

# In Sweet Harmony?

## A Review of Health and Education Sectorwide Approaches (SWAps) in the South Pacific

Phase 1 of a Joint Learning Initiative



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Sectorwide Approaches (SWAps)  
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Main Report

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by  
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# PREFACE

This desk study was conceived as the first phase of a three-phase review of aid effectiveness efforts, largely channeled through Sectorwide Approaches (SWAp) in the health and education sectors in selected islands in the Pacific Region. It is based heavily on in-depth desk analyses of three ongoing SWAps: Samoa Education Sector; Samoa Health Sector; and Solomon Islands Health Sector. Full reports on each of these SWAps are available as appendixes to this study in a CD attached to the back cover. This desk study also draws on preliminary information gathered on Vanuatu's early efforts to establish SWAps for health and education. While in-depth assessments of education sector SWAps in Solomon Islands and Tonga were also originally envisaged as part of this study, these two assessments were ultimately cancelled due to time and budget constraints.

Jointly designed and produced by four development partners (DPs) supporting SWAps in the Pacific Region,<sup>1</sup> the Review is conceived as a learning initiative that would distill lessons of experience to date and point to ways of enhancing the coordination and effectiveness of

DPs' technical and financial contributions under a SWAp, individually and collectively. This desk study pulls together preliminary information and lessons through a selective review of relevant aid effectiveness and SWAp documentation and limited interviews and consultations, undertaken in 2010 and early 2011. Key studies issued late in 2011 are acknowledged in footnotes but not incorporated into this study's analysis which was carried out in early 2011. This desk study also proposes a design for a possible second phase of the Review: fieldwork, to be undertaken jointly with Pacific Island governments, with a view to validating and fine-tuning preliminary findings and conclusions, filling information gaps, and deepening the analysis. A third phase of cross-country learning and exchange was also envisaged.

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<sup>1</sup> Asian Development Bank (ADB), Australian Agency for International Development (AusAID), New Zealand's Ministry of Foreign Affairs and Trade (MFAT) and The World Bank.



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The report was written by Denise Vaillancourt, under the task leadership of Aparnaa Somanathan (World Bank). Philip O’Keefe, Stephen Close, Susan Ivatts and Michelle Lee were members of the core World Bank team. The work was carried out under the supervision of Ferid Belhaj (Country Director, Papua New Guinea, Timor-Leste and Pacific Islands), Emmanuel Jimenez (Director, East Asia and Pacific Human Development Sector), Juan Pablo Uribe (Sector Manager, Health, Nutrition and Population for East Asia and Pacific) and Eduardo Velez Bustillo (Sector Manager, Education for East Asia and Pacific). Arvil Van Adams (Consultant) contributed significantly to the design of the study’s conceptual framework. Shampa Sinha (Consultant) provided support to the initial stages of the study.

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# ABBREVIATIONS AND ACRONYMS

ACEO	Assistant Chief Executive Officer	JRM	Joint Review Mission
ADB	Asian Development Bank	M&E	Monitoring and evaluation
ADF	Asian Development Fund	MCH	Maternal and child health
AFD	<i>Agence Française de Développement</i> (French Development Agency)	MDG	Millennium Development Goals
AusAID	Australian Agency for International Development	MESC	Ministry of Education, Sports and Culture
CCA	Controller and Chief Auditor	MFAT	New Zealand Ministry of Foreign Affairs and Trade
CDP	Coordinating Development Partner	MFEM	Ministry of Finance and Economic Management
CEC	Constitutional and Electoral Commission	MHMS	Ministry of Health and Medical Services
CEDAW	Convention on the Elimination of All Forms of Discrimination against Women	MMR	Maternal Mortality Rate
CPR	Contraceptive Prevalence Rate	MoF	Ministry of Finance
DAC	Development Assistance Committee	MoH	Ministry of Health
DHS	Demographic and Health Survey	MoU	Memorandum of Understanding
DP	Development Partner	MTEF	Medium-term Expenditure Framework
EC	European Commission	MTR	Mid-term review
ESP	Education Sector Programme	NCD	Noncommunicable disease
EU	European Union	NGO	Nongovernmental Organization
GFATM	Global Fund to Fight AIDS, Tuberculosis and Malaria	NHS	National Health Service
GoF	Government of France	NHSP	National Health Strategic Plan
GoJ	Government of Japan	NSPF	National Strategic Planning Framework
GoS	Government of Samoa	NZAID	New Zealand Agency for International Development
HQ	Headquarters	OAG	Office of the Auditor General
HSSP	Health Sector Support Program	ODA	Overseas Development Assistance
IBRD	International Bank for Reconstruction and Development	OECD	Organisation for Economic Co-operation and Development
IDA	International Development Association	PAC	Public Accounts Committee
IEG	Independent Evaluation Group	PAYE	Pay-As-You-Earn
IMR	Infant Mortality Rate	PEFA	Public Expenditure and Financial Accountability
JICA	Japan International Cooperation Agency	PFM	Public Financial Management
JPA	Joint Partnership Arrangement		

PHF	Partner Harmonization Framework	ToR	Terms of Reference
PIs	Pacific Islands	UNDP	United Nations Development Programme
PoW	Program of Work	UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
RAMSI	Regional Assistance Mission to the Solomon Islands	UNESCO	United Nations Educational, Scientific and Cultural Organization
SCU	SWAp Coordination Unit	UNFPA	United Nations Population Fund
SDS	Strategy for the Development of Samoa	UNICEF	United Nations Children's Fund
SIG	Solomon Islands Government	UNIFEM	United Nations Development Fund for Women (now UN Women)
SIP	Sector Investment Program	UNTA	United Nations Technical Assistance
SOE	State-owned Enterprise	VANGO	Vanuatu Association of NGOs
SPA	Special Purpose Account	VERM	Vanuatu Education Road Map
SPC	Secretariat of the Pacific Community	WBAGI	World Bank Aggregate Governance Indicators
SUNGO	Samoa Umbrella for Nongovernmental Organizations	WBDBR	World Bank Doing Business Report
SWAP	Sectorwide approach	WHO	World Health Organization
TA	Technical Assistance		
TB	Tuberculosis		
TFR	Total Fertility Rate		

# EXECUTIVE SUMMARY

Over the past decade governments and major development partners (DPs) in the Pacific Region have striven to improve aid effectiveness and development outcomes through the adoption of Sectorwide Approaches (SWAs) in the health and education sectors, as in other regions around the world. Notwithstanding a wide variety of SWA definitions and interpretations, the literature is consistent in characterizing SWAs as an evolving partnership between governments, other national actors and DPs, coalescing around their joint support of nationally-defined programs, managed and implemented through increased reliance on country systems and capacities, with a strong results focus. These characteristics are consistent with aid effectiveness principles and good practices, which have emerged over the past decade or more, and to which most developing countries and DPs have committed.

This desk study distills evidence from a document review of selected health and education SWAs ongoing in Pacific Island countries to address four questions: (i) are the anticipated benefits of the *approach* being realized; (ii) are the objectives of national sector programs likely to be achieved; (iii) how is the *approach* affecting sector program results; and (iv) how is the *approach* affecting the efficacy of the DPs. The conceptual framework and the study questions distinguish between two types of outcomes anticipated from aid effectiveness efforts under SWAs, which are often confused in design documents. These are: (i) *the achievement of the capacity and efficiency gains anticipated from the approach itself*, in terms of improved sector coordination, better harmonization and alignment of development assistance, and enhanced sector stewardship; and (ii) *the achievement of national sector program objectives*, in terms of improved

system management, quality and coverage of services, and sector outcomes.

The Concept Note for this analysis, agreed by the four DPs which jointly produced this study,<sup>2</sup> envisaged the pursuit of these questions through three phases of work: (i) this present desk study; (ii) joint fieldwork with country involvement to fill information gaps and validate/revise findings; and (iii) cross-country learning and dissemination events. This desk study has distilled the following answers to the study questions.

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<sup>2</sup> Australian Agency for International Development (AusAID), the New Zealand Ministry of Foreign Affairs and Trade (MFAT), the Asian Development Bank (ADB) and The World Bank.

## Are the anticipated benefits of the approach being realized?

**With the exception of Samoa Health, aid effectiveness objectives and indicators under the SWAps are more implicit than explicit, making it challenging both to define and to measure success.** Even the purpose of the *approach*, what it entails and guiding principles are not fully coherent/consistent in design documents, causing confusion among stakeholders, even within the same SWAp.

**Anticipated benefits of the SWAps reviewed have been partially achieved to date.** All SWAps developed and used most of the key tools for improved sector management and coordination (national strategic plans, programs, planning and review processes, medium-term expenditure frameworks, and the like). Some headway has been made in improving the harmonization and alignment of development assistance under the SWAps, especially regarding the strengthening and use of country systems for procurement and financial management. Little progress has been registered to date, however, under these ongoing SWAps on enhancing sector stewardship, especially with regard to efficient use of sector resources, greater focus on results, and strengthened accountabilities for results.

## Are the objectives of national sector programs likely to be achieved?

**There is uncertainty about whether sector performance and outcome objectives will be achieved under ongoing SWAps by the end of their program periods.** All SWAp-supported programs reviewed to date were still under implementation in 2010–11 (at the time of data collection and analysis), with most at, or slightly past, their implementation midpoint (most are five-year programs). Only the Samoa Education SWAp had conducted a mid-term review (MTR) at the time of this study's data collection and analysis phase. It concluded that not all program objectives are likely to be achieved by the end of the program period due to implementation delays and an overly ambitious program. Nevertheless, many benchmarks have been/are being achieved. MTRs for the health SWAps in Samoa and Solomon Islands

were undertaken in 2011 and relevant reports were issued only in late 2011—too late to be incorporated into this report. Some baselines and targets for these two health SWAps were still missing or in need of revision at the writing of this report. Proactive monitoring and evaluation of the Vanuatu Education SWAp, just one year into its implementation, and operations research have identified ways and means of enhancing program efficiency and results. This bodes well for the achievement of program goals in Vanuatu.

## How is the approach affecting the achievement of sector program results?

**The analysis of country experience has pointed to factors under the SWAps that may have undermined their ability to achieve national sector objectives, especially in the initial years. A learning-by-doing process is ongoing, and this study's findings point to the opportunity for further improvements:**

- *First*, strategic sector frameworks have exhibited some weaknesses on a number of fronts. These include: (i) their overly ambitious nature; (ii) incomplete information on their costs and financing; (iii) uncertainty about their cost-effectiveness; (iv) their unclear sense of prioritization and phasing; and (v) an inadequate results focus.
- *Second*, the use of country capacity and systems are slowly building capacity through a learning-by-doing process. This has, however, caused implementation delays due to slow procurement, and slow replenishment of funds due to shortcomings of some SWAps in financial management and absorptive capacity. Inadequate attention to monitoring and evaluation (M&E) capacity has caused delays in the production of M&E frameworks, results chains and in the assessment and strengthening of in-country capacity. The planning, management and effective utilization of technical assistance (TA) also suffers from weak country capacity.
- *Third*, stronger sector partnerships have formed under SWAps, but they are exclusive of some critical players (public, nongovernmental and civil society actors). There are opportunities to further analyze

and improve interaction among all DPs and their capacities to better support governments under a SWAp process.

- *Fourth*, overall sector financing is not sufficiently predictable and flow of funds to implementing agencies and their effective use are not well documented.

## How is the approach affecting the efficacy of the Development Partners?

**There is a need for further exploration of the business models of the DPs supporting the SWAps (the four which jointly produced this study) to assess the extent to which they are efficient and effective in meeting the needs and demands of countries implementing SWAps.** This was not possible to assess in the context of this desk study, but evidence suggests that there is room for improvement.

## Lessons for Improving Performance and Outcomes under a SWAp

Pacific Island countries and DPs have established many important building blocks for enhancing aid effectiveness through the design and implementation of social-sector SWAps. In addition, they are acquiring experience and building their capacities in sector management and implementation through a learning-by-doing process. But weaknesses in SWAp design and implementation may have slowed or undermined the achievement of sector results. Lessons point to three strategic areas that have the potential to improve the effectiveness of social sector SWAps in the South Pacific, and where countries, with the full support of DPs, might focus their efforts:

- ***Strengthening the focus on results*** by: clearly articulating *SWAp-specific objectives and indicators*, distinct from, but linked to, sector-specific program objectives and indicators; providing assistance to improve the *results frameworks*; encouraging the generation and use of evidence to identify and *support the most cost-effective, highest-impact interventions*; stimulating a greater appreciation of, and a

stronger demand for, *learning through operations research and evaluation*; and identifying opportunities for ministries to evolve their management structures and incentives to *manage for results*.

- ***Strengthening national capacities*** by: (i) systematically *assessing capacities* against capacity needs and developing *holistic results-based approaches to capacity strengthening* that would include a range of interventions; (ii) strengthening *procurement capacity* and facilitating a consensus and decisions on the evolution towards exclusive use of national procurement procedures; (iii) recognizing and addressing training/experience gaps of highly qualified, well-trained experts in the *management exigencies of a SWAp*, including *interacting effectively with DPs*; (iv) *reducing the ambition* of the SWAps to calibrate objectives with available capacity while capacity is being built, and sequencing of the use of country systems (M&E, a priority); and (v) documenting and exploiting more fully the *capacities and potential roles of civil society* for service delivery and M&E.
- ***Strengthening the capacities, accountabilities and business models of the DPs to better meet the needs of countries implementing SWAps.*** While these lessons are directed at what DPs might do to improve their effectiveness and capacity, an overarching lesson is the important role of government in holding DPs accountable to mutually agreed performance standards. DPs' efforts might include: (i) strengthening their own capacities to effectively participate in a SWAp; (ii) ensuring that they are more strategic in their contributions to joint reviews, rather than focusing too heavily on inputs and the details of implementation; (iii) encouraging the inclusion of all DPs in joint missions, planning and review meetings—not just those who signed joint arrangements; (iv) reviewing their respective business models and how well they respond to the demands and needs of a SWAp; (v) harmonizing their visions and approaches to the SWAp to present a united and supportive front to governments; and (vi) striking equilibrium in their dialogue with governments, ensuring rigor and candor on technical and strategic issues, and, at the same time, a respect of government sovereignty and leadership.



As documented in various studies, the global SWAp experience and lessons appear to be very relevant to the Pacific Islands SWAps reviewed, both in terms of progress in implementation and outcomes, as well as the four factors of SWAps that can have an impact on the achievement of outcomes. These include: (i) quality and relevance of the sector strategic framework; (ii) the strength of country capacity and incentives; (iii) the quality and functionality of the partnerships; and (iv) the predictability, flow and use of assistance.

This study has also identified that there are additional considerations and challenges for implementing a

SWAp that are specific to the Pacific Islands. Among these are: (i) the very small size of ministry staff vis-à-vis the heavy workload of SWAps; (ii) the challenges of managing an especially large volume of TA; (iii) the relatively smaller pool of DPs involved and the very prominent role played by one or two bilateral DPs; and (iv) the existence of regional partnerships, structures and programs supporting social sector development. This desk study notes the limitations of its evidence base and sets the agenda for fieldwork which would collect, analyze and triangulate additional evidence—both to fill information gaps and to validate/refine findings and lessons.

## CHAPTER 1

# OBJECTIVES, METHODOLOGY AND REGIONAL CONTEXT

Over the past decade governments and major development partners (DPs) in the Pacific Region have striven to improve aid effectiveness and development outcomes through the adoption of SWAp in the health and education sectors. While there are a wide variety of SWAp definitions, and their implementation differs across countries and sectors, the literature is consistent in characterizing SWAp as an evolving partnership between governments, other national actors and DPs, coalescing around their joint support of nationally-defined programs, managed and implemented through increased reliance on country systems and capacities, with a strong results focus (Vaillancourt, 2009). These characteristics are consistent with aid effectiveness principles and good practice, which have emerged over the past decade or more, and to which most developing countries and DPs have committed.

### 1.1 Objectives

Four key development partners operating in the Pacific Region<sup>3</sup> decided in 2009 to launch a joint learning initiative to be undertaken in collaboration with four Pacific Region governments: Samoa, Solomon Islands, Tonga, and Vanuatu. The intention was to document lessons and experience to date in the design and implementation of SWAp, in an effort to improve their individual and collective effectiveness.

A jointly agreed Concept Note for a Review of SWAp in the Pacific Region identified three key objectives:

- (i) to examine the extent to which SWAp in the Pacific Region have achieved their intended results and

better understand the organizational and operational challenges faced by both governments and DPs;<sup>4</sup>

- (ii) to examine how the design and implementation of aid effectiveness efforts (particularly under SWAp) in the Pacific Region might differ from those elsewhere and the extent to which global lessons are relevant and applicable; and

<sup>3</sup> Australian Agency for International Development (AusAID), the New Zealand Ministry of Foreign Affairs and Trade (MFAT), the Asian Development Bank (ADB) and The World Bank.

<sup>4</sup> This will include an examination of how DPs are currently working together and how they might enhance their effectiveness, especially given the limited public sector management capacity.

(iii) to provide practical guidance on the design, implementation, monitoring and evaluation (M&E) of SWAp in the Pacific Region, including recommendations about how DPs can work together more effectively.

The Concept Note envisaged the pursuit of these objectives through three phases of work: a desk study, fieldwork and learning and dissemination events. *First, this desk study* selectively reviews and distills relevant documentation on health and education SWAp in the Pacific Region, particularly in four Pacific Island (PI) countries. It also identifies information gaps and proposes a design for fieldwork. *Second, fieldwork* in the four countries, to be undertaken in collaboration with experts and authorities in those countries, was envisaged to be carried out to validate the preliminary findings and conclusions of the desk study, fill information gaps and deepen analysis through additional data collection and analysis, interviews, direct observations, and discussions. *Third, learning and dissemination events*, undertaken in partnership with all country governments and DPs involved in the review, were intended to provide the opportunity for cross-sectoral and cross-country learning and exchange.

- As laid out in the Concept Note, each of the three phases of the Review would seek to address four questions:
- Are the anticipated benefits of the aid effectiveness efforts under the SWAp (the *approach*) being realized?
- Are the objectives of the national sector strategies and programs of work (PoWs) likely to be achieved?
- To what extent is the *approach* facilitating the achievement of national sector objectives?
- In what ways does channeling support through a SWAp affect the efficacy of each DP?

## 1.2 Conceptual Framework and Methodology

The Review's conceptual framework (Figure 1-1) and the four underlying questions (cited above, and articulated in the Concept Note) are adapted from a World Bank Independent Evaluation Group (IEG) study of health SWAp

in six countries (Vaillancourt, 2009). The use of these tools for this Pacific Region Review is beneficial from two perspectives: (i) they are relevant to the learning agenda for the PIs; and (ii) their application already in six other countries in the world should facilitate the fleshing out of distinctions between the SWAp experience in the particular context of the Pacific Region and experience elsewhere, thus fulfilling another objective of this Review.

The conceptual framework and the study questions distinguish between two types of outcomes often confused in design documents: *the achievement of the capacity and efficiency gains anticipated from the approach itself*, in terms of improved sector coordination, better harmonization and alignment of development assistance, and enhanced sector stewardship (top panel of Figure 1-1);<sup>5</sup> and *the achievement of national sector program objectives*, in terms of improved system management, quality and coverage of services, and sector outcomes (bottom panel).<sup>6</sup>

Recognizing that the benefits of the approach alone may not necessarily result in the achievement of national sector objectives, the conceptual framework posits four factors that affect the ability of aid effectiveness efforts under SWAp to contribute to better sector outcomes (middle panel, Figure 1-1):

- the quality and relevance of the sector strategic framework;
- the strength of country capacity and incentives;
- the quality and functionality of the partnerships between government and the DPs, and among the DPs; and
- the predictability, flow and use of sector resources, both domestic and external.<sup>7</sup>

<sup>5</sup> Notwithstanding the lack of clarity in definition, the literature and design documents reveal that SWAp objectives and/or intended benefits are quite consistent across countries (Vaillancourt, 2009).

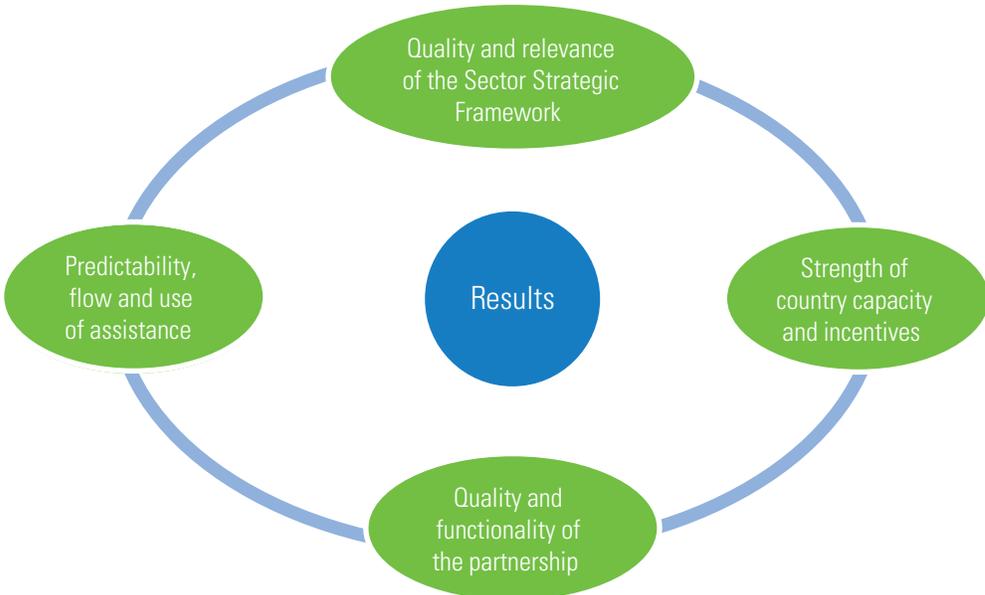
<sup>6</sup> These groupings of objectives are distilled from PoWs, policies and strategies of the six countries originally assessed and those of the PI countries covered in this study, drawing on the original country documents and on project design documents. Program and project objectives were synthesized for each of the PI SWAp covered in this Study (Annex 4).

<sup>7</sup> These factors were derived from the risk assessment and mitigation measures articulated in design documents and further distilled from the literature, exchanges with SWAp practitioners, and the experiences documented in IEG's evaluations.

**Figure 1-1: SWAp Conceptual Framework: Linking Anticipated SWAp Benefits to Sector Results**

Anticipated Benefits of the SWAp Approach: Country Capacity and Efficiency Objectives		
<b>Establishment of Better Tools for Sector Coordination</b>	<b>Greater Harmonization and Alignment of Development Assistance</b>	<b>Enhanced Sector Stewardship</b>
<p>A medium-term PoW grounded in national policy and strategy.</p> <p>Medium-term projections of resource availability and expenditure plans.</p> <p>Structures and processes for negotiating issues, allocating resources, and reviewing sector performance.</p> <p>A plan for developing country systems and capacities for common implementation arrangements.</p>	<p>A country-led partnership involving international DPs and national actors and stakeholders, within which strategic and management issues are negotiated, sector resources are allocated, and sector performance is reviewed.</p> <p>The use of country systems and capacities as the common management and implementation arrangements.</p> <p>Reduced transaction costs.</p>	<p>The efficient use of domestic and external sector resources in support of nationally defined policies, strategies and priorities.</p> <p>Greater focus on results.</p> <p>Ability to define and track accountabilities for sector performance and results.</p>

**The Link between the Approach and Better Sector Outcomes**



National Sector Objectives			
Systems Strengthening/Reform	Outputs	Outcomes	Impacts <sup>1</sup>
<p>Procurement, supply, distribution, management of <i>essential consumables</i>.</p> <p>Skills development, management, distribution, supervision, performance of <i>human resources</i>.</p> <p>Adequacy of <i>infrastructure and maintenance</i>.</p> <p><i>Financing</i>, cost sharing/risk pooling, cost recovery schemes, results-based financing.</p> <p>Enhanced use/oversight of the <i>private sector</i>.</p> <p>Institutional/organizational reform, including: separation of regulation/oversight from service delivery; decentralization or deconcentration of programs and services; redefinition of roles, responsibilities; district capacity building; restructuring of service delivery and purchasing; participatory management; performance-based management.</p>	<p>Equitable access to quality services and essential consumables.</p> <p>Improved awareness, knowledge, use of incentives for behavior change.</p>	<p>Equitable coverage and utilization of quality, high-impact interventions.</p> <p>Behavior change.</p>	<p>Sustained improvement and greater equity in:</p> <ul style="list-style-type: none"> <li>• Child health</li> <li>• Maternal health</li> <li>• Nutritional status</li> <li>• Fertility</li> <li>• Learning outcomes</li> </ul>

<sup>1</sup> A function of sector performance and other factors.

