



TOWARDS A STRATEGY FOR THE PACIFIC ISLANDS REGION NZAID CONSULTATION DRAFT, 1 JULY 2002

Commentary

Background

In July 2002, in its first month of existence, NZAID published a consultation document entitled Towards a Strategy for the Pacific Islands Region. It was the subject of wide consultation both in its preparation, which was undertaken principally by Nick Hurley, a former New Zealand High Commissioner to Solomon Islands, and subsequent to publication.

The consultation document was received positively, with a number of constructive comments and suggestions being offered. NZAID is grateful to all those who responded.

This paper reviews the comments received, as a contribution to the further development of a Pacific Regional Strategy in accordance with the timing referred to below.

It is apparent from the comments received and from NZAID's experience during its first year as a new semi-autonomous agency, that a strategy for the effective management of New Zealand's Official Development Assistance (ODA) in the Pacific needs to:

- have an overarching framework of analysis and understanding
- within that framework, focus selectively on key priority areas
- identify appropriate delivery mechanisms and processes, and
- take into account of overall directions in New Zealand's ODA volumes for the Pacific within current and projected allocations.

The consultation document was not itself designed to be a strategy, but to provide relevant contextual thinking and an interim framework for NZAID's approach to the Pacific. It has done that. It is not intended to turn the consultation document into a strategy but, augmented by the useful comments received, it will provide the starting point for the elaboration of a Pacific strategy.

In August this year, NZAID recommended to the Government that the finalisation of a regional strategy be put on hold until next year, for a number of reasons:

- NZAID's development of its overarching 3-5 year strategy

- changes underway in the region that would affect a regional strategy eg developments in Solomon Islands
- the review of the Forum mandated by the Pacific Islands Forum in Auckland which may identify new areas of focus for regional cooperation
- the finalisation of NZAID's education sector policy by early 2004
- the move by NZAID towards a programme (rather than project) funding relationship with key regional agencies, allowing for more strategic interventions.

A regional strategy will need to be up-to-date and yet have a life of several years, to be sharply focused and yet flexible enough to adapt to developments. It should be grounded in a poverty elimination approach. Being a regional strategy, it should set overarching directions and balance for the NZAID programme across the region.

Pending recommencement of the development of a Pacific Regional Strategy, this review of the comments received will provide a companion piece to the consultation document and will be published on the website alongside it and made available as an insert to printed copies.

Comments

Some commentators noted that the **consultation draft was too broad and all-encompassing to be of use as a strategy**. This is acknowledged. As noted above, it provides relevant contextual thinking, but is not a strategy itself.

The question was asked whether the consultation document communicated clearly enough New Zealand's own **definition of governance, and the linkage to NZAID's mission of poverty elimination**. It was noted that the draft drew on UNDP's definition of governance, but ran the risk of broadening it to the point of dilution, with the potential to distract from 'unfinished business' in the region in regard to the core components of governance. It was also noted that a number of priority areas identified for focus, such as basic education, health care, private sector support, while clearly important to a poverty reduction strategy, are not directly related to effective governance.

A **Pacific definition of governance** was also advocated, taking into account the social and economic role of the extended family and village (eg. the 'wantok' system) in Pacific societies. The strategy's consideration of governance should take into account traditional social structures, land ownership and clan leadership, as the basis for decision-making, and the place of subsistence economy as a stabilising social and economic force in the face of cultural challenges arising from modernisation.

These observations indicate the need for clarity when NZAID moves to evolve a strategy. While noting the caution about dilution of focus, it can be argued that **the effective provision of basic services such as health and education**, so directly linked to poverty elimination, is a function not only of government, but also of the quality of governance. Budgetary processes that fail to deliver sufficient funding on time for basic services may reflect inadequacies of

governance, not just government. Indeed one commentator linked them directly to governance. Nevertheless, the caution about blurring the lines is well-taken, and it is not desirable to dress up in the cloak of governance areas of focus that have developmental relevance but should be seen in their own right. As well as caution in that respect, there were comments to the effect that, beyond health and education, the priority areas identified in the document became too extensive and risked NZAID losing strategic focus.

The suggestion was made, also, that as the Pacific has, by and large demonstrated its commitment to universal **human rights**, the emphasis should fall less on human rights and more on strengthening governance around participation, transparency and accountability. It should be noted, however, that a number of Pacific island countries have made international commitments through ratifying human rights instruments and have sought support with aspects of implementation.

