorous process of review by government, and development project resources are now being channeled into a single fund account so that activity of donor-financed projects can be tracked. Establishing (if none exists) a focal point for the government's social protection strategy, coordination, and monitoring and evaluation would also yield benefits, and could fit within an existing social ministry or in a planning organization and could be integrated with similar functions for other social sectors. The **Fiji** Department of Social



## SOCIAL PROTECTION IS A RELATIVELY NEW FIELD OF GOVERNMENT ACTIVITY IN THE PACIFIC.

Welfare is one such focal point. Developing an explicit policy approach to targeting social assistance could lead to considerable savings within existing programs. For example, well-targeted copra producer subsidies could prevent a situation in which benefits flow to non-poor farmers and create a fiscal drain.

**3. Identifying policy, capacity, and financing needs.** Governments will want to identify areas that require new policies, more capacity to implement programs, and the public resources to finance them. Innovative approaches such as conditional cash transfers could help reduce school dropouts, especially among the poor. Disabled children in particular will need special support to the family or to the school as an incentive for their enrollment in school. In **Samoa**, a collaboration between local NGOs and the community links education and training with income

### High-Impact Choices in Social Protection

1. Ensure that social protection mechanisms exist and focus on risk prevention and reduction.
2. Coordinate existing initiatives within a common financing and policy framework.
3. Identify areas that require new policies, more capacity to implement programs, and the public resources to finance them.
4. Build partnerships with the private sector and NGOs for the delivery of some services.
5. Regularly monitor and evaluate social protection programs so that their effectiveness can be measured and demonstrated.

generation for rural people with disabilities. Jobless youth could benefit from temporary public employment in new public works schemes. Any such new or existing interventions should be evaluated as to whether they add value or merely replace family and community-based practices. **Fiji** has pioneered social assistance in the Pacific and has learned valuable lessons about how to structure benefits, target needy groups, and monitor the impact of its programs. For example, self-reported income was found to be an unreliable targeting mechanism.

**4. Building partnerships with the private sector and NGOs for the delivery of some services.** Governments don't have to deliver social protection services single-handedly. For instance, gender-based violence is an area of unmet need in most Pacific island countries. Providing shelters and counseling services is a good place to start, with the effort managed, perhaps, by an NGO. Mapusa-o-Aiga, a local NGO operating in **Samoa** since 1993, provides counseling and referrals to police, legal aid, and health services for victims of domestic violence. Another area of need, employment services for youth and others seeking jobs in the formal sector or overseas could play a vital role in linking job seekers with public and private opportunities as regional labor mobility gains a foothold. **Kiribati's** and **Tuvalu's** maritime and fisheries training centers have long produced seafarers who gain commercial employment after completing programs there.

**5. Regular monitoring and evaluation of social protection programs.** To measure and demonstrate the effectiveness of social protection programs would require in many cases the development of accurate and up-to-date information on social risk. This information would need to be gathered through high-quality participatory fieldwork as well as socio-economic surveys. For strategy and policy purposes, regular household surveys need to be conducted. These would include questions relevant to risk management, for example on labor market issues, transfers and remittances that underpin the family-based safety net, family participation in social assistance schemes, and the prevalence of disability and chronic poverty. Such surveys, if nationally representative, would yield invaluable data for the design of targeting strategies and would make it possible to check the coverage rates that are self-reported by social protection providers.

## STRATEGIC CHOICES THAT CROSS SECTORS

Some of the strategic actions outlined above cut across the education, health, and social protection sectors. Government

expertise that exists or develops in any of these sectors with regard to such cross-cutting strategies could profitably be shared.

**1. Better public expenditure management.** Ensuring that resources are targeted toward priority social outcomes and needs as identified in country strategies may require institutional and management reforms, such as improved public expenditure management systems, improved financial and procurement systems, and delegation of accountability to lower levels of government as appropriate.

**2. Better systems for information collection, analysis, and use.** Improved data systems and data use would enable all sectors to manage more effectively and to track progress on social outcomes.