While the conceptual framework guides the organization and methodology of the analysis of SWApS, this Review does not measure the performance of any or all SWApS against generic objectives or standards. An objectives-based methodology is employed, whereby aid effectiveness efforts under SWApS and sector development programs are assessed against the specific objectives and indicators set and agreed by the relevant country and the DPs. Organisation for Economic Co-operation and Development (OECD) evaluation criteria will guide the Review's analysis of the relevance, efficacy, efficiency and sustainability of specific SWApS.<sup>8</sup> These criteria will be used to shed light in a systematic way on the design and performance of SWApS and opportunities to improve them, but no ratings will be assigned, given that this Review is a learning initiative.

## 1.3 Scope, Evidence Base, and Limitations

### 1.3.1 Scope

This study covers selected health and education SWApS in some PI countries (Table 1-1). Because it is the subject of a separate review, the Papua New Guinea (PNG) Health SWAp is not included in this Review. But the DPs producing this study anticipate its findings and lessons to be of relevance to the experience to date in PNG, and have expressed their intention to consider and share these lessons to the extent they might be helpful to ongoing efforts in PNG. In-depth analyses of Samoa Education, Samoa Health and Solomon Islands Health are available as appendixes to this report and provide the evidence base for this report. The education sectors in Solomon Islands and Tonga were also originally slated for in-depth analysis, but subsequently deferred because of time and budget constraints.

### 1.3.2 Evidence Base and Limitations

The evidence base for this desk study consists of key SWAp—and country/region—and sector-specific documents. This includes (i) selected documents from DP working files; (ii) national plans, programs and selected reports; (iii) joint partnership documents (partnership agreements and mission reports); and (iv)

some sector-specific data, studies, surveys on health and education. It also includes a few, selective interviews and consultations with DP teams involved in the design and implementation of these SWApS.

This limited evidence base for the desk study could be supplemented under a possible phase 2 through the conduct of site visits and interviews with a wide range of stakeholders—including government officials, health providers, field-based DPs and civil society—as well as direct observation of SWAp processes and the collection of additional data. This is essential to glean the perspectives of all key in-country stakeholders on the issues and challenges of SWApS and opportunities to improve their performance and development impact. Fieldwork would permit a triangulation of the findings and an analysis of the consistency of these findings with a plausible results chain, linking the SWAp approach, the national strategies, program outputs and results on the ground.

This phase 1 desk study represents an effort to distill documented evidence and provides a basis for the fieldwork design. It is, however, tentative at best in attempting to answer the Review questions, draw conclusions, and distill lessons, given the limited evidence upon which it is based. Furthermore, the author of this desk study did not have occasion to observe or understand first-hand the dynamics of DP coordination, communication and dialogue, or the technical quality of dialogue

<sup>8</sup> The OECD's *Glossary of Key Terms in Evaluation and Results Based Management* (reprinted 2010) apply. **Relevance:** the extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies. Retrospectively, the question of relevance often becomes a question as to whether the objectives of an intervention or its design are still appropriate, given changed circumstances. For the purposes of this study relevance of design will also be assessed. This means the extent to which the design is appropriate to the country context and capacity. **Efficacy (or effectiveness):** the extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance. **Efficiency:** a measure of how economically resources/inputs (funds, expertise, and time) are converted into results. For the purposes of this study, the efficiency of the institutional/organizational aspects of program design and implementation will also be assessed. **Sustainability:** the continuation of benefits from a development intervention after major development assistance has been completed; the probability of long-term benefits and the resilience to risk of the net benefit flows over time.

**Table 1-1: Health and Education SWAp in Samoa, Solomon Islands, Tonga and Vanuatu**

Country/Sector Program Timeframe	DP Cosignatories of Joint Partnership Arrangements/Harmonization Frameworks						
	ADB	AusAID	NZAID	World Bank	UN Agencies	SPC	Other DPs
<b>Samoa</b>							
Second Education Sector Programme (ESP II) (2006–2013)	x	x	x	—	—	—	—
Health Sector Program (2009–2013)	—	x	x	x	UNFPA UNICEF WHO	—	—
<b>Solomon Islands</b>							
Education	—	x	x	x	UNICEF	—	GoJ EU
Health Sector Support Program (HSSP) (2008–12)	—	x	—	x	UNFPA UNICEF WHO	x	GoJ (space, but not signed)
<b>Tonga</b>							
Education Support Programme (2005–10) + (2010–2011)	—	—	x	x	—	—	—
Health	<i>No health SWAp in place at this time</i>						
<b>Vanuatu</b>							
Education Road Map (VERM) (2010–2012)	—	x	x	x	UNESCO UNICEF	x	AFD EU GoF GoJ Peace Corps
Health Three-year Corporate Plan (2011–2013)	<i>Three-year Corporate Plan and Joint Partnership Agreement under development</i>						

Source: Signed partnership agreements under each SWAp.

Note: AFD: Agence Française de Développement; EU: European Union; GoF: Government of France; GoJ: Government of Japan; SPC: Secretariat of the Pacific Community; UNESCO: United Nations Educational, Scientific and Cultural Organization; UNFPA: United Nations Fund for Population Activities; UNICEF: United Nations Children’s Fund; and WHO: World Health Organization.

and policy/strategic advice—so essential to suggesting improvements in their support. These qualities of DP support are not well or fully documented.

**1.4 Background and Regional Context**

The background and regional context presented in Annex 1 provide an interesting baseline for this study, describing the situation in Pacific Island countries in 2005—the time many social-sector SWAps were being designed and launched.<sup>9</sup> First, notwithstanding impressive

results achieved in health and education sectors since the 1970s and 1980s, there was growing concern by 2005 that the very generous financial support available to these sectors (provided by governments and DPs) was not

<sup>9</sup> Annex 1 provides detail on: (i) the issues and performance of the health and education sectors in the four Pacific Island countries covered in this study, which have challenged these countries and their DPs to consider new ways of interacting to enhance social sector outcomes; (ii) the global and regional movements, which have emerged over the past decade or more, advocating and guiding greater aid effectiveness; and (iii) the challenges of improving sector outcomes and of implementing aid effectiveness principles in the Pacific Island context.

culminating in the expected effect on sector outcomes. *Second*, the aid effectiveness agenda emerging from the global movement held interest for Pacific Island countries and appeared to address some of the concerns about inefficiencies in resource use in the health and education sectors. This is evident in Pacific Island countries' attendance at key global meetings and their signature of aid effectiveness declarations and commitments. It is most evident in the articulation and adoption of region-specific aid effectiveness principles and commitments (Annexes 2 and 3).<sup>10</sup> *Third*, over and above the challenges of their small size, isolation, cultural context, and vulnerability to natural disasters, Pacific Island countries included in this Review are highly dependent on external aid, a very substantial proportion of which is made up of bilateral aid (close to 100 percent of external aid for Solomon Islands, Tonga and Vanuatu, and two-thirds for Samoa). This bilateral aid is provided by one or two countries that share a very long political and economic history with the aid recipient. *Finally*, the governance structures and capacities of each country shape the opportunities and constraints for successful SWAps. Governance briefs (Annex 4) provide this context.

## 1.5 Report Organization

The report is organized around the four Review questions. Chapter 2 assesses the extent to which the expected benefits of the *approach* have been realized to date. Chapter 3 explores the extent to which the sector programs supported by the SWAp are achieving (or likely to achieve) their performance and outcome objectives. Chapter 4 assesses the effect that aid effectiveness efforts under SWAps may have had on the achievement of sector objectives. Chapter 5 provides preliminary insights on the efficacy of the DPs' support in a SWAp mode. Chapter 6 distills findings and lessons and their relevance to experience elsewhere in the world, while Chapter 7 proposes an agenda for fieldwork to fill information gaps, validate preliminary findings and recommendations, and weave in the perspectives of the country and of field-based DPs.

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<sup>10</sup> Most notably: the *Pacific Aid Effectiveness Principles*, endorsed in 2007 and the *Cairns Compact on Aid Effectiveness*, adopted in 2009.

## CHAPTER 2

# ARE THE ANTICIPATED BENEFITS OF THE APPROACH BEING REALIZED?

This chapter assesses the extent to which the objectives or anticipated benefits of the aid effectiveness efforts under the SWAp (the *approach*) are being achieved. It provides a quick tally of performance against the anticipated benefits of a SWAp outlined in the top panel of the Review's analytic framework (Figure 1-1). The *effect* of the approach on the achievement of sector results is analyzed in Chapter 4.

### 2.1 Program Objectives and Design: An Important Caveat for Assessing Success<sup>11</sup>

Annex 5 documents the difficulty of assessing the extent to which the anticipated benefits of the *approach* are being realized.

- *First*, SWAps reviewed to date are not fully sector wide in scope because they do not capture all sector activities being undertaken during the same time-frame, nor do they capture all sources of support (Table 2-1).
- *Second*, the understanding of what a SWAp is, and what it entails, among the various actors and stakeholders involved, is not the same or entirely clear, even within the same country and the same sector, due to its incomplete treatment in key documentation.
- *Third, and most importantly*, SWAp-specific aid effectiveness baselines and objectives (or expected benefits) are not systematically or explicitly stated,

making it unclear what the aid effectiveness efforts are trying to achieve and how to define and measure success. It is important to note, however, that an in-depth analysis and interpretation of aid effectiveness efforts under each of the SWAps (carried out in the context of this desk study and documented in the country/sector-specific Appendixes) shows that expected benefits (although not always well or explicitly articulated) do indeed respond to those itemized in the Review's analytic framework. The measurement of progress against the analytic framework is thus in keeping with the objectives-based methodology of this study.

<sup>11</sup> Annex 5 provides a brief overview of: (1) the scope and coverage of the SWAps under review; (2) the total cost of SWAps; (3) how clearly aid effectiveness concepts, principles and objectives are articulated in SWAp design documents, and how they compare with the aid effectiveness/SWAp objectives laid out in this Review's analytic framework (Table 1-1, top panel); and (4) SWAp implementation arrangements. In essence, this annex documents the difficulty of assessing the extent to which the anticipated benefits of the *approach* are being realized.

**Table 2-1: Relationship between National Strategic Plans and Programs Supported by SWAp**

Country/Sector	Government's Strategic Plans	Programs/Projects Supported under a SWAp		
		Project/Program	Total Cost/ Financing	Pooling DPs*
Samoa Education	<i>Strategic Policies and Plan: July 2006–June 2015</i>	Second Education Sector Programme (ESP II) (2006–2013)	US\$30.0 million	AusAID, NZAID, ADB
Samoa Health	<i>Health Sector Plan: 2008–2018</i>	Health Sector Program (2009–2013)	US\$24.3 million	AusAID, NZAID, World Bank
Solomon Islands Health	<i>National Health Strategic Plan (NHSP): 2006–2010; and National Health Strategic Plan (NHSP): 2011–2015</i>	Health Sector Support Program (HSSP) (2008–2012)	SI\$985 million [+ WB TA Project support of US\$1.5 million]	AusAID
Vanuatu Education	<i>Education Sector Strategy: 2007–2016</i>	Education Road Map (VERM) (2010–2012)	Not available	AusAID, NZAID, UNICEF

Source: Program Implementation Manuals.

Note: See Table 4-1 for a full list of DPs (pooling and nonpooling) supporting these SWApS.

## 2.2 Improved Sector Management and Coordination

**All SWApS reviewed to date achieved, at least partially, the goals of developing and using various tools for improved sector management and aid coordination that facilitate the aid effectiveness agenda (Table 2-2).**

All SWApS were based on a *medium-term program of work, grounded in national policy and strategy* (Table 2-1). Some of these were not, however, fully fleshed out. While Samoa's ESP II had a fully defined and costed program, its Health Sector Program was partially defined and dependent on annual plans to define more fully activities and their costs.

Proposed activities identified under national policy and strategy were not, however, always the most strategic. Solomon Islands' HSSP was not produced in complete and final form, with priority program costs missing. Vanuatu's VERM provides the basis for a three-year rolling plan, with the first year detailed, but it is not, itself, a plan. *Medium-term projections of resources and expenditure plans* were not produced under all SWApS. This was done for ESP II, but not for Samoa's entire education sector. The first sectorwide Medium-term Expenditure Framework (MTEF) for Samoa's health sector estimates expenditures, based on projected resources, but it does not estimate costs. Solomon Island's HSSP was not fully costed, and resource projections are not complete. A

draft MTEF is reported to have been prepared in late 2010, linked to the government's new health plan, but it was not available for this desk study. There is no evidence of an MTEF or other document that estimates the full costs of Vanuatu's VERM and all sector financing.

All SWApS reviewed have established *structures and processes for working partnerships*. These are defined in design documents, individual grant agreements, and joint partnership arrangements. Most salient, and consistent across SWApS, are arrangements for regular (annual or semi-annual) meetings for the joint review of annual plans programs, budgets and performance under the SWAp.

*Plans for common implementation arrangements for procurement and financial management* are well-defined for all SWApS. Two SWApS (Samoa ESP II and Vanuatu VERM) do not, however, mention whether capacity assessments were undertaken. Evidence suggests that none of the SWApS reviewed assessed M&E systems and capacity or fully defined M&E frameworks and arrangements at the design stage. All of them noted that these would be developed during implementation with TA. M&E frameworks are reported to be available now for Samoa ESP II, Samoa Health Sector Plan and Solomon Islands HSSP, but this desk study had access only to the one for the Samoa Health Sector Plan, which was not complete.

**Table 2-2: Development and Use of SWAp Tools for Improved Sector Management**

Country/Sector	Medium-term PoW grounded in national policy and strategy	Medium-term projections of resources and expenditure plans	Structures and processes for working partnerships	Plans for common implementation arrangements, based on capacity assessments	
				Procurement, disbursement, financial management	Monitoring and evaluation
<b>Samoa</b>					
Second Education Sector Project (ESP II) (2006–2013)	Yes	Yes: for ESP Partial: for the entire sector	Yes	Yes: but no evidence of capacity assessments	Partial
Health Sector Program (2009–2013)	Partial	Partial	Yes	Yes	Partial
<b>Solomon Islands</b>					
Health Sector Support Program (HSSP) (2008–2012)	Partial	Partial	Yes	Yes	Partial
<b>Vanuatu</b>					
Education Road Map (VERM) (2010–2012)	Partial	No	Yes	Partial	Partial
Health Three-Year Corporate Plan (2011–2013)	Partial	No	Partial	Partial	Partial

Source: Compiled by the author, based on country/sector studies (in Appendix).

### 2.3 Harmonization and Alignment of Development Assistance

SWAp goals of harmonization and alignment of development assistance have been partially achieved to

date (Table 2-3). All three SWAps (for which evidence is available) have achieved the goal of establishing a country-led partnership between governments and the DPs. The MTR on Samoa ESP II notes that the Ministry of Education, Sports and Culture (MESCC) has

**Table 2-3: Progress in Harmonizing and Aligning Development Assistance**

Output	Achieved	Partially Achieved	Not Achieved	Not Evaluable
Country-led partnership between government and DPs.	Samoa Education. Samoa Health. Solomon Islands Health.			Vanuatu Education.
Use of national systems/capacities for implementation.	Samoa Health.	Samoa Education. Solomon Islands Health.		Vanuatu Education.
Reduced transaction costs.				Samoa Education. Samoa Health. Solomon Islands Health.

Source: Compiled by the author, based on country/sector studies (in Appendix).

developed significant leadership strengths in sector oversight and implementation. Under Samoa's Health Sector Program, the Government of Samoa (GoS) chairs summit meetings and leads all aspects of program management and oversight. Reports on the Solomon Islands HSSP indicate government leadership in program management and oversight, but also notes the government's need for considerable technical support in its role.

Progress has been made in the *use of national systems and capacities for SWAp implementation*. Under Samoa Health the MTEF is linked with GoS' three-year planning process and the work plans use GoS budget categories and cycles. National competitive bidding procurements rely on GoS procedures, while international competitive bidding procurements use World Bank guidelines. Financial management relies on the GoS Finance and Reporting System. ADB procurement guidelines were initially used for Samoa ESP II because GoS systems and capacity were deemed to be insufficient. The World Bank's assessment of capacity, documented in the *aide-memoire* of the February 2009 Joint Review Mission (JRM), and the findings of the 2010 MTR both report improved performance and scope for shifting to country systems. Shortcomings and inadequate alignment of financial management systems have been reported by the MTR and it is not clear to what extent the recently produced M&E framework will suffice. Under the Solomon Islands HSSP, AusAID, which pools its funds, relies on country systems and capacities for procurement, financial management and performance monitoring. AusAID does, however, rely on a contract management company

to undertake procurement of TA; and there have been no guidelines, standards, supervisions, training or audits of M&E systems and capacities.

The extent to which *reductions in transaction costs* have been achieved has not been documented. The evidence is, however, clear that, while some transaction costs of interacting with DPs individually may have been reduced for governments, the SWAp has generated substantial incremental tasks and responsibilities for line ministries. The ultimate benefits of these incremental responsibilities may be even greater but this has not been measured.

## 2.4 Enhanced Sector Stewardship

This section provides a brief synopsis of progress against three objectives common to all SWAps reviewed: (i) efficient use of sector resources; (ii) stronger results focus; and (iii) strengthened accountabilities for sector results. These are analyzed more in-depth in Chapter 4 and reflected in the lessons of this desk study (Chapter 6).

**SWAps have not yet fully achieved the goal of enhanced sector stewardship (Table 2-4).** There is insufficient evidence to assess whether sector *resources* (or resources under the SWAps, specifically) have been *used more efficiently* in support of national policy, strategy and priorities. Baselines, more specific targets and indicators, and trend data are needed across all SWAps, along with more building blocks that would establish: (i) the most cost-effective, highest-impact interventions; (ii) the cost of delivering these interventions/services; and

**Table 2-4: Achievement of Enhanced Sector Stewardship**

Outcome	Substantially Achieved	Partially Achieved	Not Achieved	Insufficient Evidence
Efficient use of resources to support national policy, strategy, priorities.				Samoa Education. Samoa Health. Solomon Islands Health.
Results focus.			Samoa Education. Samoa Health. Solomon Islands Health.	
Ability to define and track accountabilities.		Samoa Education. Samoa Health.	Solomon Islands Health.	

Source: Author's assessment, based on country documentation.



(iii) routine public expenditure reviews and incidence analyses to trace actual spending against priorities.

SWAps to date have not incited a *stronger results focus*. A failure to report on ESP II on a strategic level, with evidence-based results, was noted in the MTR. At the time of the data analysis for this study, a new M&E framework and reporting regime was expected to facilitate a greater results focus, but this had not yet happened. The M&E Operational Manual for Samoa Health Sector Program proposes indicators for the *Program*, but some baseline data, targets and a results chain are still missing. There are indications that M&E is a higher priority among DPs than it is within the GoS. The Solomon Islands Government (SIG) commitment to a results focus is captured in the dialogue and in program documents, but has not been not fully translated into reality. SIG is

still in need of capacity building to enable it to align programming, resource allocation and M&E with expected results, grounded in a well-defined results chain.

There is some indication of *accountabilities* in the design of the Samoa Education and Health SWAps. In both cases, Assistant Chief Executive Officers (ACEOs) are accountable for components, but there is no evidence of systems, capacities or practices in tracking performance and accountabilities for results. Accountabilities need to be defined for all those involved in sector management and service delivery. Both Samoa SWAps and the Solomon Islands Health SWAp highlight the need for more clarity on the roles and responsibilities for service delivery and oversight and systems and capacities to track performances. This encompasses all levels and entities in the health system.



## CHAPTER 3

# ARE THE OBJECTIVES OF NATIONAL SECTOR PROGRAMS LIKELY TO BE ACHIEVED?

All SWAp-supported programs reviewed to date are still under implementation, with most at, or slightly past, their implementation midpoint (most are five-year programs) at the time of data collection and analysis for this study. While none can be expected to have achieved their program objectives yet, it is both timely and wise to assess their performance to date and the likelihood of achieving their objectives by the end of the program period. This chapter provides a quick overview of progress achieved to date under each SWAp. It addresses the bottom panel of the Review's analytic framework (Figure 1-1).

### 3.1 Samoa Second Education Sector Programme (ESP II)

An MTR conducted in 2009 found that, after a slow start and four years of implementation, there has been some progress against some of the ESP II milestones, while performance against others has fallen short of targets. Some progress was made on most components (curriculum development and reform; developing effective teachers; improving access to quality education; research evaluation, policy analysis and planning; and management and oversight of development projects), but there are caveats. The technical quality of the work undertaken was sometimes lacking; there was inadequate coordination and phasing of activities within

and across components; cost overruns of civil works were significant; and the recurrent cost implications of some investments (especially teacher development) have not been fully assessed or their financing assured.

The MTR did not systematically assess ESP II's progress to date against its 2011 outcome targets or its 2015 impact targets. It does note, however, that outcomes and impacts are not likely to be achieved by the project's closing date. This Review's independent assessment of the evidence corroborates this finding, given that the six-year implementation period is approaching its end, and considering the findings and recommendations of the sixth JRM, which occurred after the MTR.

### 3.2 Samoa Health Sector Program

At time of data collection and analysis for this study, an MTR of the Health Sector Program was scheduled for 2011 and its thrust was expected to be more forward-looking (the redevelopment of the *Program*) than retrospective or evaluative. In the absence of a mid-term evaluation, this desk study had inadequate documentation to assess progress against health performance and outcome indicators.<sup>12</sup> Nevertheless, it should be noted that the preparation and publication of the Demographic and Health Survey (DHS) is a significant achievement of the SWAp. Carried out by Macro International in conjunction with Samoa's National Bureau of Statistics, the learning-by-doing process built substantial capacity for Samoa to take on a similar exercise in the future with more independence. The quality of the DHS is substantial, and it provided evidence that facilitated a critical dialogue about the overall strategies and priorities of the health sector.

Samoa is on track to achieve most health-related Millennium Development Goals (MDGs), having made substantial gains in maternal and child health (MCH) and in the fight against communicable diseases. It is undergoing an epidemiological transition, with lifestyles and noncommunicable diseases (NCDs) assuming increasing prominence, both in the country's disease profile and in the health strategic framework. Nevertheless, the DHS results have pointed to an unfinished agenda with regard to MCH and communicable diseases. This evidence is critical for substantiating the policy dialogue in the context of the SWAp and for refining priorities, plans and expenditures with a view to enhancing expenditure efficiency supportive of this unfinished agenda, as well as the NCD/lifestyle agenda. A joint *aide-memoire* issued after DHS results became available noted the possibility of adjusting priorities in light of DHS findings. This responds to the essence of the SWAp rationale.

