

**SUMMARY OF THE PACIFIC ISLAND COUNTRIES SUBREGIONAL WORKSHOP
ON HLF 3 AND AID EFFECTIVENESS
NADI, FIJI 4-7 April 2008**

OVERALL

Participants at the Pacific regional consultations highlighted how the Paris Declaration has been regionalized through the formulation of the Pacific Principles and at national level through a variety of initiatives. However Pacific countries have little knowledge of either the Accra HLF or the current international process leading up to the HLF. Several have expressed interest to learn more about and the HLF and would like to participate in and contribute to the global process. The consultations highlighted that there is a good variety and depth of best practice examples of aid effectiveness work in the region which could strengthen global debate.

Several participants requested for increased support to Pacific Island countries for participation in the 2008 survey and expressed interest in participating in the survey, e.g. Samoa.

Several Pacific Island countries are not invitees to the HLF and a few of them expressed interest in receiving invitations to Accra. It was suggested to the participants that any Pacific Island country that signals its endorsement of the Paris Declaration could be invited to the Accra HLF.

SPECIFIC COMMENTS ON THE DRAFT AAA

Concern was expressed that the draft AAA calls for adoption of several codes. Since the Pacific Island countries have not been involved in the discussions and development of the codes or of good practice principles, they are reluctant to support the call for adoption of these codes. Several questions were raised on how these codes are being developed? Who developed them? Are the codes intended to serve donors only? Or will they apply to both donors and partner countries?

There was strong feeling that the AAA needs to go beyond a focus on national aid programmes and policies to include regional initiatives as part of the approach to fostering aid effectiveness, especially since regional initiatives are particularly relevant in the Pacific region. The AAA needs to make reference to cross cutting issues such as gender and to marginalized groups. On the latter point, the Pacific region often sees itself as a "marginalized group of countries" in the international process, so in a way, incorporating reference to "marginalized groups" would help address a key concern among the Pacific Island countries and local donors.

As drafted, several participants pointed that it would be difficult to persuade their ministers to endorse the AAA as it is not apparent to the Pacific Island countries (perhaps to other partner countries as well) what the benefits to partner countries would be if they were to endorse the AAA. Several participants had the impression that the draft AAA seemed to reflect mainly donor expectations related to the aid effectiveness debate.

SPECIFIC COMMENTS ON THE RTs

RT 1: Governments felt that there was considerable progress in relation to Parliamentary oversight of budget appropriations but that aid was in many cases still off-budget suggesting progress of the *democratic* ownership of *aid* would need both donors and governments to

increase both predictability and information management on aid flows. There was a particular concern with donors' approach to engaging in national consultative processes (on national planning for example). It was felt that international technical assistance and donor support for consultation processes was often supply driven and good practice needed to be established. The code of conduct on conditionality received mixed review and some argued that a discussion of conditionality would be better placed within a discussion of mutual accountability reviewing mutual progress on development effectiveness.

RT2: Use of country systems is only partially happening and some governments are beginning to see the benefits that may accrue from use of country systems. In many instances the use of country systems is constrained by limited capacity and capability and therefore not optimal. However, there was a feeling that country systems could be strengthened by making more use of them, and capacity could be built as a result. The need for donors to harmonize among themselves and to consequently align with country systems was considered an essential prerequisite.

Predictability of aid can be improved and multi year funding was considered as one way to improve predictability and continuity of assistance.

RT3: The Pacific Plan was brought up several times as a good practice example of a regional platform for harmonization among 14 Pacific Island country governments. It was suggested that RT3 should also look into the benefits and issues related to regional approaches to the aid effectiveness debate and these should be incorporated in the development of RT3.

In the Pacific region aid fragmentation with too many donors is not a serious issue; on the contrary, most countries would like to see a greater diversity of donors who could bring additional comparative advantage.

RT4: Major issues identified were the need for clearly defined baselines and baseline data for measuring results; monitoring and evaluation mechanisms in-country which are usually weak; donor incentives to achieve results; and ensuring buy in to a results focus from both donors and partner countries.

MfDR and mutual accountability are closely linked, and there is a need for both civil society and parliaments/governments to be closely involved in assessing the performance of donors, and conversely for donors to confer with partner countries to ensure results.

RT 5: It was proposed that a regional monitoring mechanism be established to regularly review progress from donors and governments on aid effectiveness commitments and development results – this would fit within the framework of the Pacific Principles on Aid Effectiveness. It was felt that the mutual accountability discussion needed to be 'given teeth' – it was felt that 'constructive embarrassment' over poor performance on aid effectiveness indicators was one method that could be used. Partner countries highlighted a number of examples of bad practice where donors still required forms of aid reporting that were unsupportive of government systems for reporting to both their citizenry and to their aid community as a collective. They hoped that any international agreements on mutual accountability would support the phasing out of this behaviour. There was a recognition that building mutual accountability mechanisms and processes will require donors to resource this and to provide initial capacity development support.

RT 6: The stronger inclusion of civil society in the aid effectiveness debate was welcomed given the key role civil society plays in both development programming and policy as well as their role in advocacy for marginalised groups. There was some argument for being more systematic in disaggregating the different components of civil society to give the debate more meaning (eg service providers; advocacy; faith based...). It was felt that in the Pacific civil society organization received less finance from large scale INGOs from donor countries but had more of a basis for support from the region. Given some political instability in the region there was also a call for some discussion of donor support to CSOs in unstable environments. There was some discussion of how to establish good practice in balancing the need for transparency in information sharing between civil society and government regarding aid flows (eg how much goes to which sectors of civil society) and the need to maintain independence of CSOs in their pursuit of advocacy roles.

RT7: The Pacific Island countries have numerous underlying causes for fragility, that include political instability, ethnic diversity, poor governance, limited capacity (some nations have very small populations and very little expertise which leads to fragility), and environmental problems (climate change, in particular).

Promoting good governance is necessary to deal with both fragility and with conflict. In responding to conflict situations or disasters, aid effectiveness principles are just as relevant but become more difficult and complicated to implement. In conflict or disaster situations there is a need to reassess engagement, and donors need to work with both governments and civil society.

RT8: Sectorwide approaches is relatively new in the Pacific though there have been a few SWAps, e.g., in Solomon Islands, PNG and Vanuatu. In many cases SWAps are not aligned with national strategies and tend to be developed in accordance to donors' assistance strategy.

RT9: China has grown to be an important donor in the Pacific and the main issue confronting the Pacific countries is the political sensitivity when dealing with both Taiwan and China, as both provide significant assistance to the countries. There were mixed views on the need for China (as a non traditional donor) to follow the Pacific Principles (drawn from the Paris Declaration)

Indonesia is also becoming a donor in the Pacific, e.g. in Melanesia.