**3. Closer alignment of sectoral and national policy priorities with service delivery challenges.** In some countries, for example, teen pregnancies and high rates of population growth are core development issues, but national policies have not set the stage for vigorous family planning promotion. Youth unemployment is another opportunity for closer policy and service delivery alignment. The linked issues of school dropouts and joblessness, and the related issues of social disaffection, would benefit from a more integrated policy for keeping young people in school for the complete general education, for developing secondary education curriculum relevant to the job market through consultations with the business sector, and for developing and promoting awareness campaigns and social education programs on HIV/AIDs and other social issues.

## REGIONAL APPROACHES

When issues cross country borders and there are significant economies of scale from regional collaboration, a regional approach might yield high benefits and even improve outcomes. Four policy initiatives that have regional implications are worth highlighting.

**1. Pharmaceutical procurement.** The key is to develop a mechanism that is more efficient than the current national practices. For example, pharmaceutical companies could be invited to submit bids for regional drug contracts and to supply the countries directly. This achieves price efficiency through large-scale purchases and avoids the logistical costs of warehousing and shipping.

**2. Natural disaster fund or insurance.** As the region in the world most prone to natural disasters, there would seem to be opportunities to upgrade the regional response mechanisms. These are largely in the foreign assistance

mode but could be improved with the introduction of a regional disaster fund or insurance scheme.

**3. Common financing and strategic frameworks to guide donor assistance.** The recent steps in some countries to improve donor coordination and full harmonization by sector are encouraging and need to be refined and expanded regionally and across sectors.

**4. Liberalized labor market access.** Access to neighboring labor markets is an important asset in the Pacific, both for the remittances that flow back and as a safety valve for the unemployed (see table 2).

## Leveraging All Resources to Improve Social Outcomes

In the Pacific, donors are major contributors to the social sectors, but a large proportion of the resources they provide have traditionally been in the form of fragmented “projects,” many of which are provided “off-budget” and compete for already scarce human resources within small public service bureaucracies.

Because there is a clear need for governments to adjust priorities to achieve their desired social outcomes, all resources, from donors as well as governments, will need to be linked to outcomes, with incentives aligned to achieve these outcomes. Within a medium-term fiscal framework, strategies for the human development sectors need to be strengthened to identify key priorities and to focus on outcomes. Aligning donor support to such a strategy can help greatly improve aid effectiveness.

**Table 2. Immigration Access to Donor Countries**

Countries	Immigration Access	Migrants as % of Country Population 2001	Remittance Flows
RMI FSM Palau	Open to USA	RMI 10% FSM 10% Palau 30%	Yes* Yes Yes
Samoa	Fluctuating access to NZ and Australia, and USA	72%	Yes
Tonga	Fluctuating access to NZ and Australia	76%	Yes
Fiji	Restricted to all destinations; fewer restrictions for skilled Indo-Fijians, soldiers serving abroad	10%	Yes
Vanuatu	Restricted to all destinations	< 1%	Negligible
Solomon I.	Restricted to all destinations	<1%	Negligible
Kiribati	Restricted to all destinations	< 1%	From seafarers only

\* RMI shows more remittances flowing out than in, an unusual pattern in the Pacific.

Donors have themselves sought to introduce more policy and strategic coherence through a variety of mechanisms, some country-wide and others more sectoral in focus. For instance, in the education sector in **Tonga** and **Solomon Islands**, donor support is provided within the framework of a common sector strategy and plan and a unified sector financing strategy. As a result, more attention can be given to explicit outcome targets, reform milestones, and sectoral budget performance monitoring.

### Key Supports to Programs and Sectors

- A coherent strategy exists for the human development sectors.
- Government takes ownership for and accountability of the strategy being supported.
- The focus is on prioritization of expenditures and scarce administrative capacities in support of the outcomes to be achieved rather than only on input management (all inputs judged in terms of their contribution to improved outcomes).
- Programmatic reforms and organizational and management reforms enable the outcomes to be improved.
- Use increases of core government systems (a “whole of government” approach) to manage resources and the supported programs, including through strategic partnerships with the private, church, and NGO sectors.
- Developmental and recurrent support of programs within a medium-term fiscal or budget framework has a focus on sustainability.
- All stakeholders have a role in the design and implementation of strategies.
- Transparency and probity are present in all processes and include sound financial and procurement management.

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