### 3.3 Solomon Islands Health Sector Support Program (HSSP)

It is not possible to assess the extent to which health sector objectives have been, or are being, achieved, especially in the context of a desk study. *First*, at the time of the

data analysis phase of this report: (i) the five-year period of the NHSP (2006–2010) has come to an end, and a new draft NHSP (2011–2015) has been vetted with key DPs and national stakeholders; and (ii) the HSSP (2008–2012) is at its midpoint. There had been no final evaluation of the NHSP 2006–2010, or mid-term evaluation of the HSSP.<sup>13</sup> *Second*, while a list of indicators was established for both NHSP 2006–2010 and HSSP 2008–2012, there was no results chain or fully developed results framework for either one, some baseline data were missing, the indicators were not fully commensurate with stated objectives and priorities within each document, and core indicators were not coherent across the two documents. *Third*, the Health Information System is in need of improvement. It is currently unable to generate timely, key information to facilitate the strategic management and evaluation of sector performance. *Fourth*, this desk study does not have knowledge of, or access to, provincial-level trends or evaluations of service delivery performance and outcomes. There is, apparently, good health data and trends in the country, according to various surveys, analyses and other sources, that might be more fully exploited.

Nevertheless, background work supporting the preparation of the new NHSP (including the work on financing options by the Bank) does provide some insights on health sector performance. Current services appear to be delivered very equitably, compared to similar low-income countries. Specific achievements reported by the Ministry of Health and Medical Services (MHMS) during the September 2010 Joint Review include relatively high levels of antenatal visits and supervised deliveries, reduced maternal mortality, and improved tuberculosis (TB) and malaria outcomes. The MHMS also cited challenges at the September Joint

<sup>12</sup> In December 2011 a year-long SWAp redevelopment paper was issued by GoS, the culmination of a year-long MTR process (Ministry of Health. 2011. *Redevelopment of the Health SWAp Program*. Final Draft, December). While worth noting, this paper became available too late to be taken into account for the purposes of this study.

<sup>13</sup> Well after the data collection and analysis phase of this study a review of the Health SWAp was undertaken as part of the 2011 JAPR (Tyson, S. 2011. *Solomon Islands Health Sector Wide Approach, Progress Review 2008–2011*. Final Report, October 5). While worth noting its existence, this document was not available in time for its incorporation into this study.



Review, especially the need to: (i) sustain recent good levels of immunization coverage and other primary health care activities; (ii) address the challenge of growing lifestyle diseases (diabetes and cardiovascular diseases) and associated risk factors (adult obesity, smoking, betel nut chewing and related mouth cancers, and physical inactivity); and (iii) significantly improve access to safe water and sanitation services.

### 3.4 Vanuatu Education Road Map (VERM)

Although VERM has only been under implementation since 2010, there is evidence of progress against a number of program indicators as a result of: (i) proactive implementation of the universal primary enrollments policy and school grants scheme, which are among VERM's highest priorities; and (ii) monitoring and evaluation of their effectiveness. In support of Strategic Goal 1, the School Grants Scheme has reduced, albeit not eliminated, primary school fees paid by parents, and it has led to increased enrollments. Primary enrollments in 2011 have increased by an average of 10–15 percent over the previous year, with variations across provinces. Enrollments in urban schools are higher than those in rural schools. Evidence suggests, however, that there are still other barriers to access that are causing some school-age children to stay out of school, including: transport costs; school distance; parental perceptions on the quality, relevance and value of education; poor infrastructure; and unpaid fees from previous years.

Increased enrollment has provided added challenges to the achievement of Strategic Goal 2—to improve the

quality of education. Problems with overcrowded classrooms, a shortage of trained teachers and learning materials have been exacerbated by the infusion of additional students. In schools (especially in rural, remote areas) where teachers (many of them temporary and untrained) are obliged to teach multiple grades on the basis of a 1:30 teacher-to-student ratio, the enrollments of additional children pose significant challenges. Especially challenging is the incorporation of new students, who are substantially older than their classmates because they had previously dropped out or never attended. There is scope for using school grants to address some of these quality issues.

The School Grants Scheme has supported the achievement of Strategic Goal 3—to improve and strengthen the management of the education system in Vanuatu. It has set up a system whereby grant funding is disbursed directly into school bank accounts and managed by the schools. It has also provided training and manuals for school-level financial management, and support to school plan design and implementation. Experience has shown, however, that school-level financial management capacity is still in need of strengthening, and there is scope for simplifying the guides and manuals. Follow-up training and capacity building for school record-keeping is also needed. There is also scope for clarifying roles and responsibilities of parents, communities and school administrators in relation to grant management.

All in all, the implementation of the School Grants Scheme has had an efficient and positive start. Thanks to early and rigorous M&E efforts, opportunities for enhancing the achievement of strategic goals have been identified, thus enhancing the prospects of achieving program objectives within the expected timeframe.



## CHAPTER 4

# HOW IS THE APPROACH AFFECTING SECTOR PROGRAM RESULTS?

This chapter explores four factors that affect the ability of SWApS to contribute to better sector outcomes (middle panel of the Review’s analytic framework—Figure 1-1): (i) the quality and relevance of the sector strategic framework; (ii) the strength of country capacity and incentives; (iii) the quality and functionality of the partnerships; and (iv) the predictability, flow and use of sector resources. The observations in this chapter are provided in the spirit of supporting governments and DPs in their proactive quest to learn and fine-tune the SWApS as experience unfolds. In fact, it addresses DPs original motivation for the commissioning of this study: to assess and address what elements of the SWAp might be undermining the timely and successful implementation of the highest-priority, highest-impact interventions, with a view to enhancing the efficiency and impact of collective efforts on social-sector outcomes in Pacific Island countries.

### 4.1 Quality and Relevance of the Strategic Sector Framework

The strategic sector framework is made up of a number of building blocks. These include (in various subsets and forms across the SWApS reviewed): general development objectives; national medium- to long-term sectorwide strategies and plans; shorter-term multiyear programs; medium-term costs and resource projections; and results frameworks capturing baselines, goals, targets and performance indicators. It is a significant, positive step that countries have prepared a number of documents to frame and facilitate the SWAp (Chapter 2). Nevertheless,

this document review has uncovered a number of issues related to the quality and relevance of the sector strategic frameworks that may have undermined the efficiency and success with which governments have been able to articulate and carry out their work programs and achieve their sector objectives.

**Strategic sector frameworks reviewed have been overly ambitious, in terms of the number of activities, level of targets, and complexity of reforms envisaged against the apparent limits of their timeframe.** The human and financial resources for implementation of medium-term programs also appear to be underestimated and/or not fully assessed. Regarding the Samoa Education

SWAp, both MESC's *Strategic Policies and Plan: July 2006–June 2015* and ESP II are very ambitious. Each of the 18 strategic components of the *Plan* itemizes numerous strategies for achieving sector goals. In total, there are 197 strategies to be implemented over three three-year phases. Of these, 159 (or 81 percent) were slated to start in Phase 1 (July 2006–2009) overlapping with ESP II; 160 would be under implementation in Phase 2 (July 2009–2012) overlapping with ESP II; and 121 in Phase 3 (July 2012–2015). The timeframe for achieving major, long-term education sector reforms that would lead to learning improvements appears to be underestimated and there is no assessment of MESC capacity for its implementation. Likewise, ESP II is also very ambitious in terms of its targets, reform agenda and objectives, and implementation plan, especially in light of constraints imposed by limited human resources in MESC, a fixed envelope of financial resources and a six-year timeframe.

The feasibility of implementing Samoa's Health Sector Plan in light of available human and financial resources was not fully assessed. Neither does the Health Sector Plan articulate the challenges of its implementation through the new institutional and organizational framework for the health sector (particularly the split responsibilities between the Ministry of Health (MoH) and National Health Service (NHS)—a reform promulgated in 2007 at the program's outset)—nor does it provide guidance on how this would play out in practice, be evaluated, and fine-tuned. For the Solomon Islands SWAp it does not appear that an assessment of MHMS capacity was undertaken to manage, oversee and deliver the programs and services envisaged under the NHSP or the HSSP, leaving in question the extent to which their commitments exceed the capacity to deliver them, and, in the case of inadequate capacity, what measures would be taken to ensure the feasibility of plans.

**The absence of adequate information on the costs of plan and program implementation and on the availability of financing to cover those costs have inhibited efforts to reconcile costs and available resources and to prioritize the financing of the highest-impact interventions.** The 197 strategies of Samoa MESC's *Strategic Policies and Plan* were not translated into an implementation plan, nor were they costed. Despite the initial costing of ESP II, various new reforms and frameworks emanating from this project have not been costed.

An MTEF was produced in February 2010 but was focused on schools, and so did not assess the costs of sectorwide plan implementation against available financial resources. Neither Samoa's Health Sector *Plan*, nor its *Program*, was fully costed. Annual plans are costed, but are not sufficiently strategic or results-based. SWAp financing of these activities is perceived to be more supplemental than integral to normal activities and financing. The first (and only) health MTEF appears to be more resource-based, than needs- or results-based. Solomon Island's HSSP five-year program was never fully costed; and the original, partial draft of the MTEF was never finalized, due to the absence of full costs and to difficulties in obtaining five-year horizon resource projections from SIG and DPs. It is, however, understood, at the writing of this report, that an MTEF linked to the new NHSP 2011–2015 is seeking to address these issues.

**Coherence across the various building blocks of the strategic sector framework—policy, strategy, medium-term plan, and program—is sometimes lacking.** In Samoa's education sector, the links between MESC's *Plan* and ESP are not fully established. JRMs have noted that ESP II is regarded as a separate program, rather than a source of support to MESC's *Plan* implementation. The MTR notes that ESP II needs to be more overtly linked to MESC's three-year Corporate Plans and to its annual plans. Samoa's Health Sector Program covers a five-year horizon and constitutes a subset of activities to be implemented under the first half of GoS's Ten-year *Plan*. It thus excludes all other activities to be implemented during that timeframe covered by all financing sources, additional to the three pooled funders and GoS counterpart financing. Annual plans prepared and supported under the Program are perceived (and conceived) to be more supplemental than integral to their normal activities and financing. While Solomon Islands' HSSP is intended to be a prioritized subset of activities drawn from the NHSP, the relationship and distinction between these two documents is not entirely clear. The process of the HSSP preparation (reported to be largely—and rapidly—prepared by consultants) raises questions about its ownership and the strength of its link to the country's needs and vision.

**The results focus of sector strategies, plans and programs appears to be weak, attributable to a failure to articulate at the outset: results chains (which define and**

link inputs, outputs, outcomes and impacts); appropriate indicators with quantified baselines and targets; and M&E plans and frameworks. Except for enrollment and retention targets, MESCs's *Strategic Policies and Plan* does not systematically lay out strategic outcome targets and their baselines. Neither MESCs's *Strategic Plan* nor ESP II articulates a results chain to underpin the program logic. At the outset of both the *Plan* and ESP II there was no M&E framework, but one that was subsequently established is meant to serve both the *Plan* and ESP II. While not available for this Review, the MTR indicates that it is not fully functional, and is lacking baselines and appropriate tools to monitor, measure and evaluate the extent and sustainability of reforms. The MTR also notes the need to develop an M&E system that would be aligned with the Corporate Plan and meet the needs of ESP II.

Samoa's Health Sector *Plan* (2008–2018) is broad; and its numerous outputs and indicators under each of its six objectives are a mix of actions, outputs and outcomes, which are not clearly defined. It does not articulate a coherent results chain, appropriate indicators, nor did it establish baselines and targets. The M&E framework, produced in draft in 2009, also does not articulate a results chain with indicators, or include a full set of baselines and targets that would reveal or guide priority-setting around results. The Health Sector *Program* sets good SWAp and health-related objectives and indicators, but does not articulate a results chain. The goals, objectives and indicators in the Solomon Islands strategic documentation<sup>14</sup> are not fully consistent across documents, which is likely to cause confusion about what the priorities are, and how they will be measured. The absence of an M&E framework, including a results chain, for either the NHSP or the HSSP, has left the underlying program logic ill-defined, providing less direction to those responsible for implementing, both at national and provincial levels. An M&E framework was being developed as part of the new NHSP 2011–2015.

**The evidence base of the strategic sector frameworks is not always strong, thus compromising the ability to identify, prioritize, phase and finance the most cost-effective, highest-impact interventions.** An important breakthrough for Samoa Health is the preparation of the DHS, which has helped to establish baselines, trends, prospects and challenges in the achievement of goals associated with MCH and undernutrition, and

the fight against communicable diseases. It points to an unfinished agenda for these areas of public health and primary health care, providing a basis for reshaping the work plans and priorities for the remainder of the Program period. There is some information and data on lifestyles and behaviors and on the growing prevalence of NCDs, but the content of the action plans under the Health Sector *Program* do not appear to include the most cost-effective interventions—both prevention and treatment—to address the growing NCD agenda. Neither is it clear to what extent Solomon Islands NHSP and HSSP interventions are prioritized based on evidence, especially with regard to lifestyle and behavior change interventions and incentives.

## 4.2 Strength of Country Capacity and Incentives

The use of country systems and capacities is an important tenet of the SWAp, especially for three key functions: (i) procurement; (ii) financial management; and (iii) strategic sector management (planning, programming, budgeting, and M&E). The use of country systems under the SWAps reviewed represents a radical change and a rather sudden, substantial additional burden on the health and education sectors' systems and capacities. Before the SWAp, bilateral donor-funded projects, representing the lion's share of external assistance, were implemented through management contractors. Obviously, the successful move toward reliance on country systems and the strengthening of these systems and capacities takes time. This section takes a look at the status quo and points to issues that may have slowed implementation and that might be addressed midstream to improve prospects of achieving sector objectives.

**Limited procurement capacity caused implementation delays and risked undermining the achievement of sector objectives during the initial years of the SWAps, but gradual improvements are noted in program review documentation, largely through learning-by-doing.** Reasons for limited capacity and performance under the Samoa Education SWAp, which followed ADB and

<sup>14</sup> See Table 2-1. More detail on strategic documentation is provided in Appendix 3.

government guidelines, include: (i) the unprecedented size of procurement responsibility compared with pre-SWAp arrangements; (ii) delays in the finalization of procurement guidelines; (iii) lack of coordination of bidding documents preparation by ADB, GoS and AusAID; and (iv) procedures and approval processes requiring clearance by both ADB and GoS systems. There were also issues associated with (i) the lack of capacity of technical experts (component managers) to participate in the procurement activities (particularly in the preparation of technical specifications/Terms of Reference [ToR], evaluation of tenders and in contract negotiations); and (ii) the lack of rigor and results-focus in the management and oversight of consultant contracts. All of these compromised the quality and efficiency of procurement activities and outcomes.

Under the Samoa Health SWAp, which used GoS and World Bank guidelines, procurement issues were reported to be an important drag on program implementation, consuming the bulk of time and efforts under the SWAp and causing major delays in the acquisition of goods and services needed to achieve objectives. Underlying reasons were both systems- and capacity-related. Some noted that the use, in effect, of two procurement systems (GoS and World Bank) causes delays for reviews and approval and there is a call to review the feasibility of transitioning to the use of GoS systems only. The international procurement advisor in the SWAp Coordination Unit (SCU) was not performing well and has since been replaced by a national advisor, who supports a local procurement expert. As is also the case for Samoa Education, component heads, responsible for preparing technical documents for procurement, do not have the capacity or experience to carry this out expeditiously or well. Procurement capacity is weak in the NHS, but the SCU has not provided NHS with sufficient support. The Corporate Services Division of MoH has procurement capacity and experience, but to date SCU has not sought its assistance. Likewise, procurement procedures under the Solomon Islands Health SWAp (under which AusAID is the only pooler) have caused implementation delays as a slow learning-by-doing process unfolds.

**The Samoa Education SWAp documents serious shortcomings in financial management capacity and performance that are undermining value for money and implementation pace and risking considerable cost overruns.** In contrast, there do not appear to be any

issues related to financial management capacity and performance under the Samoa Health SWAp. Overall financial control of project finances is very weak under the Samoa Education SWAp, because of the large number of people involved, untrained staff and unclear roles and responsibilities. There is no effective monitoring of financial performance of individual contracts and no quality control of performance on consultancy contracts. The weaknesses in program financial management and lack of quality control of contracts create a risk so substantial that it could lead to the program failing to meet its objectives, if not corrected. Slow preparation of quarterly reports has caused delays in DPs' ability to deposit funds into the Special Purpose Account (SPA). Delays in the preparation of withdrawal applications have undermined ADB's ability to reimburse expenditures. The appropriate institutional home for ESP II financial management and the integration of ESP II financial management functions within the wider MESC financial management process are two issues cited by the MTR as needing to be addressed. Financial management under Samoa's Health SWAp is carried out using government financial management systems, and is closely supervised by the Bank. Reviews of performance under this SWAp have not noted any financial management issues. Financial management issues were not raised in Solomon Islands Health documentation reviewed.

**SWAps have built on countries' systems and processes to strengthen strategic sector management, but inadequate attention to assessing and addressing weak capacity—especially for M&E—has undermined a results focus.** Planning, programming, reporting, and monitoring and review of implementation progress have been occurring regularly in Samoa Education, Samoa Health and Solomon Islands SWAps, due to the regular occurrence of planning and review meetings that are an integral part of the SWAp designs and of partnership arrangements. However, the quality, rigor, overall strategic content and results focus of these routine tasks and products are lacking. All three SWAps report that these meetings and reports focus much more on financial reporting and implementation issues (largely inputs and processes, and to some extent outputs), and not enough on progress in achieving outcomes and impacts.

Procurement and financial management capacities and systems were assessed and addressed during the



design of the three SWAps, and reinforced through the provision of TA, training, guidelines and supervision. In contrast, M&E capacities and systems were not systematically assessed or addressed during design; frameworks were produced only at or past the midpoint of implementation. An M&E framework and reporting system (not available for this desk study) has recently been produced for Samoa Education, but the MTR reports that it is still not being used for quarterly reports. An M&E framework has also been produced for Samoa Health, but its quality is lacking. The 2010 JRM on the Solomon Islands Health SWAp notes that an M&E framework is being produced as a tool for the new NHSP. All three SWAps include components or subcomponents to strengthen M&E, but—with the exception of Samoa Education/ESP II which specifies the support of operations research and evaluation to support strategic sector management—the focus is largely on monitoring, and not evaluation.

**The planning, management, oversight, effective utilization, and evaluation of TA have been raised as issues.** Under all three SWAps, there is a very substantial amount of TA that is being programmed to strengthen and supplement management and technical capacity in the sector ministries. The issues raised include: (i) the supply-driven nature of some of the assistance; (ii) the lack of quality of some of the assistance; (iii) governments' inability to effectively plan, prepare the ToR, manage, oversee and evaluate the assistance; (iv) inadequate results focus or accountabilities of the assistance; (v) lack of clarity about roles and responsibilities of the assistance and the staff/divisions they serve; (vi) poor communication between assistants and their direct clients/beneficiaries; and (vii) conflicting advice of different assistants. SWAp participants mentioned—and this desk study observed—that the planning and programming of TA is not usually undertaken in synergy with other (planned or needed) capacity-building interventions, such as plans for training, reform of systems and structures.

### 4.3 Quality and Functionality of the Partnership

It is not possible to assess the quality and functionality of the various partnerships involved in the SWAp on the basis of a desk study. This section presents some in-

formation gathered with some modest analysis on a number of fronts: (i) who is in the partnership; (ii) what are the functions of the partnership; (iii) how do the partners interact; and (iv) do the DPs have the capacity to adequately accompany governments undertaking SWAps. It is evident that interviews and firsthand observations in the field will be necessary for an in-depth assessment of this very important criterion of SWAp success.

#### 4.3.1 Who is in the partnership?

Donors supporting the sectors where there are SWAps are classified into three categories: (i) those providing pooled support to the SWAp; (ii) those participating in the SWAp, but providing project support; and (iii) those operating outside of the SWAp. Table 4-1 provides a preliminary overview of the clusters of donors by category. A closer look at the four DPs sponsoring this study reveals that: (i) AusAID provides pooled funding across the board and provides by far the largest share of external financing; (ii) NZAID provides pooled funding for all three of the SWAps it is supporting; (iii) the ADB supports one of the four as a pooler (Samoa Education); and (iv) the World Bank supports two of the four, one as a pooler and one through a TA project. It is also interesting to note that the SPC is a signatory to the Solomon Islands Health SWAp and the Vanuatu Education SWAp, but not the others.

**SWAp partnerships also involve other segments and sectors of government and civil society, but there is considerable scope for their greater involvement. Documents reviewed do not provide an indication of the extent to which regional bodies (SPC and the Pacific Forum) are involved in the SWAp.** SWAp Program Steering Committees, responsible for the strategic oversight of SWAp performance and outcome, provide a forum and structure for the participation of critical elements of government and civil society (Table 4-2). All four of the SWAps reviewed involve the Ministry of Finance (MoF) while one (Vanuatu Education) involves the Prime Minister's office. A quick look at public sector agencies' membership indicates that some key agencies that might contribute to sector outcomes that would require multisectoral support have been omitted (for example the Ministry of Labor to ensure that the education sector

**Table 4-1: Signatories and Nonsignatories to Partnership Arrangements**

SWAp	Signatories		Nonsignatory DPs Supporting the Sector
	Poolers	Nonpoolers	
Samoa Education	AusAID, NZAID, ADB		Canada, China, EU, JICA, Germany, SPC, UNDP, USA, WHO
Samoa Health	AusAID, NZAID, World Bank	WHO, UNICEF, UNFPA	Italy, Japan
Solomon Islands Health	AusAID	World Bank (through TA project), UNFPA, UNICEF WHO, Japan (shown as signatory, but no signature)	JICA, GFATM, Oxfam International, Save the Children, UNIFEM, UNDP
Vanuatu Education	AusAID, NZAID, UNICEF	EU, France, Japan, UNESCO, World Bank, Peace Corps, SPC	ADB, Spain

Sources: Joint Partnership Arrangements for various SWAps, other SWAp documentation, and www.aiddata.org. Very provisional information, which will need field validation.

Note: GFATM: Global Fund to Fight Aids, Tuberculosis and Malaria. JICA: Japan International Cooperation Agency. UNIFEM: The former United Nations Development Fund for Women (now UN Women).

prepares students for the needs of the labor market; and ministries responsible for food, nutrition, and trade to enable affordable healthy lifestyles).

Only two of the four SWAps (Samoa Health and Solomon Islands Health) provide for civil society representation in their Steering Committees. While the Partner Harmonization Framework (PHF) for Samoa

Education does note among its principles that "...development assistance will be provided in ways that build sustainable national capacity, including civil society (and) NGOs..." it does not include NGOs, civil society or communities as members of its Steering Committee. Involvement in all six JRMs to date was limited to representatives of signatory DPs, and five of the six missions

**Table 4-2: SWAp Program Steering Committee Membership**

SWAp	Government	DPs	Civil Society
Samoa Education <i>(Project Administration Memorandum)</i>	Government Ombudsman (Chair), Ministry of Education (CEO), MoF, Ministry of Foreign Affairs, Public Service Commission, Samoa Qualifications Authority, Ministry of Works, National University of Samoa, and others to be determined.	Coordinating DP	—
Samoa Health <i>(Program Operational Manual)</i>	MoF (Chair); Ministry of Health; National Health Service; Ministry of Women, Community and Social Development; Ministry of Education, Sports and Culture	DP representative	Samoa Family Health Association, Medcen Hospital; Samoa Red Cross; National Council of Churches
Solomon Islands Health (bi-monthly Executive Special Sessions equivalent to Steering Committee functions) <i>(Program Implementation Plan)</i>	Ministry of Health, Department of Finance and Treasury, Department of National Planning and Aid Coordination, Ministry of Education	DPs involved in health sector development	NGOs, CBOs and Churches involved in health sector development
Vanuatu Education	Ministry of Education (Chair), Ministry of Finance and Economic Management, and Office of the Prime Minister	Representative(s) from pooling donors and a representative from a nonpooling partner	-

Source: Compiled by the author, based on design documents.



did not meet with any representative from civil society or with any other DP supporting the sector. The exception was the third JRM (February 2008), during which a meeting of all DPs and the Samoa Umbrella for NGOs (SUNGO) was convened to discuss how better to coordinate and target their collective assistance. Another meeting with the broader network of sector DPs was convened during the MTR mission in 2009, and the following year it was agreed to invite a wider representation from DPs to attend monthly informal meetings. Inclusion of civil society representation is not explicit.

Based on documentation reviewed, it appears that nonsignatories to the Samoa Health Joint Partnership Arrangement (JPA) are not routinely invited to joint meetings and reviews. The November 2009 JPR on the Solomon Islands Health SWAp notes that partnerships need to be further strengthened and acknowledges ongoing efforts to this end, with government agencies and with international and civil society partners. SIG recently signed a Memorandum of Understanding (MoU) signalling its commitment to establish an effective development partnership with civil society, which may open opportunities for close collaboration under the Health SWAp.

### 4.3.2 To do what?

This review looked at how three key functions of the partnership are being carried out: (i) the review/negotiation of evidence-based policy and strategy; (ii) the allocation of all technical and financial support to the sector in line with national priorities; and (iii) the periodic review of sector performance and outcomes.

**There is evidence that SWAp partners have been involved in, and/or have supported in some capacity, the review/negotiation of evidence-based policy, especially in the context of major multiyear strategic planning exercises.** Virtually all the sectoral medium-term strategies and plans issued by governments have acknowledged the support and influence of the major development partners. There is, however, little detail in the documents reviewed about the value, nature, technical and economic rigor, weight or impact of these various contributions.

There has been a tendency within the SWAps for the dialogue, support and exchanges with partners to be fo-

cused more on the details of project inputs and implementation than on more strategic, sectorwide issues, evidence and policies. The sixth JRM for Samoa Education has noted, nevertheless, a move toward a more strategic focus to JRMs, but it also points to the potential for more sectorwide, policy-level discussions and advocates the opening up of these discussions to nongovernmental schools and civil society organizations. The focus of DPs' dialogue and scrutiny at the level of input quantities and activity details is thought to be inappropriate by DPs and GoS alike and there is consensus that DPs would do best to focus on policy/strategic discussions. Documents do indicate, nevertheless, that the DHS results prompted strategic discussions, but there is also indication that planning and review of sector performance discussions are not sufficiently focused on policy and strategy. Solomon Islands documents acknowledge the contributions of the SWAp partners in the development of the new NHSP at the midpoint of HSSP implementation.

**The efficient allocation of financial and technical resources has not yet been achieved.** This is due in part to the absence of essential, sectorwide building blocks for this task: the full costing of priority activities; medium-term projections of resource availability; tracking of actual expenditures and their links to sector results; as well as guidelines and criteria for resource allocation. Joint mission reports on Samoa Health note that plans and resource allocations in the SWAp are not yet made in the context of overall sector priorities and all funds available to the sector as a whole. Regarding the Solomon Islands Health SWAp, aside from agreement on general principles to allocate more available sector financing to primary and preventive services and to provinces, there is no guidance, formula or criteria to help SIG and its partners set and achieve sound resource allocation goals. All SWAps are working towards the setting of goals and guidelines for the more effective planning and management of TA.

**Joint reviews of sector performance are undertaken on a regular basis, but their focus is largely on monitoring of implementation and not on the assessment of overall sector performance and results.** It is not clear to what extent annual reviews are results-focused, especially given the absence (or weakness) of results frameworks and M&E plans. The Samoa Education SWAp's recent MTR was the most extensive review to date and did focus

on both SWAp implementation issues as well as progress against sector benchmarks set under the project. The Samoa and Solomon Islands Health SWAps are also past their mid-term points, but, as noted earlier, their MTR reports were issued too late to be incorporated into this study's analysis. The end of the NHSP in Solomon Islands coincides with the midpoint of the SWAp, but it is not clear that there will be an end-of-Plan evaluation.

### 4.3.3 How do they interact?

**The nature and quality of interactions cannot be accurately gleaned from a desk review, and thus will be an important focus of fieldwork; however a number of preliminary observations emerge.** AusAID serves as Coordinating Development Partner (CDP) for five SWAps, and NZAID for three (Table 4-3). This function revolves around the coordination and facilitation of information exchange among the DPs participating in the SWAps, and between the DPs and government. Joint planning, resource allocation and review meetings provide a vehicle and a structure for interaction among SWAp DPs and between DPs and government. Those operating outside of the SWAp are not, however, included in these meetings. There does not appear to be a formal structure or mechanism that would routinely bring together all DPs supporting the sectors, whether operating inside or outside of the SWAp. The three pooling partners for the Samoa Education and the Samoa Health SWAps meet informally and often with government. In the case of Solomon Islands Health, AusAID is the lead CDP, the largest financier, and the only DP pooling its support.

A number of issues and questions have emerged from this desk review, but their full analysis can only be effectively pursued through fieldwork and a better

understanding of the policies, pressures and contexts within which each DP functions. Among these issues are: (i) the significant leverage of AusAID, given its historical/political relationship with the Pacific Islands (one example being the Regional Assistance Mission to the Solomon Islands–RAMSI) and its importance as the main financier of the health sector (as well as other key sectors of the country); (ii) the Bank's limited presence in the field; (iii) the skills available through the DPs and the match of these skills with the needs of the country; (iv) the complementarities of DPs (in terms of skills, experience, mandate) and the extent to which they are exploited through partnerships; (v) the technical rigor of policy dialogue and its balance with principles of country ownership and sovereignty; and (vi) how DPs manage conflict among themselves.

### 4.3.4 Do Development Partners have the requisite capacity?

**It is not clear to what extent DPs bring the right knowledge, skills and capacities to support governments in the SWAp process and to carry out a sufficiently rigorous, evidence-based, technical and operational dialogue—individually and collectively.** This might be further analyzed through fieldwork, drawing on the perspectives of both national actors (public and civil society) and DPs.

## 4.4 Predictability, Flow and Use of Sector Resources

**Overall sector financing is not sufficiently predictable for the three SWAps reviewed.** The predictability of fi-

**Table 4-3: Coordinating Development Partners for Social Sector SWAps**

Country	Health	Education
Samoa	NZAID/MFAT	AusAID
Solomon Islands	AusAID	NZAID/MFAT
Tonga	AusAID	NZAID/MFAT
Vanuatu	AusAID	AusAID

Source: Compiled by the author, based on discussions with DPs.

Note: Shaded gray areas are SWAps covered to date in this desk study.



nancing, both for ESP II and for Samoa's entire education sector, has been uncertain at best. ESP II documentation clearly spells out the project costs and formalizes the funding commitments of GoS and the three DPs to finance, together, 100 percent of these costs. But the MTR reveals that its objectives will not be achieved within the original six-year implementation period, due to delays in implementation, overly ambitious targets and objectives, and significant cost overruns on civil works. The costs of implementing sectorwide plans have not been calculated, so the adequacy and use of DP support outside of ESP II have not been assessed.

Within Samoa's Health Sector *Program*, financing of the GoS and the three DPs is defined and predictable. Outside of the *Program*, however, the predictability of external funding, provided through a range of projects and pots of assistance (including those financed by pooling DPs) is not firm. A whole-of-sector SWAp (and MTEF) would help. While the budget/planning process for Solomon Islands Health is increasingly aligned with the country's budget cycle, other factors supporting predictability are not yet in place, notably: an MTEF; specification of total and annual commitments of SIG and all DPs; and financial plans with transparent criteria governing the allocation of funds. Unstable macroeconomic conditions are also undermining the predictability of domestic financing.

**Flow of funds, in terms of DPs' disbursements to government, depends on the timely production of adequate financial reporting, clearly defined in the SWAp documentation. It is less clear how funds flow to the various implementing entities, especially front-**

**line services.** The flow of funds from ESP II DPs to the Special Project Account has been slowed somewhat because of slow turnaround of quarterly financial reports and statement of expenditures and withdrawal applications for reimbursement. There is little indication, however, of how funds flow from the Special Project Account to entities implementing project activities.

The flow of funds within and outside Samoa's Health SWAp gives cause for tension and confusion. Within the Health SWAp, MoH manages and oversees all pooled support to the Health Sector Plan, including the substantial share allocated to the NHS. Outside of the SWAp, MoF allocates recurrent budget funds directly to NHS, bypassing MoH. This arrangement has caused tensions between MoH and MoF, and between MoH and NHS, which could affect implementation performance and efficiency. The desk study did not find any evidence on how funds flow to service facilities and other implementing agencies and how they are managed. Provincial health offices in the Solomon Islands are slated to assume more responsibility for the planning, budgeting, implementation and review of provincial health plans and to receive a larger share of sector resources to manage and use to this end. However the desk study did not find any documentation on how funds flow to the provinces, or how they are managed.

**There is little indication of the effective use of funds, especially at the level of implementing agencies and decentralized levels of sector ministries.** Regular public expenditure reviews would be helpful in this regard.



## CHAPTER 5

# HOW IS THE APPROACH AFFECTING THE EFFICACY OF THE DEVELOPMENT PARTNERS?

Performance and accountabilities of individual DPs need to be assessed against: (i) joint commitments and aid effectiveness principles committed to under the various SWAp agreements; (ii) DPs' own respective policies, strategies and performance criteria; and (iii) (especially) the real, unfolding needs of the country implementing the SWAps. The review of documents did not uncover adequate responses to this evaluation question. Analysis of DP efficacy will require more engagement with the four sponsoring partners of this study, including their staff based in-country, and especially the perspectives of governments and other national stakeholders. Field visits (to the countries and to each of the DPs' headquarters) could examine these questions in a more systematic way.

The four DPs sponsoring this study are united in their support of the aid effectiveness principles underlying the SWAps, but these agencies may share somewhat different visions of how to move forward to actually achieve improved aid effectiveness. AusAID envisages evolving its health sector assistance to budget support. NZAID emphasizes the importance of prioritizing and linking financing to results, and is thus interested in moving toward a results-based financing approach. The World Bank continues its support of implementation capacity strengthening (especially procurement and financial management) and its technical advice and assistance on sector financing and economics for enhancing sector

impacts. Each agency is obliged to respond to the policies and practices of its respective head office, but they also need to unify, collaborate, and adapt their agendas and policies, to the extent possible, to present a unified front in support of national policies, priorities and practices. Fieldwork might better assess the extent to which the right equilibrium has been achieved.

This desk study raises a question about the relevance of the business models of the DPs. From governments' perspective, SWAps represent a quantum leap from the previous way of doing business (projects were largely managed by contractors hired by DPs) to the assumption of lead responsibility for: sectorwide strategic



management (policy making, planning, programming, budgeting, and M&E), effective resource use and accountability (procurement, financial management); and the coordination of financial and technical support of DPs. While this is desirable to both governments and DPs, it is difficult, if not impossible, to achieve all at once.

The governments' business models for working with DPs have changed significantly with the onset of the SWAp, but the business models of the DPs may not have adapted themselves to new and emerging needs generated by the SWAp. Governments will need substantial

guidance and support. A second phase of this study needs to take a hard look—within and across agencies—to assess their current business models and levels of support against the needs and learning-by-doing approach generated by a SWAp. Focusing on the four DPs jointly producing this study, the adequacy and availability of their respective technical and operational capacities would be an important topic to pursue. The costs and benefits of new, better DP models that would provide for capable people on the ground to accompany governments on the SWAp journey are important to understand.

## CHAPTER 6

# FINDINGS, COUNTERFACTUAL, LESSONS, AND THEIR RELEVANCE TO GLOBAL EXPERIENCE

### 6.1 Findings

Chapter 2 (and Annex 5) documented that the SWAps reviewed to date are not fully sector wide in scope because they do not capture all sector activities being undertaken during the same timeframe, nor do they capture all sources of support. Rather, with the exception of Vanuatu Education, they support a project or a program, which is a subset of activities envisaged under government's sectorwide plans. They also show that the understanding of what a SWAp is among the various actors and stakeholders involved is not the same or entirely clear, even within the same country and the same sector, giving cause for confusion. SWAp descriptions and operating principles are articulated quite extensively, but differently across the various documents describing the same SWAps. While they are not conflicting, they are not systematic in their description and stated expectations of a SWAp.

With the exception of Samoa Health, SWAp objectives and indicators are more implicit than explicit, making it challenging to measure success. The links between SWAp objectives and program outcomes is assumed, but not well established in the design documents. While, for each respective SWAp reviewed, all design documents, taken together, do respond to this study's analytic framework's summary of SWAps' expected benefits or outcomes, no one document fully articulates all of these

benefits or expected outcomes. All of this gives cause for confusion on what the SWAp is and what it is trying to achieve.

Chapter 2 has also documented that the anticipated benefits of the aid effectiveness efforts under the SWAps reviewed have been partially achieved. All SWAps developed and used most of the key aid effectiveness tools for improved sector management and coordination. Some headway has been made in improving harmonization and alignment of development assistance. There is, however, little progress to date against the objective of enhancing sector stewardship, especially with regard to the efficient use of sector resources, a greater focus on results, and strengthened accountabilities for results.

Chapter 3 has documented uncertainty about whether sector performance and outcome objectives will be achieved under these ongoing SWAps by the end of their program periods. Implementation delays, especially in the initial years, are likely to result in delays in achieving sector targets. The MTR of ESP II notes that outcomes and impacts are not likely to be achieved by the project's closing date. The MTR reports on Samoa Health and Solomon Islands Health were not available in sufficient time to incorporate into this study. Proactive M&E of Vanuatu Education has documented good progress against some objectives, just one year into VERM implementation, and operations research has identified

ways and means of enhancing program efficiency and results. This bodes well for the achievement of program goals in Vanuatu.

Chapter 4 has identified factors under the SWAp that are likely to have undermined their ability to achieve national sector objectives. *First*, strategic sector frameworks have exhibited some weaknesses on a number of fronts, including: (i) their overly ambitious nature; (ii) incomplete information on their costs and financing; (iii) uncertainty about their cost-effectiveness; (iv) their unclear sense of prioritization and phasing; and (v) an inadequate results focus. *Second*, the use of country capacity and systems are slowly building capacity through a learning-by-doing process, but this has caused implementation delays due to slow procurement, and slow replenishment of funds due to shortcomings (of some SWAp) in financial management and absorptive capacity. Inadequate attention to M&E capacity has caused delays in the production of M&E frameworks, results chains and in the assessment and strengthening of in-country capacity. The planning, management and effective utilization of TA also suffers from weak country capacity. *Third*, stronger sector partnerships have formed under SWAp, but they are exclusive of some critical players (public, nongovernmental and civil society actors), and there are opportunities to further analyze and improve interaction among DPs and their capacities to better support governments under a SWAp process. *Fourth*, overall sector financing is not sufficiently predictable and flow of funds to implementation agencies and their effective use are not well documented.

Finally, Chapter 5 points to the need for further exploration of the business models of the DPs supporting the SWAp (the four jointly producing this study) to assess the extent to which they are efficient and effective in meeting the needs and demands of country clients under a SWAp. This was not possible to assess in the context of this desk study. Table 6-1 provides a synthesis of these findings through the lens of OECD/Development Assistance Committee (DAC) evaluation criteria on relevance, efficacy, efficiency and sustainability. No evaluation ratings are assigned because these SWAp are still in process. Furthermore, this study is a learning initiative rather than an evaluation. In this spirit, a brief look at the SWAp's performance against each evaluation criterion

can be useful for pointing both to progress to date and to opportunities to improve their design and performance, where SWAp risk falling short of satisfying these criteria.

## 6.2 Counterfactual

The analysis of program/sector performance in the absence of a SWAp is difficult to assess because of the confusion about what constitutes a SWAp, even among stakeholders participating in the same SWAp. Furthermore, a SWAp is based on a set of aid effectiveness principles: country ownership; harmonization and alignment of development assistance (including the strengthening and use of country systems as common implementation arrangements and alignment of financing around nationally set priorities); delivering and accounting for results; and mutual accountability for the use of aid. It is unrealistic to imagine a counterfactual of not supporting any of these good practices. Various counterfactual scenarios might instead be constructed around the sequencing and pace of the adoption of these good practices. An exhaustive analysis of numerous scenarios goes beyond the limits of this desk study. Nonetheless, some of the lessons speak to the advisability of sequencing and to a clearer articulation of the description, objectives and performance indicators of the SWAp. Fieldwork will attempt to explore more systematically the counterfactual through interviews with key stakeholders and the “unbundling” of the aid effectiveness principles and other design features associated with a SWAp.

## 6.3 Lessons for Improving Performance Under a SWAp

This study has found that, with the support of DPs, Pacific Island countries: (i) have established many important building blocks for enhancing aid effectiveness through the design and implementation of social-sector SWAp; and (ii) are acquiring experience and building their capacities in sector management and implementation through a learning-by-doing process that applies to DPs, as well as country partners. The experiences,

**Table 6-1: Relevance, Efficacy, Efficiency and Sustainability of SWAp Reviewed to Date**

Evaluation Criteria	Samoa Education	Samoa Health	Solomon Islands Health
Relevance of objectives	ESP II objectives were drawn from the GoS' Strategy for the Development of Samoa (SDS) and strategic plans and supportive of DPs' respective policies and evolving approaches to education. But objectives were overly ambitious.	The Health Sector Plan is aligned with GoS' overall development policy (SDS), articulated around same six goals. The <i>Program</i> supports the <i>Plan</i> but not necessarily emphasizing highest-impact interventions. The Health Sector Plan and, to a lesser extent, the <i>Program</i> are ambitious.	SWAp and health sector objectives of NHSP and HSSP are broadly aligned with national development plans and with sector development strategies of the main DPs. But some of the targets and indicators are not fully reflective of the epidemiology, priorities and challenges of the sector (for example lifestyles). The relationship between NHSP and HSSP is not entirely clear. Program is ambitious.
Relevance of design	Components are generally supportive of objectives, but absence of results framework. Pilot nature of SWAp design was never fully defined in terms of its objectives, learning agenda and evaluation process and design. Capacities not fully assessed or addressed.	Design distinguishes between SWAp and health objectives, but does not lay out a results chain. Key programs and services addressing greatest disease burden not fully costed. Institutional/organizational framework and capacity for program implementation not fully assessed.	Distinction and links between SWAp and health sector objectives not explicit and results chain not clearly articulated. Design appears to be ambitious relative to country capacity. Roles, responsibilities, accountabilities, and capacity for strategic management and service delivery not fully defined.
Efficacy (to date)	MTR notes that sector objectives not likely to be achieved by end of project, but could be achieved over a longer timeframe with continued support and improved capacities. SWAp objectives partially achieved and in process.	No MTR to date. No trend data to assess the extent to which health objectives have been achieved to date. SWAp objectives partially achieved and in process.	Reporting notes good performance of health services (before and during HSSP implementation), but attribution to HSSP is not established. Achievement of SWAp objectives could soon be assessed as more substantial if MTEF, NHSP 2011–15 and M&E framework are issued soon and of good quality.
Efficiency	Insufficient data to assess the extent to which expenditures have been devoted to the highest-impact interventions. Efficiency of implementation suffers from slow procurement, inadequate financial management, low absorptive capacity, neglect of M&E, and inadequate results focus.	Indications that resources for the Program are not used optimally. PoWs are not sufficiently results-based or strategic and do not consistently focus on the highest-impact interventions. Unclear institutional/organizational framework and capacity constraints also undermine efficiency.	Basic package of highest-impact, most cost-effective services, delivered through the lowest level of services and their costs have not been defined. No criteria/targets yet developed for tracking spending efficiency. Capacity constraints undermine implementation efficiency.
Sustainability	Financial sustainability of investments and benefits flow will depend on continued financial support from DPs. Sustainability of reforms will depend on the effective management and use of TA and the building of MESCC capacity.	Financial sustainability will be dependent on continued availability of donor financing, especially AusAID. Sustainability of SWAp reform dependent on ability to expand its coverage to whole sector and all major stakeholders and on its alignment with respective roles and responsibilities of MoH and NHS.	Financial sustainability will be highly dependent on continued availability of DP financing, especially AusAID and on efforts to reconcile planned investments with ability to finance incremental recurrent costs.

Source: Compiled by the author on the basis of country- and SWAp-specific studies in Appendix.

documented in this study, point to weaknesses in SWAp design and implementation that may have slowed or undermined the achievement of sector results. Lessons emanating from this desk study's findings point to three strategic areas that, if strengthened, have the potential to

improve the effectiveness of social-sector SWAp in the South Pacific: (i) the focus on results; (ii) national capacity; and (iii) the capacities, accountabilities, and business models of the DPs to better meet the needs of countries implementing SWAp.

### 6.3.1 Results Focus

- **The clear articulation of aid effectiveness (capacity and efficiency) objectives and indicators under a SWAp, and the establishment of their links to sector-specific program objectives and indicators, are likely to result in the enhanced design, more efficient implementation and meaningful evaluation of a SWAp.** This is especially important in the context of Samoa's ESP II, which is conceived as a pilot SWAp. The analytic framework of this study (Figure 1-1) might serve as a useful tool for vetting, articulating and linking the sets of aid effectiveness and sector objectives and indicators, and for building a program logic that would clarify what the SWAp involves and what it is trying to achieve.
- **Improvements to the results framework for the programs supported by the SWAp and for the entire sector should drive, and render more coherent, the entire national strategic framework.** A fleshed-out results chain will allow the clarification of the "missing middle," which should provide the underlying logic of how inputs and activities are translated into outcomes, and facilitate the M&E of each of the links in the chain.
- **The generation and use of evidence to identify—and then to support—the most cost-effective, highest-impact interventions are likely to improve efficiency and outcomes.** Working backwards from the highest-order goals and objectives, the identification and support of the most cost-effective, highest-impact interventions will enhance the results focus of resource allocation and of all collective efforts. It might also stimulate more cross-sectoral work. An important case in point is the opportunity for cross-sectoral reflection and interventions to improve healthy diets.
- **The stimulation within government and among DPs of a greater appreciation and stronger demand for institutional learning could cultivate more regular undertaking (or commissioning) of operations research and evaluation that could be effective instruments of strategic sector management.** Most discussion and efforts devoted to "M&E" are largely limited to monitoring. DPs might seize the opportunity to support governments in developing an explicit agenda for learning, on which basis a program of

operations research and evaluation might be developed. This might clarify that operations research and evaluation can serve as tools to improve efficiencies and outcomes. More regular and in-depth public expenditure reviews including incidence analysis would be important to consider among other studies to enable the linking of resources with results.

- **Governments and DPs might garner information and resources to identify opportunities to evolve management structures and incentives to manage for results.** This would warrant analysis and a pragmatic, incremental approach, coherent with the opportunities and constraints of countries' governance structures. Results-based financing initiatives may hold promise, but they require substantial systems reform, and their widespread effectiveness cannot be currently confirmed because they represent a fairly new initiative, whose design and implementation vary across different country settings.

### 6.3.2 National Capacity Building

This study has shown that capacities are being strengthened through a learning-by-doing process, but they still fall short of the needs and demands of an ambitious sector agenda implemented through a SWAp:

- **The development of national systems and capacities could be better supported, nurtured and accelerated.** There is a need for: (i) the more systematic assessment of capacities against capacity needs (including an assessment of the allocation of roles and responsibilities within government structures and across various national actors); and (ii) the development of a holistic, results-based approach to capacity strengthening that would include a range of interventions including: (a) well-designed, well-managed TA with strong accountability for results built in; (b) review/revision of management systems to ensure their coherence, links and efficiency; (c) revision of roles and responsibilities of individuals and institutional entities; (d) training; (e) supportive supervision; and (f) performance management and accountability systems. These interventions might be applied to SWAp-specific capacities (planning, budgeting, procurement, financial management and

M&E) as well as to technical/sectoral capacities and they might extend beyond central government to encompass the provincial and community levels, as well as the nongovernmental sector and civil society organizations.

- **Capacity assessments and capacity-strengthening plans would do well to embrace the existing and potential roles of the nongovernmental sector, both for service delivery and for sector monitoring and evaluation.**
- **Needed strengthening of procurement capacity and critical path decisions on the evolution towards exclusive use of national procurement procedures could be facilitated by donor support and donor consensus.**
- **SWAp capacity-building efforts might better consider that highly qualified, well-trained national technical experts are not necessarily well trained or experienced in the management exigencies of a SWAp or in dealing with DPs.** The training/orientation of key staff to this end could help prepare them to be more effective.
- **Reducing the ambition of the sector program agenda is an important and complementary way of calibrating existing capacity and demands on capacity, but it is often neglected.** Governments and DPs could collaborate to reduce both SWAp- and sector-related objectives to match existing capacity, while capacity is being built. Efforts could start with the identification and elimination of unnecessary, duplicative tasks.
- **The prioritization, phasing and sequencing of the capacities and systems being built is yet another way to calibrate capacity demands and existing capacity.** Experience in other regions has revealed that starting first with M&E capacity and systems strengthening and focusing efforts in a second phase on procurement and financial management can lead to considerable success and strong national ownership under a SWAp.

### 6.3.3 Development Partners' Effectiveness and Capacity under a SWAp

Capacity building and learning-by-doing are not limited to countries. DPs must also assess and strengthen their own

capacity and effectiveness under a SWAp, as they, too, learn from experience. The effectiveness of DPs cannot be easily assessed in the context of a document review. Nonetheless, this desk study has uncovered a few points that could be the focus of initial reflection among the DPs and of more in-depth analysis through fieldwork, a crucial component of which will be the countries' own perspectives of DPs' effectiveness and capacity vis-à-vis their needs. *While these lessons are directed at what DPs might do to improve their effectiveness and capacity, an overarching lesson is the important role of government in holding DPs accountable to mutually agreed performance standards.*

- **DPs need to strengthen their own capacities to effectively participate in a SWAp.** This means listening and responding to the needs of countries and, in particular, ensuring that DP teams—whether field-based or HQ-based—bring the expertise and experience needed for an effective contribution. Such expertise might be technical, operational, managerial, or a combination of these, and it should be assessed and strengthened in light of the whole range of expertise (and gaps) across all DPs participating in a SWAp. Experience means that DP teams should be seasoned and able to add value.
- **Pooling DPs have expressed the desire to be more strategic in their discussions during Joint Reviews, rather than getting too immersed in the details of inputs and actions in the annual plans.** This elevation of the dialogue would be highly appropriate. It also depends, at least in part, on the availability of baseline and trend data to enable a strategic results focus.
- **Pooling DPs have also expressed their desire to include all DPs, and not just those who signed joint arrangements, in joint missions and planning and review meetings.** Pooling DPs could assist governments to invite, coordinate and institutionalize this process as the SWAp is expanded to the entire sector.
- **DPs would do well to review their respective business models to examine whether they are able to provide the right assistance at the right time.** This means assessing their skills and knowledge mix, their availability and accountability to government, and the costs of doing business under a SWAp.

Government perspectives on this would be an important input to this review.

- **DPs have the opportunity to harmonize their visions and approaches to the SWAp to present a united and supportive front to governments.** This would mean the delicate work to reconcile their obligations to HQ and HQ policies with the needs and demands of governments, for example, agreement on procurement procedures, and on modes and models of development.
- **DPs are challenged to strike the right equilibrium in their dialogue with government, ensuring rigor and candor on technical and strategic issues, and, at the same time, a respect of government sovereignty and leadership.** Increased generation and use of evidence for strategic choices and decision making are likely to help enormously in this regard.

## 6.4 Relevance of South Pacific Findings and Lessons to the Global Experience

This study has considered the distilled SWAp experience in six other countries around the world (Vaillancourt, 2009) and attempted to assess: (i) the relevance of the findings and lessons of this experience to the Pacific Island

context; and (ii) any particular considerations and challenges of a SWAp in the Pacific Island context (Table 6-2). *First*, the four factors of a successful SWAp (in terms of its effect on sector outcomes) are fully relevant to the contexts of the Pacific Islands studied. Experiences emanating from the Samoa, Solomon Islands and Vanuatu SWAps indeed corroborate the importance to sector outcomes of: the quality and relevance of the sector strategic framework; the strength of country capacity and incentives; the quality and functionality of the partnerships; and the predictability, flow and use of assistance (Chapter 4). *Second*, this desk study has identified that there are indeed additional considerations and challenges in implementing a SWAp particular to the Pacific Island context. They are listed in Table 6-2 against the success factor that they most directly influence, presenting an agenda for ensuring that the design and implementation of SWAps take them into full consideration. Over and above these considerations, another one emerges, which potentially affects all success factors—the very high cost (and opportunity cost) to DPs of doing business in the Pacific Islands.

## 6.5 Additional SWAp Guidance

Because SWAp findings and lessons emanating from this desk study are consistent with global experience, the

**Table 6-2: Relevance of South Pacific Findings and Lessons to the Global Experience**

Success Factor	Applicability of Factors to PIs	Additional Considerations/Challenges for South Pacific Context
Quality and Relevance of the Strategic Framework	Fully applicable	<ul style="list-style-type: none"> <li>• Challenges of a multiple agenda: MDGs + NCDs</li> <li>• Risk of natural disasters causing changes to plans</li> </ul>
Strength of country capacity and incentives	Fully applicable	<ul style="list-style-type: none"> <li>• Very small size of ministry staff, vis-à-vis heavy workload of SWAp</li> <li>• Very large volume of technical assistance, some of it supply-driven, some of it of unsatisfactory quality, most of it inadequately managed</li> </ul>
Quality and functionality of the partnership	Fully applicable	<ul style="list-style-type: none"> <li>• Smaller pool of DPs</li> <li>• Very prominent role played by one or two bilateral DPs (financial, political, economic)</li> <li>• Difficulty of UN/multilateral agencies attracting and paying for senior staff to be posted in field</li> <li>• Extent of decentralization, and involvement of decentralized/deconcentrated local authorities in the SWAp</li> <li>• Regional partnerships, structures, programs supporting social-sector development: SPC, Pacific Forum</li> </ul>
Predictability, flow and use of assistance	Fully applicable	<ul style="list-style-type: none"> <li>• Higher resources per capita than for most developing countries, emphasizing the importance of efficient use of resources</li> <li>• Relatively more security in longer-term support from bilaterals</li> </ul>

Source: Compiled by the author.

Pacific Islands undertaking SWApS, along with the DPs supporting them, might benefit from a number of SWAp-specific lessons and operational guidelines available to the public.

A few operational guidelines worth highlighting as being particularly relevant are the following:

- International Health Partnership and Related Initiatives (IHP+) publications and guidance on health sector SWApS ([www.internationalhealthpartnership.net](http://www.internationalhealthpartnership.net)), notably:
  - WHO. 2009. *Monitoring Performance and Evaluating Progress in the Scale-Up for Better Health. A Proposed Common Framework*. Geneva: World Health Organization.
  - *Monitoring Country Health Systems and Their Performance: An Outline Plan of Action, Report of a WHO Technical Meeting Held at the Rockefeller Centre, Bellagio, Italy, 28–30 October 2008*.
  - *Monitoring Performance and Evaluating Progress towards the Health MDG*.
  - WHO. 2010. *Monitoring and evaluation of health systems strengthening*. Geneva: World Health Organization.
  - IHP. 2009. *Joint Assessment of National Health Strategies and Plans: Combined Joint Assessment Tool and Guidelines*.
- The World Bank's Independent Evaluation Group's (IEG's) evaluations of social-sector SWApS ([www.worldbank.org/ieg](http://www.worldbank.org/ieg)), notably:
- World Bank. 2009. *Do Health Sector-Wide Approaches Achieve Results? Emerging Evidence and Lessons from Six Countries*. Washington D.C. World Bank.

- World Bank. 2007. *Project Performance Assessment Report, Ghana. Second Health and Population Project (Credit No. 2193) and Health Sector Support Project (Credit No. 2994)*. Washington D.C. World Bank.
- World Bank. 2006. *Project Performance Assessment Report, Bangladesh. Fourth Population and Health Project (Credit 2259-BD) and Health and Population Program Project (Credit 3101-BD)*. Washington D.C. World Bank.
- World Bank. 2008. *Project Performance Assessment Report, Kyrgyz Republic: Health Sector Reform Project (Credit No. 28600) and Health Sector Reform Project 2 (Credit No. 35060)*. Washington D.C. World Bank.

Annex 6 also provides checklists and descriptions of good practices under a SWAp mode, one for each of the four critical success factors. These checklists were compiled from a review of SWAp literature undertaken in 2008, and updated on numerous occasions to take into account new information generated since, notably: the results of IEG's six-country SWAp review (Vaillancourt 2009); the latest literature and guidance produced by IHP+ working groups;<sup>15</sup> and, finally, the incorporation of insights and lessons and South Pacific-specific context gleaned from this desk study (these latter updates shown in bold/italics). The costs and benefits of learning through networks might also be explored, at the regional level (through SPC and the Pacific Forum), and at the global level (through IHP+ and possibly other networks).

<sup>15</sup> [www.internationalhealth\\_partnership.net](http://www.internationalhealth_partnership.net)



## CHAPTER 7

# INFORMATION GAPS AND AN AGENDA FOR FIELDWORK

Chapter 1 is clear in noting the limitations of the evidence-base of this Washington-based study, and, along with the Concept Note, highlights the importance of fieldwork for collecting, analyzing and triangulating additional evidence. This additional evidence would include direct observations, interviews with key stakeholders, locally available data and trends, which would both fill information gaps and validate/refine findings and lessons. Engagement of countries in this learning initiative has the potential to be as valuable as its outcome. Table 7-1 summarizes the extent to which the desk study has been able to answer the Review questions and, in line with this study's mandate, proposes an agenda for fieldwork.

The **purpose** of the proposed fieldwork then is to validate/revise/update this study's evidence, analysis, findings and lessons through: (i) review of additional documentation available in-country; (ii) field visits to observe/understand SWAp design, implementation, issues and its impacts at central and decentralized levels of sector administration and at the level of front-line services; and (iii) interviews with a wide range of actors and stakeholders.

The **final product** would follow the design and organization of this desk study, which could be considered a rough draft of the final report. Thus it would consist of standalone country studies (one on each of the SWAps in process) and a main report synthesizing the country studies (same Table of Contents as for the desk study).

### 7.1 Approach/Steps

It is suggested that the field visits, observations, interviews and other validating actions be conducted as follows:

#### *Step One: Prepare for Country Visits*

- Send desk study's country-specific Appendixes to government and DPs, with the main synthesis (including the proposal for field work).
- Agree on:
  - mission timing (possibly linking with JRMs?);
  - participation (by key government officials and by relevant DPs); and
  - general approach/methodology.

**Table 7-1: Unfinished Agenda of the Desk Review and the Proposed Focus of Fieldwork**

Review Question	Desk Review Findings	Agenda for Fieldwork
1. Were the anticipated benefits of the approach realized?	This question answered: to be validated.	Validate findings: direct observation of SWAp and its functioning and interviews.
2. Were (are) the objectives of the national health strategies and programs of work (PoWs) (being) achieved?	Partially documented: to be validated. Partial because programs are still ongoing.	Validate partial findings and supplement with additional information/data/trends from decentralized and front-line services and through interviews.
3. Did the approach facilitate the achievement of national sector objectives? <ul style="list-style-type: none"> <li>• Quality of strategic framework</li> <li>• Country capacity and incentives (including design/management of TA)</li> <li>• Quality of partnership</li> <li>• Predictability, flow and use of funds</li> </ul>	Documented, but with some gaps: to be validated/expanded.	Themes to be addressed in further depth: <ul style="list-style-type: none"> <li>• M&amp;E and results management: capacity and practice</li> <li>• TA planning and management in broader context of capacity needs, other capacity strengthening interventions, incentives</li> <li>• Procurement, financial management and links to national systems/governance; comparing/contrasting different procurement, financial management designs and experience (ADB, WB, NZAID, AusAID models)</li> <li>• Comparative advantages of DPs; roles of DPs operating outside SWAp; role of regional entities</li> </ul>
3.a Are there any other SWAp factors that facilitate/undermine the achievement of national objectives?	Draft list to be validated: (Small size of civil service, large quantity of TA; region-level opportunities and constraints given isolation of islands; political economy of DP roles/interaction; high cost of doing business for DPs)	Open-ended question to capture and address South Pacific-specific characteristics and challenges.
4. How did the SWAp affect DPs' efficacy?	Inability to respond to this question through a desk study.	Solicit views of countries and of DPs (both HQ- and field-based).
Relevance	Documented: to be validated	Validate/expand on assessment of relevance. Review risk assessments.
Efficacy	Documented (for SWAp): to be validated. Partially documented (sector): to be validated.	Validate/expand on assessment of efficacy.
Efficiency	Efficiency of SWAp documented: to be validated.	Validate/expand on assessment of efficiency.
Sustainability	Sustainability of SWAp documented: to be validated.	Validate/expand on assessment of sustainability.
What are the main findings and lessons and what is their relevance to the global experience?	Draft lessons prepared, but will be subject to change through the fieldwork: to be validated/ revised.	Validate/expand on draft lessons. Intra-country synergies/lessons across the health and education sectors. Open-ended questions about lessons.

*Step Two: Conduct Country Visits*

- Central-level discussions to launch the study:
  - present study methodology, findings from original study of six countries;
  - present preliminary findings of South Pacific Desk Study (country-specific and synthesis of preliminary lessons);
  - solicit general feedback to validate/challenge preliminary conclusions and lessons; and
  - present/revise mission work/field studies, specifying participation.
- Interviews with central-level actors and stakeholders (government ministries of Finance, Health, Education; participating DPs; other DPs; and civil

society). Provides opportunity to examine cross-sectoral coherence, lessons, and synergies.

- Field visits.
- Return to central level to do follow-up interviews and discuss findings/revised recommendations.

*Step Three: Conduct Postcountry Visits*

- Visits to the HQ of four sponsoring DPs to solicit feedback on desk study and to address Question 4 (efficacy of DPs under a SWAp) more in-depth; and
- Visit to regional entity/ies (SPC which is joining some SWAp).

*Step Four: Prepare Final Draft*

- Main Report: Thematic Chapters on Cross-Country Findings
- Appendixes on Country-Specific Studies
- Send for final comment/clearance

*Step Five: Hold Cross-country Learning/Dissemination Event*

- **Staffing, budget and timetable** would be determined on the basis of countries' demand for such work and the availability of DPs' commitment and resources.



## ANNEX 1.

# BACKGROUND AND REGIONAL CONTEXT

### Health and Education in the Pacific Islands: Generous Financing, Modest Results<sup>16</sup>

Education and health services have been an important priority for government and donors for many years in the Pacific and collective efforts have culminated in many impressive results in health status and educational assessments since the 1970s and 1980s. However, continued momentum in these achievements has met with some evolving challenges. Although most children are enrolled in primary school, there are concerns about those still left behind, and those attending low-quality schools. Enrollments at secondary levels of education have stagnated and equity issues have appeared, particularly in secondary education, as poorer children dropped out, or were squeezed out of the system. Public sector health systems continue to face a demanding epidemiological profile that is characterized by a prevalence of both communicable and (increasingly) NCDs that are more expensive to treat, along with emerging communicable diseases such as HIV. Recognizing the many challenges faced by small island states in providing adequate service delivery, funding from donors and governments continued to flow into the social sectors. Nevertheless, this financial support has not achieved the expected effect on sector outcomes.

Government and donor resources for education and health in Samoa, Solomon Islands, Tonga and Vanuatu have attained high levels, averaging US\$149 per capita during 1997–2003. This level is almost equivalent to the average in other small and island countries (US\$185), and is more than six times the average for low-income

countries with abundant aid (Madagascar, Uganda, and Zambia at US\$23).

The effectiveness in delivering strong outcomes has, however, lost momentum. An assessment of three dimensions of government effectiveness (service expansion, sector management, and broader governance reforms) suggests the importance of accountability for improved outcomes. Service expansion accountabilities center largely on input management. Sector management accountabilities center on techniques to get more out of existing resources (delegation of responsibilities to local providers, setting standards, targeting services to those in need, staff incentives and allocating resources to priorities).

Governance initiatives, regulated by government as a whole, include information gathering and use, transparent processes, information sharing, service decentralization to local governments, partnerships with the private sector, and community mobilization and participation. A distillation of the challenges and strategic choices facing Pacific Island countries in their quest to enhance social-sector outcomes is synthesized in Box 1A-1.

This analysis culminated in the identification of three cross-sectoral strategic actions, aimed at achieving more efficient management and use of sector resources. ***First, better public expenditure management*** was rec-

<sup>16</sup> This summary is drawn largely from *Opportunities to Improve Social Services, Human Development in the Pacific Islands*, The World Bank, 2006. But its analysis and messages are consistent with the views of countries in the South Pacific Region and of DPs supporting these countries, as documented in the literature reviewed.

## Box 1A-1: Challenges and Strategic Choices for Enhancing Sector Outcomes

### Education

#### Challenges:

- How to ensure that every child completes the basic education cycle of adequate quality.
- How to ensure access to an equitable and quality secondary education for a rising proportion of children.

#### Strategic Choices:

- Develop and refine the strategic policy and financing framework.
- Strengthen and refine partnerships with private sector and community in increasing both the supply and the quality of secondary education within a coherent policy and regulatory framework.
- Focus on issues that would facilitate school to work transition and meet the needs of the economy.
- Move to more delegation of accountability for delivery of school services to those delivering services on the ground.
- Put in place surveillance systems that allow policy makers and education managers to track progress, including strengthening and developing Education Management Information Systems.
- Alleviate constraints on poor people's participation in education through 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 in the allocation of secondary scholarships.

### Health

#### Challenges:

- How to achieve better health outcomes through a health services delivery system that would effectively address the challenges of countries undergoing an epidemiological transition:
- the unfinished agenda of the MDGs, high fertility rates, continued prevalence of communicable diseases and the emerging threat of HIV and AIDS; and
- rapidly rising NCDs.

#### Strategic Choices:

- Ensure better alignment of resources, both government and donor funds, toward achieving desired health outcomes as prioritized in country sector strategies.
- Diversify sources of finance from public revenues to encompass risk-sharing mechanisms and individual payments.
- Delegate accountability to those delivering services on the ground, and include all parts of the delivery system in health systems work.
- Develop financial and nonfinancial incentives for service providers to ensure the delivery of quality services and for service users to ensure their appropriate utilization.
- Support initiatives that encourage people to lead healthy lifestyles.
- Document, and incorporate into service delivery design, information about household and community demand for services, their actual utilization and the costs incurred by such use.

Source: Opportunities to Improve Social Services, Human Development in the Pacific Islands (The World Bank, 2006).

ommended to ensure that resources would be targeted towards priority social outcomes and needs identified in country strategies and plans. It was recognized that this would possibly 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. *Second, better systems for information collection, analysis and use* were recommended to facilitate more effective sector management and the systematic tracking of progress on social-sector outcomes. *Third, closer alignment of sector and national policy priorities with the service delivery challenges on the ground* was also recommended. This strategic action encouraged government and DPs to exploit the synergies of cross-sectoral action to achieve social-sector outcomes, linking issues of youth with family planning, employment, job market relevance of secondary education, and health behaviors, among other examples. This analysis (and many other corroborating analyses of the challenges of achieving social-sector

outcomes) created increased momentum in the ongoing (global and regional) movement to improve social outcomes through programmatic, or sectorwide, support (Box 1A-2).

Annex 2 provides a general timeline of key events which marks the history of the SWAP and aid effectiveness movements, both worldwide and within the Pacific Region. In summary, in 1997, the first donor meeting to discuss the sectorwide approach took place in Copenhagen, cohosted by Denmark and The World Bank, focusing specifically on the health sector. Later that same year *A Guide to Sector-Wide Approaches for Health Development*, commissioned by WHO (and others also attending that meeting), was issued. Starting in the new millennium, a series of international meetings focusing on the topics of managing for results and aid effectiveness took place: the International Conference on Financing for Development (Monterrey, 2002); the First International Round Table on Managing for Development Results (Washington, 2002); the First High-Level Forum on Harmonization (Rome, 2003); the Second In-

## Box 1A-2: Leveraging all Resources to Improve Outcomes Through Programmatic Support

The following key principles could build on efforts already underway to introduce more policy and strategic coherence and to align all resources and incentives to achieve sector outcomes:

- Existence of a coherent strategy for the human development sectors;
- Government ownership and accountability of the strategy being supported;
- A focus on outcomes and prioritization of expenditures and scarce administrative capacities in support of the outcomes to be achieved, rather than just on input management (that is all inputs should be judged in terms of their contribution to improved outcomes);
- Programmatic, organizational and management reforms to enable the outcomes to be improved;
- Increasing the use 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 to be supported within a medium-term fiscal or budget framework with a focus on sustainability;
- Stakeholder inclusiveness in design and implementation of strategies; and
- Transparency and probity in all processes including through sound financial and procurement management.

Source: Opportunities to Improve Social Services, Human Development in the Pacific Islands (The World Bank, 2006).

ternational Round Table on Managing for Development Results (Marrakech, 2004); the High-Level Forum on Aid Effectiveness (Paris, 2005); the Third Round Table on Managing for Development Results (Hanoi, 2007); the launch of the International Health Partnership and Related Initiatives (IHP+); and the High-Level Forum on Aid Effectiveness (Accra, 2008).

**Many countries in the Pacific Region, and some of their DPs, attended these meetings and signed international declarations on aid effectiveness with the Pacific Region also issuing its own region-specific declarations (Annex 3).** In 2007 the *Pacific Aid Effectiveness Principles* were developed by the Pacific Islands Forum, and endorsed at a regional meeting in Palau. Based on the Paris Declaration, they were conceived to reflect Pacific goals, challenges and ideals. They emphasize country ownership, donor alignment and harmonization with government planning and budget cycles, use of local systems and multiyear commitments for enhanced development effectiveness.

In 2009, the leaders of the Pacific Islands Forum met in Cairns, calling for a new compact to drive more effective coordination of available development assistance. Among the principles of the new compact are: country leadership; mutual accountability and mutual responsibility between countries and DPs; the need to draw on international best practices, as expressed in the Paris Declaration and Accra Agenda for action; and a revitalized commitment to the achievement of the MDGs. Annual progress reports on the implementation of this compact were envisaged.

## The Challenges of Implementing Aid Effectiveness Principles in the Pacific Island Context

In order to be credible and useful, it is important for this review of social-sector SWAPs in the Pacific to consider the special challenges of its very specific context. The general challenges of the Pacific Island region, the exogenous factors, include: (i) its remoteness and isolation, a factor of its geography; (ii) the legacy of its colonial experience stretching back over 200 years and involving many countries in Europe, the Pacific Region, and North America; (iii) its communally focused cultural norms, and strong indigenous culture; (iv) its susceptibility to natural disasters; (v) its reliance on natural resources; and (vi) its overall high dependency on external aid (World Bank, 2005).

Table 1A-1 provides data on overseas development assistance. This shows: (i) how substantial this assistance is; and (ii) the very substantial portion which is made up of bilateral aid (close to 100 percent of ODA for Solomon Islands, Tonga and Vanuatu, and two-thirds of ODA for Samoa). Table 1A-2 shows how prominent AusAID assistance is across all four countries, making up the lion's share of all ODA. It is especially high for Solomon Islands where it is supporting RAMSI.

More specific challenges include the countries' governance structures, processes and capacities which are intricately connected to their ability to successfully implement under a SWAP mode. Table 1A-3 provides country performance assessment (governance) ratings assigned to each

**Table 1A-1: Overseas Development Assistance (ODA) in the Pacific (2006–08)**

Country	Samoa	Solomon Islands	Tonga	Vanuatu
<b>Net ODA (US\$ millions)</b>				
2006	47	205	21	49
2007	37	246	31	57
2008	39	224	26	92
<b>Bilateral Share (gross ODA)</b>				
2006	81%	88%	87%	85%
2007	78%	95%	86%	92%
2008	68%	97%	93%	97%
<b>Share of Total ODA going to:</b>				
Health	21%	4%	3%	8%
Education	6%	7%	12%	34%

Source: OECD, World Bank: [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats)

of the four countries in the same year. It is interesting to note that ADB and World Bank ratings for Samoa and Solomon Islands vary significantly, whereas ratings for Tonga and Vanuatu represent almost a consensus. The table provides an important context for assessing SWAp's

performance, as SWAp principles are linked to a number of governance issues including: the involvement of civil society; information availability and sharing; fiduciary exigencies; accountability; and budget and planning cycles. Annex 4 presents country governance briefs.

**Table 1A-2: Top Ten Donors of Gross ODA (2007–08 average) (in US\$ million)**

Donors	Samoa	Solomon Islands	Tonga	Vanuatu
Australia	13	193.8	11.1	24.5
New Zealand	7	19.8	9.1	9.0
Japan	7	12.4	4.2	11.4
European Commission (EC)	6	5.2	0.5	4.6
International Development Association (IDA)	5	—	2.6	—
Asian Development Fund (ADF)	3	6.2	0.6	0.2
United States	1	—	0.8	14.1
Arab agencies	1	—	—	—
UNDP	1	—	—	—
United Nations Technical Assistance (UNTA)	0	0.5	—	0.6
Canada	—	0.6	0.3	0.9
Italy	—	0.3	—	—
Republic of Korea	—	0.3	—	—
United Kingdom	—	0.3	—	0.1
Turkey	—	—	0.3	—
France	—	—	—	11.4

Source: OECD, World Bank: [www.oecd.org/dac/stats](http://www.oecd.org/dac/stats)

**Table 1A-3: Country Performance Assessment Ratings of ADB and World Bank (2009)**

Country/Source of Ratings	Economic Management	Structural Policies	Policies for Social Inclusion/ Equity	Public Sector Management and Institutions	Overall Rating
<b>Samoa</b>					
ADB	3.2	4.0	3.5	4.0	3.5
World Bank	4.3	4.2	3.9	4.0	4.1
<b>Solomon Islands</b>					
ADB	3.5	3.3	2.9	3.0	3.5
World Bank	3.0	2.8	2.6	2.6	2.8
<b>Tonga</b>					
ADB	3.2	3.8	3.1	3.9	3.5
World Bank	3.0	3.8	3.4	3.6	3.5
<b>Vanuatu</b>					
ADB	3.8	3.3	2.8	3.1	3.5
World Bank	4.0	3.3	2.9	3.3	3.4

Source: ADB and World Bank data.



ANNEX 2

# GENERAL TIMELINE OF INITIATIVES TO IMPROVE AID EFFECTIVENESS

Year	Global Events	South Pacific	ADB	AusAID	NZAID	World Bank	WHO
Possibly earlier years? 1995						World Bank defines a new lending instrument, the Sector Investment Program (SIP), which advocates that projects are more sectorwide in scope, based on national policy and strategy, run by local stakeholders, supported by all main donors and increasingly reliant on local capacity for implementation. (Source: Harrold and others, 1995).	
1996							
1997	First donor meeting to discuss the sectorwide approach takes place in Copenhagen, cohosted by Denmark and The World Bank, focusing specifically on health. (Source: Vaillancourt, 2009)						
1998	<i>A Guide to Sector-Wide Approaches for Health Development</i> , by Andrew Cassels is issued by WHO and others.						
1999							
2000							

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Year	Global Events	South Pacific	ADB	AusAID	NZAID	World Bank	WHO
2001				Joint 2001 Australia and New Zealand report on harmonizing donor policies and practices in the Pacific Region highlights some of the rationale for greater collaboration between donors: "harmonization is an issue that needs to be considered in the Pacific context because the small island states of the Pacific have limited management and technical resources." (Negin, 2010a)			
2002	Monterrey International Conference on Financing for Development calls for increased aid effectiveness and the need to measure and demonstrate results.						
	First International Round Table on Managing for Development Results in Washington D.C. highlights need to build demand and increase capacity for results-based approaches and for DPs to harmonize approaches to results.						
2003	First High-Level Forum on Harmonization in Rome commits to improving the management and effectiveness of aid, including harmonization of efforts adapted to country context and alignment of DP assistance with recipient priorities.						
2004	Second International Roundtable on Managing for Development Results in Marrakech endorsed a set of principles on supporting countries' efforts to manage for results.						

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Year	Global Events	South Pacific	ADB	AusAID	NZAID	World Bank	WHO
2005	Paris Declaration is endorsed by the High-Level Forum on Aid Effectiveness, committing to further: country ownership, harmonization and alignment of development assistance, managing for development results and mutual accountability for the use of aid.					World Bank issues <i>Opportunities to Improve Social Services, Human Development in the Pacific Islands</i> , which advocates the leveraging of all resources to improve social outcomes. This includes coherent, results-focused, prioritized social-sector strategies, a medium-term expenditure framework including donor resources, aligned with national priorities, government ownership, use of government systems and local partners, stakeholder involvement, and transparency and probity in all processes.	
2006				AusAID's 2006 policy for development assistance in health heralded the adoption of SWAPs as a core platform for aid delivery (Negin, 2010b.).		The World Bank's Pacific Regional Engagement Framework for 2006–2009 highlights the importance of improving the effectiveness of public expenditure in the social sectors through strategic partnerships with key development partners (Negin, 2010b.).	
2007	Third Roundtable on Managing for Development Results in Hanoi reaffirms the Paris Declaration, calling for all countries and donors to improve their resource management to achieve better, verifiable results, guided by a commitment to mutual accountability.						

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Year	Global Events	South Pacific	ADB	AusAID	NZAID	World Bank	WHO
	<p>The International Health Partnership and related initiatives (IHP+) is launched, seeking to achieve better health results by mobilizing donor countries and other development partners around a single country-led national health strategy, guided by the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action (September).</p>	<p>Developed by the Pacific Islands Forum Secretariat, the Pacific Aid Effectiveness Principles are endorsed at a regional meeting in Palau. Based on the Paris Declaration they reflect Pacific goals, challenges and ideals. They emphasize: country ownership, donor alignment and harmonization with government planning and budget cycles, use of local systems and multiyear commitments for enhanced development effectiveness (Negin, 2010b.).</p>					
2008	<p>Accra High-Level Forum on Aid Effectiveness reviews progress made against Paris Declaration commitments and points to three challenges: strengthening country ownership; building more effective and inclusive partnerships; and delivering and accounting for results.</p>	<p>The Secretariat of the Pacific Community (SPC) and WHO start to introduce the vision of “two organizations, one team, and 22 beneficiary island countries and territories” to signify a commitment to greater harmonization and collaboration, now being called “2-1-22.” (Negin, 2010a.)</p>					

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Year	Global Events	South Pacific	ADB	AusAID	NZAID	World Bank	WHO
2009		The leaders of the Pacific Islands Forum meet in Cairns, calling for a new compact to drive more effective coordination of available development assistance. Among the principles of the new compact: country leadership, mutual accountability and mutual responsibility between countries and development partners; the need to draw on international best practices as expressed in the Paris Declaration and Accra Agenda for Action; and a revitalized commitment to achievement of MDGs. Annual progress reports on compact implementation are envisaged.		AusAID establishes an Office for Development Effectiveness (Negin, 2010a.).			
2010		Food Security & Nutrition Symposium.					

ANNEX 3

**MATRIX OF PACIFIC ISLAND COUNTRIES  
AND DONORS ATTENDING/SIGNING  
DECLARATIONS OF INTERNATIONAL  
CONFERENCES CALLING FOR AID  
EFFECTIVENESS**

Forum	Pacific Island Country		Donor	
	Attended	Signed	Attended	Signed
<b>International Conference on Financing for Development</b> Monterrey 2002 ( <i>Monterrey Consensus</i> )	Samoa Solomon Islands Tonga		Australia New Zealand ADB UNDP UNICEF UNFPA UNIFEM UNAIDS WHO World Bank IMF EC	
<b>First International Round Table on Better Measuring, Monitoring, and Managing for Development Results</b> Washington D.C. 2002			ADB World Bank	
<b>First High-Level Forum on Harmonization</b> Rome 2003 ( <i>Rome Declaration on Harmonization</i> )	Vanuatu	Vanuatu	ADB Australia IMF New Zealand Pacific Islands Forum UNDP USA World Bank	ADB Australia IMF New Zealand Pacific Islands Forum UNDP USA World Bank
<b>Second International Roundtable on Managing for Development Results</b> Marrakech 2004	None		World Bank UNICEF	

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Forum	Pacific Island Country		Donor	
	Attended	Signed	Attended	Signed
<b>High-Level Forum on Aid Effectiveness</b> Paris 2005 (Paris Declaration on Aid Effectiveness)		Papua New Guinea Samoa Solomon Islands Tonga Vanuatu		ADB GAVI Alliance Education for All-Fast Track Initiative (EFA-FTI) GFATM IMF Pacific Islands Forum Secretariat World Bank UNDG
<b>Third Roundtable on Managing for Development Results</b> Hanoi 2007	Vanuatu		ADB Australia IMF New Zealand UNDP United Nations Social and Economic Commission for Asia and the Pacific (UNESCAP) UNFPA UNICEF UNIFEM UN World Food Programme USA WHO World Bank	

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Forum	Pacific Island Country		Donor	
	Attended	Signed	Attended	Signed
<b>High-Level Forum on Aid Effectiveness</b> Accra 2008 <i>(Accra Agenda for Action on Aid Effectiveness)</i>	Papua New Guinea Samoa Solomon Islands Vanuatu	Papua New Guinea Samoa Solomon Islands Tonga Vanuatu	Australia USAID ADB European Commission GAVI Alliance GEF GFATM IMF Pacific Islands Forum Secretariat UNAIDS UNESCO UNDP UNFPA UNICEF UNIFEM WHO World Bank	ADB GAVI Alliance EFA-FTI GFATM IMF Pacific Islands Forum Secretariat World Bank
<b>International Health Partnership Plus</b>	—	None	—	Australia European Commission UNAIDS UNICEF World Bank UNDP UNFPA WHO GAVI Global Fund

## ANNEX 4

# COUNTRY GOVERNANCE BRIEFS<sup>17</sup>

### GOVERNANCE CONTEXT SUMMARY: SAMOA

#### I. Introduction

The political system of Samoa is a unique mix of a western democracy intertwined with traditional governance arrangements. The country has been politically stable since the early 1980s following the emergence of a dominant political party and more stable coalitions. Samoa suffered severe external shocks in the early 1990s from two consecutive cyclones and a failure of the taro crop, an important export. Recovery was constrained by a sluggish economy dominated by poorly performing and corrupt state-owned enterprises (ADB, 2009b). In recent years Samoa has experienced strong social stability based on steady economic growth and governance reforms combined with the retention of traditional cultural values.

Samoa currently scores above the Pacific average for all World Bank Aggregate Governance Indicators (WBA-GI) (World Bank, 2012a). Stability and growth has led to significant progress in human development. Samoa is well advanced in achieving the MDGs and poverty has fallen faster than the targeted rate. There have been recent setbacks due to the global financial crisis and a serious tsunami in 2009. Not all Samoans have participated in, and shared the benefits of, growth; hardship, inequity and poverty of opportunity remain persistent in some areas (ADB, 2008c).

The government is structured as a parliamentary democracy which was, until recently, headed by paramount chiefs appointed for life. Since 2007, the head of state has been elected by the legislature for a five-year

term. The legislature is unicameral with 49 seats. Only chiefs (Matai) affiliated to village-based electoral districts may stand for election in 47 of these seats. The other two seats are reserved for election by non-Samoans or part Samoans who have no chiefly affiliations. The executive comprises the head of state, a prime minister appointed by the majority party and a 12 member cabinet appointed by the head of state on advice of the prime minister. Separation of judiciary from interference by the executive or legislature is strong, but the dominance of the ruling party and the recent appointment of 20 'Associate Ministers' risks inhibiting the separation of executive and legislature (PIFS, 2010). Local government at district and village level is based strongly on traditional governance systems.

The economy has a narrow base and is strongly dependent on remittances from overseas workers and foreign aid. Between 1999 and 2007 GDP growth ranged from 1.0 percent to a peak of 7.0 percent (2007) and averaged 4.3 percent. Tourism-related business has been a significant driver of this growth. The global financial crisis impacted significantly on the Samoan economy, primarily through a reduction in remittances. GDP contracted by 3.4 percent in 2008 and 0.8 percent in 2009 and the fiscal deficit grew significantly. Although the tsunami caused an estimated US\$106 million in damage, reconstruction efforts now appear to be lifting economic activity. The debt-to-GDP ratio is high and, although it is likely to rise temporarily in the wake of the recent events, Samoa is at

<sup>17</sup> This Annex was commissioned by the ADB to provide this desk study with needed context on the governance situations in each of the PI countries.

low risk of debt distress. The human development index rose from 0.69 in 1985 to 0.77 in 2010.

## II. State Capability

### *Public Administration*

As in other small Pacific economies, the public sector is quite dominant (40 percent of both GDP and total employment in 2005) with state-owned enterprises (SOEs) continuing to absorb state expenditures (IMF, 2005). Extensive reforms have resulted in a generally competent civil service, although efficiency and effectiveness could be improved. A Public Service Commission, established under the Constitution and the Public Services Act 2004, has adopted a more strategic approach to human resources development and a process of departmental reorganization and realignment has recently been carried out to maximize the use of relatively scarce skilled labor and improve service provision through more coherent structures for planning and management. Despite these efforts, staff shortages remain acute. Public sector hiring is primarily merit based; there is a code of conduct governing civil servants and corruption is very limited. The civil service is perceived as being honest and fraudulent practice is pursued vigorously. Progress in reform and privatization of SOEs has slowed in recent years and, despite the establishment of a strong legal framework, the political will for reform is lacking (ADB, 2011a.).

According to the 2006 Public Expenditure and Financial Accountability (PEFA) Report, Samoa has a model budget process with few shortcomings. All expenditures are reported, revenue is budgeted conservatively and the risks associated with SOEs included (GoS MoF, 2010). The process is orderly and includes consultation with line ministries from an early stage. The Public Financial Management Act (PFMA) 2001 provides a comprehensive framework for effective fiscal management. Under this Act output budgeting was introduced, but lack of skills and failure to understand the benefits has led to a continuing struggle with the approach (Laking, 2010). Since 2008–09 the budget has been prepared within an MTEF with explicit linkages to the priorities of the Strategy for the Development of Samoa (SDS) and sector plans, but further strengthening of these linkages is required. The Office of the Controller and Chief Auditor (CCA) is not fully independent (PIFS, 2010) and,

until recently, capacities of the Office have been weak. There is no output-based audit and most audits on public bodies are outsourced to external auditors. Backlogs in presentation of the accounts to the legislature have been considerable but there have been recent improvements. The Public Accounts Committee does analyze audit reports, but there is little evidence that audit findings are followed up with meaningful responses.

Samoa has undertaken wide-ranging tax and tariff reforms that have improved the efficiency of the taxation system while maintaining a solid tax base. The main sources of tax revenue are a Value-added Goods and Service Tax (34 percent), excise duties (27 percent), import tariffs (14 percent), corporate tax (14 percent) and income tax (11 percent). Tax administration has improved as a result of institutional strengthening and there has been progress on simplifying administrative systems. The Ministry of Revenue website provides needed information for taxpayers to comply.

### *Service Delivery and Responsiveness*

The vision of the SDS 2008–2012 is ‘sustaining economic and social progress’ and its priorities include pro-poor objectives such as macroeconomic stability, employment creation, improved health and education outcomes and community development (ADB, 2008c). Public expenditures are generally aligned to poverty reduction goals, although expenditure linkages to the SDS need to be strengthened. The Ministry of Women, Community and Social Development leads the development of programs for the extremely poor and vulnerable, but support for these groups is mostly dealt with through traditional support structures.

There are targeted pro-poor interventions such as subsidies on water and electricity for the poorest users. In response to the global economic crisis, the government has implemented a school fee relief scheme which shifts the burden of payment for primary school fees from parents to the government. Taxes are generally equitable; income tax is considered progressive with a tax-free threshold; fresh food, medical and educational fees, public transport and utility costs are exempt from the Value-added Goods and Services Tax.

In the last two decades the government has given priority to expenditure on the health and education sectors. This has been effective, but there are concerns that gains



may be leveling off or even declining (AusAID, 2009d), especially for those experiencing hardship (ADB, 2002). Access to health services is good and relatively equitable; all citizens of Samoa are covered for primary and specialist medical care with minimal fees. The national health policy and government oversight are appropriate (ADB, 2011b). Samoa has already reached MDG targets for child and maternal mortality rates. There are concerns about the shortage of primary health care professionals and rising levels of NCDs (AusAID, 2009d). Samoa is well on track to reach the MDG education targets with a primary enrollment rate of 97 percent in 2008, and secondary education quality is high and access equitable. There is a sector strategy and education SWAp supported by donors. Retention of teachers, premature school leavers and addressing special needs are emerging concerns.

Customary laws accord women prestige, and modern laws largely guard against gender inequity and the rights of women are protected under the Constitution. The government has ratified CEDAW (United Nations, 2012) but implementation by the Division for Women remains a challenge due to limited resources, traditional attitudes and misinterpretation of the treaty. Policies that specifically address gender equality in access to health and education are broadly observed. In 2005 Samoa ranked 77 of 157 countries in the Gender-Related Development Index and the gross educational enrollment ratio (all levels) was 76 percent for females and 72 percent for males (UNDP, 2005).

Differences in workforce participation are pronounced, with a labor force participation rate in 2010 of 42 percent for females and 80 percent for males (UNDP, 2010). There are no gender differences in laws relating to property ownership or inheritance rights. Large gender disparities exist in political participation at national level because there are fewer women Matai title holders eligible for election. There has been some progress in the last 10 years and women now occupy 8 percent of seats in parliament and a number of senior positions in the public sector (ADB, 2011b). There are also elected women's representatives at village level to oversee women's development initiatives. Violence against women is a crime but is often dealt with by traditional governance mechanisms and this issue remains a significant problem.

The direction of the legal and regulatory framework for private sector development is generally positive. Sa-

moa ranks 61 of 183 countries in the World Bank Doing Business Report (2011) and shows substantial recent improvements in the time and costs of starting a business and registering land. The majority of the population has access to formal sector financial services and Samoa has an electronic payments system and manual clearance system which are moderately developed and functional. Procedures for enforcing contracts are lengthy and cumbersome. The trade regime in Samoa is considered among the most open in the Pacific with low tariff rates, minimal nontariff barriers and no export taxes, but the procedures and time involved in importing and exporting are burdensome. The market for land is highly distorted with 80 percent under customary ownership, 16 percent state-owned and 4 percent freehold. Customary land issues are difficult and sensitive and government has moved cautiously on addressing them. Property rights are protected under the Constitution, and land and property rights are reasonable defined.

#### *Accountability, Transparency and Oversight*

Samoa performs strongly compared to other Pacific countries for rule of law (World Bank, 2012a). The judiciary is independent and upholds the right to a fair trial (Freedom House, 2009); independence is underpinned by statutory funding. Bribe seeking by judges or clerks is rare and laws and regulations are publicly available and not changed arbitrarily. Samoa is generally safe; the capacities of the police have improved considerably through donor (AusAID) support (Laking, 2010). The village council (fono) provides oversight for law and order at community level and has the authority to impose penalties. While, in general, there are good partnerships between police and communities, the jurisdiction between the police and village fono can sometimes be unclear (PIFS, 2010) and there have been some examples of abuse of power and excessive punishment by village fonos (Freedom House, 2009).

In Samoa freedom of assembly and association are respected in practice, and human rights groups operate freely. The country is classified as 'free' by the Freedom House Survey 2010 and scores highly for both political rights and civil liberties (Freedom House, 2009). Freedom of speech and the press is generally respected, but there are weaknesses in the legal framework supporting press freedom. A significant proportion of the media

operates outside of government influence and provides some deterrent against unethical behavior. The overall perception is that the media is independent and plays a significant role in political checks and balances. The press is classified as 'free' in the Freedom House survey 2010. Accountability and transparency in government is good, public sector decision making is generally transparent and the government attempts to distribute information to the public through the internet, radio, newspapers and TV (ADB, 2011b).

Civil society in Samoa is quite vibrant and dynamic, comprising both informal and formal membership and nonmembership organizations. Informal organizations such as women's groups, church-affiliated groups and traditional associations predominate at the grassroots level, but more formal development NGOs have emerged in recent decades. Churches generally play a less significant role in Polynesian societies, (Laking, 2010) but are important service providers in the education and social welfare sectors. NGOs in Samoa are mainly active in social development, but there are a number of good governance and human rights NGOs working on issues such as CEDAW implementation, domestic violence, and budget accountability.<sup>18</sup> An active umbrella organization (SUNGO) is recognized by government and provides capacity building and advocacy support. The government has increasingly engaged with NGOs, village-level institutions and churches in collaborative and transparent working relationships and the legislative framework is conducive to an effective and functioning civil society (Lidimani, n.d.).

Samoa scores highly amongst Pacific countries for control of corruption (World Bank, 2012a) and ranks 62 of 178 countries in the Transparency International Corruption Perceptions Index 2010 alongside Croatia and Ghana. Samoa has established effective rules and processes to guard against corruption, but there is a need to ensure these are effectively implemented and monitored. Corruption risks remain, given the overwhelming political dominance of the governing party, combined with traditional pressures to contribute to cultural functions which could lead to the misuse of public resources. Samoa has endorsed and actively engaged with the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, and completed self-assessments of corruption. It has, however, yet to establish a specialist anticorruption agency or unit responsible for coordinating corruption

prevention and elimination efforts (ADB, 2011b). An ombudsman was established in 1991 to investigate complaints by citizens against government agencies and has been working with significant impact.

## GOVERNANCE CONTEXT SUMMARY: SOLOMON ISLANDS

### I. Introduction

Between 1998 and 2003 the Solomon Islands experienced a destabilizing conflict rooted in a complex mix of development and ethnic issues. The conflict, between loosely aligned ethnic factions from Malaita and Guadalcanal, was intermittent but disruptive with factions increasingly using their military power to threaten the state. By 2003 the state could no longer function effectively and the prime minister sought assistance from Australia to restore law and order. The outcome of this request was RAMSI, a Pacific-wide response funded by Australia and New Zealand. RAMSI has been instrumental in restoring law and order, rebuilding the state, and re-engaging in meaningful development partnerships (ADB, 2011c). The Solomon Islands performs below the Pacific average on WBAGI except voice and accountability and rule of law (World Bank, 2012a).

The Solomon Islands is a parliamentary democracy with a unicameral legislature comprising 50 representatives; there are nine provincial assemblies plus the town council of Honiara, state and provincial legislatures are elected by popular vote. The combination of a Westminster-style democracy and traditional society has produced an unstable mixture of weak parties, independent parliamentarians and coalition governments that divide political spoils (Fukuyama, 2008). Separation of powers is provided for in the Constitution, but financial constraints may affect the autonomy of the judiciary (PIFS, 2010) and constituency development funds may breach the principle of separation. *Kastom* (traditional culture), and the church, continue to play an important part in ordering the lives of Solomon Islanders (Menziess, 2007) and overlays of colonial-style local government have not succeeded in establishing the authority of formal

<sup>18</sup> <http://www.rrrt.org>

government or extending services to villages, and no attempts have been made to formalize traditional authority (Laking, 2010).

The Solomon Islands experienced strong economic growth from 2003 to 2008 which was initially fuelled by the aid-driven services sector and later by the primary sector, particularly logging. This growth has provided apparent macroeconomic stability in recent years. Weakened demand and overexploitation of forests has led to lower recent growth. For three decades the economy has been characterized by high and erratic inflation which reached 19.1 percent in 2008. A RAMSI-supported debt management unit is in place and debt-to-GDP ratios have declined from 40 percent in 2007 to an estimated 27 percent by the end of 2009. Recent analysis suggests that about 11 percent of the population is experiencing hardship in meeting the costs of a minimally nutritious diet, and that almost 23 percent of the population faces difficulties in meeting their basic needs.

## II. State Capability

### *Public Administration*

The Solomon Islands has a large public sector that includes SOEs; employing around 25 percent of the formal workforce and consumes approximately one-third of the recurrent budget. The Public Services Act (1996) confers powers on the executive to regulate service terms and conditions. The Public Service Commission is nominally independent but poorly resourced. The poor quality of public administration is acknowledged; administrative structures are fragmented, business processes largely ineffective and responsibilities of ministries frequently overlap. As a result, there are delays and transaction costs for the government and ultimately inefficient service delivery (ADB, 2011b). Recruitment is formally merit-based but there is extensive patronage and the civil service is essentially politicized (PIFS, 2010). Bribe seeking is accepted behavior and the probity of public servants threatened by opportunities for corrupt practice. The impact of decentralization, overlaying a formal government structure on largely traditional societies, has led to complex devolved structures and unclear functions and roles. Inadequate resources have contributed to capacity limitations and deterioration in service delivery (Laking, 2010).

The 1978 Public Finance and Audit Act and associated Financial Instructions set the legal framework for public financial management (PFM). The recurrent budget and development budget are prepared separately with little coordination between the agencies involved (ADB, 2010). The quality of PFM has improved in recent years, but compliance with budget processes remains poor (Pretorius et al, 2008). In particular, expenditure, especially aid expenditure, can be entered into the development budget with little consideration of the implications and much aid expenditure (including RAMSI) is made outside the budget process and not adequately reported. The government does not have a medium-term framework for budgeting but does produce a set of forward estimates in respect of funding priority programs. Oversight of PFM has improved significantly through capacity-building efforts under RAMSI. In the past three years the Office of the Auditor General (OAG) has effectively addressed a huge backlog of audits and has been assessed as having a 'rigorous and transparent audit process in place' (ADB, 2010). Reports of the OAG are publicly examined by parliament's Public Accounts Committee.

The main sources of tax revenue are income tax, goods tax, import duties and logging tax. Tax laws are complex and dated, incentives for investors exist, but there are also provisions for discretionary concessions without clear processes in law. It is widely believed that business interests have captured government which, in turn, provides them with concessions and exemptions (ADB, 2010). Tax administration has been gradually strengthened over the last five years with Pay-As-You-Earn (PAYE) made a final withholding tax. There have also been efforts to improve compliance through education, enforcement and increasing the taxpayer base and, as a result, tax revenue has been improving and increased by 20 percent in 2008 (ADB, 2011b).

### *Service Delivery and Responsiveness*

Until recently, public expenditures had been unevenly aligned with poverty reduction priorities and little provision had been made to target public expenditure to poor areas or people. The government's Medium-Term Development Strategy 2008–2010 has poverty reduction as a cross-cutting priority and explicitly endorses commitments to achieving the MDGs. The National Educational

Plan has a clear goal to provide equitable access to education and the Health Sector Plan is strongly oriented towards MDG achievement. Assessing the linkages between these policies and actual expenditure is challenging because of the inadequacy of available information (SIERA, 2010). Personal tax is generally progressive and equity of the tax system has been improved by broadening of the revenue base and the removal of tax exemptions. Revenue generation is generally consistent with poverty reduction priorities, for example the removal of all duties and taxes on rice (ADB, 2011b).

Service delivery is challenging given the remoteness and underdevelopment of rural areas, the rapidly rising population and the financial and social constraints of recent history. The health situation has significantly improved in recent years through RAMSI and other donor support; the government is on track to meet MDGs for reduced child mortality and maternal health. The incidence of TB is increasing, but treatment is successful. Malaria remains a problem, with mortality rates well above the regional average and there is concern that HIV and AIDS may be underreported. The education service has improved and a strategic plan developed for reform and rehabilitation of the sector. Participation rates at all levels of education are among the lowest in the Pacific; in 2006 net enrollment ratios was 91 percent for primary and 24 percent for secondary, with an overall literacy rate of 76 percent. Standards for teacher qualification are low, but a program of field training is ongoing. In 2008 the government introduced universal free primary education, but the financial sustainability of this is uncertain.

Gender relations are influenced by matrilineal and patrilineal cultural patterns, but decision making and control of resources is biased, favoring men across all groups. The strong traditional obligation system undermines individual control of resources and exacerbates women's lack of economic power (ADB, 2011c). There is universal suffrage, but participation and representation of women in politics is very low; there are currently no female members of parliament. Employment of women in the formal sector (public and private) is also low and there is no legislation on equal opportunity or equal pay (JICA, 2010b). The Solomon Islands is a signatory of CEDAW and is one of the few to have signed the CEDAW operational protocol, but this has not been translated into agency planning and lacks legislative authority

(ADB, 2011b). In education female to male ratios in 2007 were 89:100 for primary and 79:100 for secondary. Adult literacy rates in 2002 were 88 percent for females and 95 percent for males. Violence against women is a serious issue, with the Solomon Islands Family Health and Safety Study in 2009 estimating that 64 percent of women aged 15–49 had experienced physical or sexual violence or both from an intimate partner (JICA, 2010b).

The commercial legal framework in Solomon Islands limits private sector development. The laws governing company formation, contracts, dispute resolution and insolvency are outdated and SOEs crowd out the private sector in some sectors. The government is modernizing and has made progress in attracting foreign investment, developing an asset registry and establishing community enterprises (ADB, 2010). Access to credit is poor, especially in rural areas because of the cautious approach of banks, systemic difficulties for all types of collateral and large infrastructure gaps. About 87 percent of land is under customary tenure and considered a major constraint to private sector development since disputes over ownership delay access to land. This issue may be less serious for agriculture (ADB, 2010). A land tenure reform program recognizing and securing the rights of traditional landowners is under process. Recent reforms in the tariff system have reduced the average applied tariff rate to 10 percent. There are no significant nontariff barriers although the weak capacities of relevant authorities and a degree of red tape effectively represent barriers to trade (ADB, 2011b). In the World Bank Doing Business Report (2011), Solomon Islands ranks 86 of 183 countries for trading across borders.

### *Accountability, Transparency and Oversight*

The Solomon Islands indicator for rule of law is lower than for most Pacific countries (World Bank, 2012a), but has shown steady improvement since the inception of RAMSI. RAMSI's participating police force has improved capacity building of the SI police and strengthened the correctional and justice systems.<sup>19</sup> The judiciary enjoys a reputation for probity and integrity, political officeholders are barred from being appointed to the Judicial and Legal Services Commission and judges cannot be removed without review by a tribunal of retired

<sup>19</sup> www.ramsi.org.



Commonwealth judges (ADB, 2010). Rural systems are weaker, but provincial circuit judging is improving and expatriate judges and lawyers are being replaced by locals (Laking, 2010). The main risk to the judicial system is weak capacity which has been constrained by the political environment and the lack of attention to career development which has led to difficulties in retaining qualified and experienced personnel.

Universal human rights are protected under the Constitution; the government generally recognizes freedom of assembly and workers are free to organize and strikes are permitted. In 2009 a Truth and Reconciliation Commission was launched to investigate and address human rights violations committed during the tensions. The country is classified as partly free by the Freedom House Survey (Freedom House, 2012a). Freedom of expression and of the press is generally respected; the press is classified as free by the Freedom House Survey. The media—newspapers, radio (government owned) and, to a limited extent, television—are playing an increasingly important role in promoting good governance. Some ministries use radio to communicate and explain reform activities and publicize expenditures. The government communications office provides regular press releases, although there are reports of increasing political pressure on communications. There is no freedom of information legislation and public decision making continues to lack transparency. Information availability is also constrained by weak government capacities (including for data management).

NGOs in Solomon Islands comprise membership and nonmembership organizations established for either mutual or public benefit. Many community-based organizations are informal and linked to the church or have their roots in *Kastom* rather than external models of organization. The church is an important provider of social services, particularly education and, to a lesser extent, health but does not engage significantly in policy dialogue or comment on government performance in these sectors. Since the end of tensions, the churches have also been increasingly involved in peace building and reconciliation activities (Joseph and Brown Beu, 2008). Recent increases in aid flows have led to an expansion of local development NGOs, however emphasis remains on social development and capacities for advocacy and demand for good governance remain weak.

There are little or no civil society pressures on government to improve service provision although the government recently signed an MOU signalling its commitment to establish an effective development partnership with civil society (ADB, 2010).

Reports on corruption in the public service persist; elected and other public officials regularly have private interests that conflict with their professional duties and implementation of laws and policies is often distorted by corruption. The country's indicator for control of corruption compares unfavorably with those of Samoa and Vanuatu, but is better than Papua New Guinea, Tonga and Fiji (World Bank, 2012a). In the RAMSI People's Survey 2008, 81 percent of respondents believed there was dishonest behavior or misuse of power by senior members of the community—a considerable increase from 2007 (54 percent) (ADB, 2010). The Leadership Code Commission has a mandate to investigate abuses by politicians but its powers to investigate and prosecute are not completely clear. The Office of the Ombudsman has a mandate to investigate abuses by public servants but deals mainly with internal complaints of public servants. Both offices have been strengthened with donor support but remain starved of resources.

## GOVERNANCE CONTEXT SUMMARY: TONGA

### I. Introduction

Tonga is a hereditary constitutional monarchy unique in the Pacific; it was not formally colonized and has retained much of its indigenous governance practices. In recent years pressure for political reform has intensified and, in 2006, a National Committee on Political Reform recommended increased representation of the people in the legislature and referendums on key issues. Anticipated rejection of the committee's findings led to serious rioting in November 2006 and social capital has been diminished as a result (ADB, 2011c). Following elections in 2008 the government established a Constitutional and Electoral Commission (CEC) to examine almost all aspects of political reform and new elections (scheduled for 2010) aimed to increase the number of parliamentarians elected by popular vote. The World Bank indicator

for political stability and absence of violence has decreased from 0.8 in 2004 to 0.2 in 2009 and Tonga scores poorly (below zero) for the other World Bank Aggregate Governance Indicators (World Bank, 2012a).

The executive comprises the reigning monarch (hereditary), the prime minister and deputy prime minister (appointed by the monarch) and a 14 member cabinet. Ten of the cabinet members are appointed by the monarch for life and four are appointed from among the elected members of the legislature. The legislature is unicameral with 32 seats, 14 for ex-officio cabinet members, nine members selected by nobles and nine elected by popular vote for three-year terms. Reforms that came into force in 2010 devolve key powers from the monarch to the cabinet, make the cabinet answerable to the legislature, increase the number of people's representatives and give the prime minister a mandate to govern. Given the dominant role of the monarch, separation of the powers of the state has been problematical and government interference in the judiciary is a recurring issue.

Tonga has a small economy heavily reliant on remittances and foreign aid. Aggregate growth has been slow and erratic in recent years and further contraction of the economy due to the global financial crisis is expected. Macroeconomic stability was under threat on occasion during the 1990s and early 2000s (ADB, 2011c). Fiscal and monetary expansions have placed pressure on the balance of payments, and restoration of fiscal discipline has involved control of nonwage expenditure which, in turn, has constrained the efficiency and effectiveness of public administration and implementation of aid funded projects. Tongan external debt distress has been high for some time and will remain so—the external debt-to-GDP ratio has been above 30 percent for the last four years and, at the writing of this report, was projected to rise above 40 percent in 2010. Standards of living have improved considerably in recent years and Tonga ranks 55<sup>th</sup> in the UN HDI—the highest of any Pacific Islands state. An estimated 23 percent of the population lives below the poverty line.<sup>20</sup>

## II. State Capability

### *Public Administration*

In Tonga the state plays a prominent, even dominant, role in the economy and the state wage bill is 15 percent of GDP. Initial efforts at 'rightsizing' the public sector

failed to gain support of the public service unions and, following the long civil service strike in 2005, the government raised public sector wages by 60–80 percent. The resulting fiscal management problem was addressed through a significant downsizing of the civil service by 18 percent in 2006. One outcome has been a drain of experienced and qualified management from the civil service which has exacerbated the effects of the already serious 'brain drain' problem in Tonga.

Public sector capacity continues to limit development, implementation of the reform agenda and delivery of core services (ADB, 2008d). Under the Public Services Act 2002 management of the civil service was transferred from the executive to a Public Service Commission established in 2003. This has been a major step in addressing favoritism and nepotism and improving transparency. Performance standards have been introduced to link remuneration with performance and CEOs have been put on fixed-term performance contracts. Hiring and promotion are now largely merit-based and corruption is rare.

The Public Finance Management Act 2002 provides the legal framework for fiscal discipline; but implementation, although supported by donors, has only been partially successful due to resource constraints and lack of political will (ADB, 2009d). The budget provides an adequate picture of government activities by economic, administrative and functional classifications and presentation of information on resources (government and donor), and their allocation, has improved. Linkages between the budget and programs to achieve national development goals (including monitoring) have remained weak, but adoption of a Medium-Term Budgetary Framework is in progress (Partnership Tonga, n.d.). Internal audit has been strengthened (Public Audit Act 2007) and the Auditor General reports annually to the prime minister and to the legislature. There have been long delays in tabling and approval of audit reports by the legislature although a backlog was recently cleared. Scrutiny by the legislature is limited as only summary audit activities are tabled. According to the Global Integrity Report, the office of the Auditor General is generally effective and transparent (Fonua, 2008).

<sup>20</sup> [www.who.int/countries/ton/en](http://www.who.int/countries/ton/en)



In the past, discretionary interventions have created a nontransparent, confusing and widely criticized set of tax policies in Tonga. Tax revenues have been heavily dependent on international trade as a source and current tax revenue is around 20 percent of GDP. The Revenue Services Administration Act 2000 provides the foundation for a modern system of revenue administration based on self-assessment and voluntary compliance. The process was automated in 2004 with the introduction of the Revenue Management System. Further reforms in 2008 introduced a simplified taxation system. The most recent PEFA Report indicated that taxpayers have easy access to comprehensive, user-friendly and up-to-date information on tax liabilities and administrative procedures for all major taxes.

### *Service Delivery and Responsiveness*

Tonga's Strategic Development Plan 8, which ended in June 2008, focused on the Government of Tonga's commitment to achieve MDGs, including promoting sustained private sector-led growth, reducing hardship, improving health and education standards, and promoting cultural development (AusAID, 2009d). In 2009 the government reverted to a longer-term strategic approach through a National Strategic Planning Framework (NSPF) which has a stronger focus on outcomes and a five to ten year outlook. The objectives of the NSPF encompass community development, private sector growth, constitutional reform, infrastructure development, vocational training, improved health and environmental sustainability (Kingdom of Tonga, 2010). Alignment between the strategic plans and budgetary allocations has been weak, but the government is now addressing this issue (ADB, 2011b). There are no regressive taxes, income tax is pro-poor and progressive and revenue receipts are used to subsidize access to health and education services.

Improving the effectiveness and efficiency of service provision has been hampered by a rigid culture of hierarchy in the civil service (AusAID, 2010) which has also limited the impact of training-based capacity development. The government's meager resources have limited progress on improving and maintaining service levels. Despite this, Tonga has, by most estimates, already met most of the MDGs (AusAID, 2010). Almost the entire population, except for the most remote islands, has access

to medical services through a network of hospitals and health centers. Infant mortality is low and immunization rates high. Infection rates and rates of HIV/AIDs, TB and malaria are low. Tonga has long since achieved universal primary school enrollment and the majority of students continue on to secondary level education. Responsibility for delivery is shared between government and churches. The quality of basic education has improved significantly in recent years through the NZAID/AusAID/World Bank Tonga Education Support program. Tertiary education is developing strongly, although vocational training remains weak.

Tonga has the highest HDI score in the Pacific—demonstrating a good level of equality, especially in respect of attainment of health and education indicators. There is, however, a strong paternal culture and women's participation in decision making outside the home or in equitable control of economic assets remains low. Women cannot inherit land and can only access it as a leaseholder which inhibits their ability to start a business. Women remain underrepresented in politics and positions of authority although opportunities are slowly improving (ADB, 2011b). Government awareness of gender issues is poor, the issue is not addressed in the NSPF and, until now, Tonga has failed to ratify CEDAW—probably because it would require amendment of land ownership laws (JICA, 2010a). A policy on gender and development exists (2001, 2005) but has not been implemented due to inadequate provision of resources. Domestic violence is believed to be seriously underreported, awareness of this issue is extremely low and there is no legislation prohibiting such violence (JICA, 2010a).

There are significant gaps in the commercial legal framework; contract laws are outdated and there is no contract law for the sale or exchange of goods. This increases risk and uncertainty in business and adds to costs. Tonga has performed well in the World Bank Doing Business Report (WBDBR) in recent years, but its ranking for ease of doing business has dipped in 2011 to 71 of 183 countries. Freedom to start, operate and close a business is respected, but actual procedures can be burdensome. Small and medium-size businesses have reasonable access to finance. The government estimates that around 80 percent of the population has access to formal credit.

A significant decrease in the number and complexity of tariff bands has increased transparency and the country has moved to an average customs rate of 15 per cent and there are no export taxes. Tonga ranks 51 of 83 countries on the WBDBR indicator for trading across borders. All land in Tonga is the property of the crown, selling land is illegal but there is a leasehold market. There is also an active market in informal land transactions that functions through the transferring or leasing of land in exchange for a 'gift' of the equivalent value. The process of identifying and negotiating a property lease is cumbersome.

### *Accountability, Transparency and Oversight*

The state is generally able to protect the lives and property of most citizens from crime and violence. The judiciary is independent and conducts fair public trials, but the Global Integrity Report (Fonua, 2008) notes that selection of judges is not transparent and conflict of interest regulations do not cover the judiciary. The legal system is fairly efficient and protects property rights, but resolving conflicts through the law can be a lengthy and expensive process. This situation has been addressed through recent efforts to cut existing case backlogs, introduce prelitigation mediation and expand the jurisdiction of magistrates' courts (PIFS, 2010). Some ministries apply rules and procedures based on custom or past practice rather than strict legal interpretation which can increase regulatory uncertainty and costs. Police are largely trusted and viewed as reliable but capacity gaps remain.

Freedom and rights are protected by the constitution and freedom of assembly is generally upheld, although public protesters have faced government harassment (PIFS, 2010). Tonga is classified as 'partly free' by the Freedom House Survey (Freedom House, 2012a) and scores poorly for civil liberties. The indicator for 'voice and accountability' is one of the lowest in the Pacific (World Bank, 2012a). Press freedom is rated as 'partly free' and appears muzzled to some extent, either by government interference or by self-censorship. It is not obvious that the press plays any significant role in holding government to account. Decision making in Tonga is generally transparent and information on government policies and outcomes is available. Laws and regulations are not changed arbitrarily and are publicly

available both in hard copy and on the Internet. Judicial decisions are publicly available. There is lack of transparency in budget execution due to the limited information on actual government performance on implementing budgets and maintaining fiscal discipline.

The main civil society organizations active in Tonga include churches, church-based educational providers, development NGOs (including human rights groups), community-based organizations and trade unions. The church is heavily involved in education and the NGO sector is predominantly service-oriented, although this is changing. The civil service strike of 2005 became a focus for civil society pressure for political reform and, although social capital in the immediate aftermath was damaged (ADB, 2007), the experience encouraged a broad coalition of civil society organizations to get involved in campaigning against Tonga's WTO accession, raising public understanding of the issues considerably (ANU, 2012). The level of effective input by civil society into public policy has been low but the government is increasingly consulting and accepting civil society inputs. Community and NGO consultation and engagement is an integral part of the NSPF (Laking, 2010).

Tonga scores significantly lower than most Pacific countries, except PNG and Fiji, for control of corruption (World Bank, 2012a) and the country ranks 99 of 180 countries in the Transparency International Corruption Perception Index (TI, 2012) with a score of 3 out of 10. The Global Integrity Report highlights the serious lack of conflict of interest legislation in Tonga and the limited channels for safe reporting of corruption (Fonua, 2008). Respect relationships and gift-giving are prominent aspects of Tongan culture, but there is increasing awareness amongst educated people that gifts can be construed as bribery and that nepotism and favoritism can lead to conflict of interest and corruption (James and Tufui, 2004). Both Transparency International and Global Integrity have emphasized the need for anticorruption guidelines that appropriately address these cultural perspectives. The Commissioner for Public Relations established in 2001 under the Public Relations Act is, in effect, an ombudsman and has been somewhat effective but requires greater independence and powers (ADB, 2007). An Anti-corruption Commission was set up in 2008, but no anticorruption strategy is yet in place.

## GOVERNANCE CONTEXT SUMMARY: VANUATU

### I. Introduction

The political system in Vanuatu is generally described as unstable and fragmentary, with political competition based on patronage rather than competing policy platforms (Cox et al, 2007). As a result, governments have been characterized by fierce infighting and unstable coalitions, with 13 changes of government between 1992 and 2004. Since 2004 the political situation has stabilized and the ruling coalition was re-elected in 2008 and has survived numerous no-confidence votes. The WBAGI rating for political stability and absence of violence was above the average of Pacific countries in 2009 (World Bank, 2012a) and Vanuatu performs better than the Pacific Islands average for all six of the World Bank indicators and positive trends in governance are discernable (ADB and AusAID, 2009). Nevertheless, Vanuatu remains a fragile country that has high exposure to natural disasters, political instability, and global market volatility.

The Vanuatu legislature is a unicameral body comprising 54 representatives and there are six autonomous provincial councils, each of which is elected every four years by popular vote. The national executive comprises the prime minister and a council of ministers. Separation of powers of the state is enshrined in the constitution, but in small, island societies effective separation can be difficult and judicial intervention in parliamentary process occurs (USP, 2012). Westminster-style democracy overlays, and is permeated by, *Kastom* (traditional culture). The influence of *Kastom* can be overt and formal—for example through the national and local councils of Chiefs—but, more importantly, is embedded in a local understanding of correct action and behavior. The state is often viewed as a distant ‘big man’ with elected politicians expected to provide material benefits to their constituents. This can lead to weak incentives for the delivery of national development policy and the politicization of local services (World Bank, 2012b).

Economic performance has remained strong in recent years. GDP growth was 3.8 percent in 2009 and averaged 5.7 percent over the last three years driven primarily by tourism, construction and aid inflows.

Vanuatu experienced little adverse effect from the global financial crisis. Macroeconomic stability has been maintained through prudent fiscal and monetary policies, and small fiscal surpluses have been recorded since 2004. The debt-to-GDP ratio has declined from over 40 percent in 2002 to less than 18 percent in 2009 (Government of Vanuatu, 2009b). Growth has reduced the incidence of poverty from 40 percent in 1998 to 15.9 percent in 2006 but the incidence remains high in urban areas. Many people suffer from “poverty of opportunity”, that is a lack of access to basic services, jobs, and education (ADB, 2009c).

### II. State Capability

#### *Public Administration*

The public sector is large (27 percent of formal employment) and costly (55 percent of the recurrent budget). The Public Service Act (PSA) 1998 has ensured that the state civil service is largely free from political interference and generally coordinates policy effectively. Human resource planning is weak, staffing gaps and low capacities reduce the quality of services and morale of the civil service and there is a continuing dependence on foreign advisers. In the past, provincial governments have been inefficient and contributed little to development (Laking, 2010). With few exceptions local government officers are political appointees, often without appropriate training and qualifications and open to external influence.

There is a serious absence of coordination mechanisms between central government agencies and provincial governments. Donors have been supporting improvements at provincial level; AusAID and the EU are strengthening provincial-level public financial management, an ongoing sectorwide approach (SWAp) in education has already contributed to improvements in the education sector, and legislation is under consideration for all local government officers to be appointed under the PSA.

The PFEM Act 2000 provides for effective economic, fiscal and financial management by the government. Assistance provided by AusAID in the first half of this decade was successful in revitalizing the Ministry of Finance and Economic Management (MFEM). According to the 2009 PEFA, this progress has been sustained and the

principles set out in the PFEM Act are adhered to. Links between national and sector priorities and the budget remain relatively underdeveloped, but there have been improvements in some sectors—for example education due to an ongoing SWAp. The government’s ability to monitor the fiscal risk of SOEs and subnational entities remains weak and the latter could impact on decentralization efforts. External scrutiny and audit mechanisms continue to be weak, the lack of an Auditor General and audited accounts seriously undermines the MFEM’s timely presentation of its financial statements, the Public Accounts Committee’s (PAC) ability to carry out its role, and the government’s commitment to greater transparency and accountability.

The primary source of revenue is VAT (38 percent) and import duties (30 percent) although VAT receipts have diminished due to the global economic crisis. Vanuatu remains reliant on this narrow consumption base for its income but there is no indication that income tax will be introduced in the near future. According to the PEFA report, all tax revenues are paid in to Treasury-managed accounts. No reconciliation takes place of tax assessments, arrears and transfers to Treasury. The government is heavily reliant on overseas grants which have increased from 6 percent to 27 percent of revenues in the last six years.

### *Service Delivery and Responsiveness*

Vanuatu’s “Priorities and Action Agenda for 2006–2015” embodies broadly pro-poor policies. These include expanding the productive sector; maintaining a macroeconomic balance; raising public service performance; cutting utility and transport costs; and improving access to basic services for health and education. Links between these policies, sector policies and the budget remain undeveloped and, as a result, there is limited direct linkage between budget allocations and support for identified groups or areas at risk. The limited revenue base also continues to constrain government efforts to deliver services and some service costs effectively act as regressive taxes.

With a high rate of population growth and narrow economic base, the distribution of the benefits of growth remains narrow. The provision of opportunities and services to the 80 percent of the population who live outside urban areas is a formidable challenge and Vanuatu has

not made overall satisfactory progress towards achieving MDGs (ADB, 2011b). Primary health is free to ni-Vanuatu but there are charges for inpatient care and access to hospitals is strongly skewed toward urban centers. Implementation of the MoH corporate plan to improve access to primary health care has been constrained by limited recurrent funding and staffing and management capacities. Infant mortality at 27/1,000 births has not declined in recent years. School attendance is poor due to long distances, poor quality of teaching, irrelevant curriculum and poor conditions of school facilities, and many school leavers do not have the necessary skills for productive work or self-employment. Only 59 percent of primary and 68 percent of secondary teachers are qualified. Public spending on education is high at 28 percent of total government expenditure and development partners play a major role in financing expansion of the system.

Traditional attitudes regarding male dominance and customary familial roles hamper women’s participation in economic and political life. Women have equal voting and legal rights to representation. There are only two women MPs and no women in the cabinet. Quotas have been discussed but not yet introduced. Vanuatu is a signatory to CEDAW, but has not established any national bodies and/or machinery to monitor implementation or foster the advancement of women. The existence of legal pluralism may run contrary to CEDAW as traditional practices can be discriminatory. Boys tend to receive more education than girls and fewer girls go on to higher grades.

Many rural women in particular have little or no education and limited literacy and other skills. Women make up only one-third of formal sector employees and do not enjoy equality in relationship to ownership, administration, enjoyment and disposition of property which is mostly controlled by men. Inheritance law applies equally to men and women except for land. Domestic violence remains widespread—while there is legislation on sexual assault, there is inadequate protection for the range of sexual violations perpetrated and Vanuatu has not yet incorporated domestic violence offences into its criminal law.

The commercial legal framework in Vanuatu is complex, costly to access and does not encourage business transactions. Competition law is inadequate and



there is only limited legislation for consumer protection or rights. Regulations for starting a business are burdensome and involve considerable duplication of effort leading to delays and high costs. Vanuatu is ranked 60 of 183 countries for ease of doing business in the WBDBR (2011). Regulation of foreign investment has been ineffective for a number of years. Licenses and other compliance requirements have been opaque and costly but there has been recent improvement by the introduction of IT-based processes.

Tariff rates have been reduced although they still remain high by regional standards. There is also common use of nontariff barriers which has significantly impacted on freedom of trade scores from external organizations—the WBDBR ranking for trading across borders, for example, is 142 of 183 countries. About 97 percent of land is under customary tenure, with the exception of Port Vila and Luganville where most of the land is legally owned and leased out for up to 75 years by the government, although some is privately owned. Land sharing under customary tenure is enshrined in the constitution, making it difficult for land to be used as collateral. The uncertainty surrounding land tenure rights is a major concern for foreign and local businesses.

### *Accountability, Transparency and Oversight*

Vanuatu performs better than most Pacific countries for rule of law (World Bank, 2012a). The judiciary is independent, but the legal system is slow due to both the complexities of the legal system and weak institutional capacities. Legal sector reform has been strongly supported by donors but experiences have emphasized the importance of government ownership, the limitations of using expatriate advisors and the need for a holistic institutional approach to capacity development.

Vanuatu has been classified as ‘free’ by the Freedom House survey since 1990 and scores highly for both political rights and civil liberties. The indicator for voice and accountability has been above 0.5 since 2005 (World Bank, 2012a). There is a small but vibrant private press, classified in the 2008 Freedom House survey as ‘free’. Freedom of expression is protected under the constitution, and this right is generally respected in practice, however journalists have been censored or intimidated on occasion (Freedom House, 2012b). The state owns the only radio and television stations. There is no Freedom of Information

Act and public access to information is generally limited. Decision making in Vanuatu is not transparent and public dissemination of information on government policies and outcomes remains a low priority.

Civil society in Vanuatu is made up of a multilayered array of groups that have evolved over different periods of history (Howell and Hall, 2010). The church and chiefs are prime institutions of both authority and civil society in rural areas, while modern development NGOs are concentrated in urban areas, mainly Port Vila. NGOs have focused much more on service provision than advocacy and, to date, play a limited role in enforcing accountability (ADB, 2009c). Chiefs have roles in local dispute resolution—especially on customary land—and, through local and national councils, advise government on issues of tradition and *Kastom*.

Churches have traditionally had a strong role in the provision of education and health services but with little dialogue or coordination with the state. The Vanuatu Association of NGOs (VANGO), recognized by the government in 2004 (Laking, 2010), acts as an umbrella organization aiming to support capacity building and coalition building amongst mainly development NGOs. While chiefly organizations have formal relations with the state, there are few avenues of formal engagement between NGOs and the state. The state has an ambivalent approach to different parts of civil society—with reports of some intimidation and harassment of groups critical of politicians.

Vanuatu ranks significantly higher than other Pacific countries for control of corruption (World Bank, 2012a). The Global Integrity Report (2007) shows that Vanuatu has continued to make progress on combatting corruption, with anticorruption policy rated as very strong, anticorruption agencies rated as moderate, but law enforcement as weak. Perceptions of corruption remain quite high (ranked at 95 of 180 countries on the Transparency International index)(TI, 2012) and, in this regard, corruption in Vanuatu needs to be viewed through the lens of the patrimonial system as a systemic problem, rather than simply individual misconduct. The dispensing of largesse is seen as a legitimate means of obtaining status and influence. While some forms of corruption in Vanuatu carry heavy costs for the public, most ni-Vanuatu do not recognize it as affecting their personal interests (Cox et al, 2007).



## ANNEX 5

# SECTORWIDE PROGRAM OBJECTIVES AND DESIGN

This Annex provides a brief overview of: (i) the scope and coverage of the SWAp under review; (ii) the total cost of SWAp; (iii) how clearly SWAp concepts, principles and objectives are articulated in design documents, and how they compare with the SWAp objectives laid out in this Review’s analytic framework; and (iv) SWAp implementation arrangements.

### Scope and Coverage

Most of the SWAp reviewed to date are not fully sector wide in scope because they do not capture all sector activities slated to be undertaken within a given timeframe (that is all activities envisaged in government strategic plans and/or all activities supported by DPs not participating in the SWAp). Nor do SWAp reviewed capture all sources of support. With the exception of Vanuatu Education, which appears to include all financiers and all activities envisaged in a three-year time slice, the other SWAp support projects or programs that are subsets of activities envisaged under government sectorwide plans, and include only the financial support of DPs financing those particular projects or programs.

### Cost

Table 5A-1 shows the timeframes of government strategic plans and those of the programs/projects supported under a SWAp, as well as the total costs of the projects

and programs supported under a SWAp. The total estimated cost of each project/program is equal to the total available financing (the sum of government’s contribution plus the contributions of the pooling DPs). Because the costs of strategic plans have not been assessed, it is not possible to calculate what share of strategic plans these SWAp-supported projects/programs represent.

### SWAP Definitions, Principles and Objectives

Analysis documented in each of the country studies (in Appendix) reveals that the understanding among the various actors and stakeholders involved of what a SWAp is, what it aims to do, and how it will be implemented is not consistent or entirely clear, even within the same country and the same sector, giving cause for confusion. SWAp descriptions and operating principles are articulated quite extensively, but differently, across the various design documents describing the same SWAp. While they are not conflicting, neither are they

**Table 5A-1: Relationship Between National Plans and Programs Supported by SWAp**

Country/Sector	Government's Strategic Plans	Programs/Projects Supported Under a SWAp		
		Project/Program	Total Cost/ Financing	Pooling DPs*
Samoa Education	<i>Strategic Policies and Plan: July 2006 – June 2015</i>	Second Education Sector Programme (ESP II) (2006–2013)	US\$30.0 million	AusAID, NZAID, ADB
Samoa Health	<i>Health Sector Plan: 2008–2018</i>	Health Sector Program (2009–2013)	US\$24.3 million	AusAID, NZAID, World Bank
Solomon Islands Health	<i>National Health Strategic Plan: 2006–2010; and National Health Strategic Plan (NHSP): 2011–2015</i>	Health Sector Support Program (HSSP) (2008–2012)	SI\$985 million [+ WB TA Project support of US\$1.5 million]	AusAID
Vanuatu Education	<i>Education Sector Strategy: 2007–2016</i>	Education Road Map (VERM) (2010–2012)	Not available	AusAID, NZAID, UNICEF

Sources: Program Implementation Manuals.

Note: \*See Table 4–1 for a full list of DPs (pooling and nonpooling) supporting these SWAp.

systematic in their descriptions and stated expectations of a SWAp.

With the exception of Samoa Health, SWAp (capacity and efficiency) objectives and indicators are more implicit than explicit, making it extremely challenging for the other SWAp to define and measure success. This is especially problematic for the Samoa Education SWAp, which was conceived as a pilot to test the SWAp approach. The links between SWAp objectives and program outcomes is assumed, but not well-established in the design documents. While, for each respective SWAp reviewed, all design documents, taken together, do respond to the analytic framework's summary of SWAp's expected benefits or outcomes used in this study, no one document fully articulates all of these benefits or expected outcomes. All of this gives cause for confusion on what the SWAp is and what it is trying to achieve. Table 5A-2 illustrates how only the Samoa Health SWAp articulates SWAp-specific objectives and distinguishes them from sector-specific objectives.

## Implementation Arrangements

Implementation arrangements are defined in detail in each of the country/sector studies (in Appendix). In

the design documents, the lead sector ministry (or the relevant ministry) is designated as the lead agency for the SWAp.

Capacity is supplemented and strengthened through a combination of: the use of in-house capacity; the recruitment of staff and local and international experts; and supervision and quality assurance by DPs. All SWAp reviewed have some kind of partnership arrangements or agreements which define a process of regular meetings (some annual, some semi-annual), aligned with government cycles, to accommodate joint reviews/discussions of annual or rolling plans, programs, budgets and financing and annual performance reviews. These implementation arrangements are inherent to the SWAp design and aid effectiveness principles and are discussed in more detail in Chapter 4.

Solomon Islands Health SWAp, in which neither ADB nor the Bank provides pooled support.

**Table 5A-2: Distinction Between SWAp-Specific and Sector Objectives**

SWAp	SWAp-Specific Objectives	Sector Objectives
Samoa Education	—	<p>Goal: to help GoS establish a more equitable and effective education system that enhances learning outcomes of young people for further study, work and adult life.</p> <p>Expected impacts by 2015:</p> <ul style="list-style-type: none"> <li>• increased enrollment at all levels;</li> <li>• equal participation and performance by boys and girls;</li> <li>• improved functional literacy rates; and</li> <li>• increased employment rates of high school graduates.</li> </ul> <p>Expected quality improvements by 2011:</p> <ul style="list-style-type: none"> <li>• a new national assessment system;</li> <li>• improved capacity and performance of teachers;</li> <li>• improved learning outcomes; and</li> <li>• reduced dropout rates.</li> </ul>
Samoa Health	<p>To improve the effectiveness of the GoS in managing and implementing the Health Sector Plan, using results from sector performance monitoring. Component-specific objectives are to ensure:</p> <ul style="list-style-type: none"> <li>• that policies/plans are implemented in line with priorities;</li> <li>• greater efficiency in resource use;</li> <li>• national ownership and commitment to health sector program;</li> <li>• results of performance monitoring are used to shape program implementation; and</li> </ul> <p>improved health sector governance.</p>	<p>To improve access to, and utilization of, effective, efficient and quality health services to improve the health status of the Samoan population. Component-specific objectives are to:</p> <p>support the transformation of the health sector from a medical model towards wellness orientation and health promotion;</p> <p>improve the quality of health services through strengthened human resources, standards, supplies, equipment and infrastructure; and</p> <p>improve policy, monitoring and regulatory oversight of the health sector.</p>
Solomon Islands Health	—	<p>Goal: To support the SIG in achieving improvements in priority health outcomes for the population through effective, efficient and equitable services that are responsive to the population’s health needs.</p> <p>Strategic objectives:</p> <ul style="list-style-type: none"> <li>• to raise service performance;</li> <li>• improve the long-term financial sustainability of public services; and</li> <li>• improve the management of the public health system at central and provincial levels.</li> </ul> <p>Impact indicators focus on declines in Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR) and Total Fertility Rate (TFR). Key Performance Indicators focus on service performance, Contraceptive Prevalence Rate (CPR), measles immunization, treatment of hypertension and diabetes; malaria case fatality; TB and STIs); financial sustainability (health expenditure, revenues, costs); and management (drug stockouts and community outreach programs).</p>



## ANNEX 6

# CHECKLISTS, GUIDELINES, GOOD PRACTICES UNDER A SWAP

This Annex presents checklists and descriptions of good practices under a SWAp mode, one set for each of the four critical SWAp success factors (middle panel of analytic framework—Figure 1-1). These checklists were compiled from a review of SWAp literature undertaken in 2008, and updated on numerous occasions to take into

account new information generated since, notably: the results of IEG’s six-country SWAp review; the latest literature and guidance produced by IHP+ working groups; and, finally, the incorporation of insights and lessons and South Pacific-specific context gleaned from this desk study (these latter updates shown in bold/italics).

### Box 6A-1: Characteristics of a Good Medium-Term Program of Work/Sector Strategic Framework

- Strategic relevance: coherence with macroeconomic, multisectoral and health policy, and with economic development and poverty reduction objectives;
- Relevance of objectives and design;
- Rigorous appraisal from technical, economic, financial, institutional, political, equity, and social (or demand-side) perspectives; strength of its evidence base; and cost-effectiveness;
- Adequate reflection of issues, challenges, needs, perspectives, and priorities of front-line services and decentralized/deconcentrated entities and other key actors and stakeholders, implying a participatory process;
- Clear results orientation and accountabilities: coherent results chain-linked with development objectives, appropriate indicators, established baselines and targets, specificity about equity issues and goals and how they will be measured, an M&E strategy and plan, and mechanisms for tracking accountabilities;
- Sound assessment of political and other risks and a plan for their mitigation;
- Implementability: fit with available capacity and financing; clearly stated priorities and appropriate, strategic sequencing of actions (from political, technical and capacity perspectives);
- Plan to strengthen implementation capacity, based on capacity assessments **that would embrace a holistic and synergistic approach to capacity building, including a results-based detailing of all essential inputs together: technical assistance, training, performance monitoring, pedagogical supervision, and systems strengthening;** and
- Viable estimates of implementation costs,\* medium-term projections of resource availability, an MTEF and annual budget that are reflective of sector priorities.

Source: Author, drawing on various sources including: Cassels (1997); IHP’s Guidance Notes on Country Compacts and Joint Assessments of National Strategies ([www.internationalhealthpartnership.net/en](http://www.internationalhealthpartnership.net/en)); Vaillancourt (2009).

Note: \* IHP IHP+ guidelines recommend the costing of three scenarios: needs-based, results-based, and resources-based.

## Box 6A-2: Checklist for Strengthening Country Capacities, Systems and Incentives

### Capacity Building Areas:\*

- Policy making, strategic planning, programming, budgeting, allocation of resources;
- Procurement;
- Disbursements and financial management;
- Expenditure efficiency/tracking and analysis of sector expenditures;
- Monitoring and evaluation; and
- Use of data for decision making.

### Capacity Building Activities:

- Assessment of systems, capacity, incentives:
  - In the broader context of national public sector systems, capacity, incentives;
  - Against minimum standards for use;
  - Ensuring coherence and synergies of the management systems within the sector, and with other relevant government agencies;
- Development of a **holistic** design/plan for strengthening systems, capacity, incentives, **weaving together all essential capacity-building inputs: technical assistance, training, performance monitoring, performance incentives, pedagogical supervision, systems strengthening, and contracting out of nontechnical functions;**
- Implementation of the design/plan, using a phased approach; and
- Focus on peripheral-level, as well as central-level capacities, systems and incentives.

Source: Author, drawing on various sources including: Cassels (1997); IHP's Guidance Notes on Country Compacts and Joint Assessments of National Strategies ([www.internationalhealthpartnership.net/en](http://www.internationalhealthpartnership.net/en)); Vaillancourt (2009).

Note: \* *Essential* capacities listed here are limited to capacities for SWApS/management. They do not include capacities for service delivery, which is a sector-specific issue dealt with inside of the medium-term PoW.

## Box 6A-3: Components of a Good Partnership Under a SWAp

### Who Is in the Partnership?

#### National actors and stakeholders:

- Government (central, regional, peripheral levels, parliament)
  - Sector ministry
  - Cross-cutting ministries: Finance, Civil Service, Local Government
  - Other relevant sectors: Social Development, Nutrition
- Nongovernmental
  - For-profit and not-for-profit service providers
  - Other civil society organizations

#### All external development partners, no matter the modality of their support

- Bilateral, multilateral
- **Regional (SPC, Pacific Forum)**

### To Do What?

- Negotiate evidence-based policy/strategy
- Allocate resources to sector priorities
- Review/evaluate sector performance/outcomes

### To What End?

- ====> Coherent, coordinated sector policy
- ====> Rational/equitable resource allocation
- ====> Greater focus on results

### How Do They Interact?

- Government in a leadership position, with adequate capacity and stability to fulfill its role;
- DPs in a supportive position, with clearly defined roles, responsibilities, accountabilities and capacities;
- Dialogue and decisions based on the generation of evidence, rather than conditionality;
- Mutual accountability of all partners for results, based on performance benchmarks for each partner (or group of partners);
- Clear guidance and mechanisms for managing and resolving disputes; **and a level playing field, among DPs;** and
- Coordination/collaboration around one national health plan, one M&E framework, one review process.

Source: Author, drawing on various sources including: Cassels (1997); IHP's Guidance Notes on Country Compacts and Joint Assessments of National Strategies ([www.internationalhealthpartnership.net/en](http://www.internationalhealthpartnership.net/en)); Vaillancourt (2009).

## Box 6A-4: Factors Facilitating Predictability, Flow of Funds and Budget Execution and Use

### Predictability of Overall Sector Funding

#### Generic factors:

- A phased budget based on PoW cost scenarios that identify the financing gap – MTEF;
- Inclusion of the nongovernmental sector in cost and resource envelope estimates;
- Specification of the total and annual financial commitments for the sector of the government and all other financiers; and
- A sufficiently strong budget and planning process, aligned with the country's budget cycle.

#### Factors specific to domestic/government financing:

- Stable macroeconomic conditions; and
- Firm government commitments to increase domestic budget allocations to the sector at the outset of the PoW.

#### Factors specific to external financing:

- Firm commitment of DPs' funding (amount, modality and timing) at the outset of the PoW;
- Agreed disbursement schedule linked to the PoW and national plan, and aid flows reported in national budgets;
- Annual releases of funding in line with commitments at the time of the annual budgeting exercise;
- Alignment of donor planning cycles, among themselves and with country planning and budgeting cycles;
- Commitment to predictable medium-term and long-term financing;
- Responsiveness to financing gaps identified in budget scenarios and the MTEF;
- Availability of resources in the timeframes described in the country health strategy and budget; and
- Timely information on annual DP commitments and disbursements for monitoring accountabilities.

### Flow of Funds To Implementing Entities:

- Timely disbursements to districts and implementing agencies in the amounts committed and budgeted;
- Simplified disbursement and financial management reporting and adequate capacity to implement it; and
- Systematic measurement of capacity to manage and coordinate aid flows.

### Budget Execution and Use:

- Systematic measurement of budget execution rate to monitor implementing entities' absorptive capacities;
- Systematic measurement of the use of funds against national and local priorities; and
- Link expenditures to results achieved.

Source: Author, drawing on various sources including: Cassels (1997); IHP's Guidance Notes on Country Compacts and Joint Assessments of National Strategies ([www.internationalhealthpartnership.net/en](http://www.internationalhealthpartnership.net/en)); Vaillancourt (2009).



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