The consultative draft was presented for **discussion at the Massey Development Studies Conference in December 2002** and generated considerable discussion of the appropriateness of the central focus on poverty elimination, which NZAID has been mandated to pursue by the Government, in the Pacific. Several commentators observed that **the poverty focus**, while current development thinking, represents an outsider's concept based on measures of financial and asset wealth and social and development indicators, but takes insufficient account of local indicators. It did not reflect Pacific people's view of themselves. This perspective seems to consider mainly absolute poverty, rather than the additional two definitions of poverty which NZAID takes into account, namely poverty of opportunity and vulnerability to poverty.

On the other hand there was recognition by some commentators that the poverty focus usefully clarified the *raison d'être* of aid and stated the problem that need to be addressed. These and other commentators suggested that if poverty is NZAID's focus it needs to be more precise about how it will target its resources to the poorest people in the poorest countries, to elaborate specific targets in relation to the **Millennium Development Goals**, and to explain the linkages between priority areas such as education and the strengthening of governance and poverty elimination.

Commentators who preferred a different emphasis suggested, variously, more focus on: process than outcomes as 'development is about process'; on **empowerment**, especially of local communities; on **sustainable livelihoods**, including food security based on traditional crops; and on the need for fundamental change to the current practice of development which was essentially neo-colonial. From this debate, it can be seen that there is far from a consensus, from those attending the Development Studies Conference at least, around poverty elimination as the appropriate focus for NZAID, and a preference for more positive emphasis on empowering communities. These considerations will need to be taken into account, along with the Government's mandate, when NZAID comes to evolve its Pacific strategy. A preliminary reaction might be that the approaches are by no means mutually exclusive and

NZAID already works closely with communities through its programmes in pursuit of agreed development objectives.

Connected with this debate was a comment to the effect that the consultation document exhibits a rather minimalist approach to **private sector development**. NZAID should work to ensure that the private sector enabling environment is supported by partners through the systematic implementation of business friendly policies, as a strong, thriving private sector contributes to the social objectives linked to poverty reduction. However, the point was also made that economic growth and wealth creation are not sufficient on their own for the elimination of poverty. Different approaches for trade and investment led economic growth are required for each country.

A related comment was received to the effect that Pacific island countries have been relatively high per capita recipients of ODA and yet have performed relatively badly in terms of development outcomes, posing the question as to whether the fault lies just with poor governance or also with the **actions of donors**, in particular through the tied nature of aid.

One commentator considered that the theme of **donor coordination** was insufficiently addressed and that in developing the strategy NZAID should more clearly delineate how it sees its role, as one contributor among many, to development in the region. An example given was infrastructure where, given that NZAID does not intend to be involved beyond the provision of technical assistance, it should work to ensure that infrastructure needs are given appropriate priority by partners for assistance from other donors willing to be involved in the sector. It was also suggested that the development of the strategy should involve more extensive consultation with other donors than was the case with the consultation document.

It was noted by one commentator that the **importance of Christianity** and the role of the churches had been overlooked in the consultation draft. An understanding of development challenges and opportunities in the region requires an appreciation of the role of the churches in terms of influencing social attitudes, often in a “conservative” direction eg on moral and gender issues. At the same time the churches operate extensive and cohesive community networks, which can provide effective structures for community consultation and programme delivery.

Additional suggestions, some of which have been touched on above though with different emphases, were:

- the desirability of the strategy setting out the **principles and values** which NZAID uses to guide its ODA programming
- the need to nurture and **strengthen the voice of Pacific Island countries** in the international area, including on the Small Island Developing States issues, through the further strengthening of regional institutions;
- the importance of NZAID's **commitment to multi-year programming**, essential in tackling long-term development challenges;

- the **need for selectivity** in what NZAID focuses on and facing up to the challenge of deciding what not to do;
- the need for selectivity to get the **rights skills for implementation** ie not simply 'perceived neutrality and intellectual strengths' but cultural knowledge and language skills
- support for the importance NZAID places on **education as a major sector** for engagement, as there is a real opportunity for the Pacific to achieve Education for All;
- support for the inclusion of the neglected area of **rural development** among NZAID's priority areas;
- support for the emphasis NZAID places on **gender equity**;
- support for a more sustainable approach to the issue of the **recurrent cost burden** imposed by some development interventions;
- the need for New Zealand, and other donors, to **simplify processes**, including avoiding duplication of strategic planning approaches, to the greatest extent possible;
- the need for the strategy to support the role of **Information and Communications Technologies (ICT)** as a tool to enhance good governance and poverty reduction, through cutting communications costs, enhancing access to educational resources and enabling transactions with governments to be accomplished more efficiently.

All these comments are pertinent and will be considered as the development of a Pacific regional Strategy proceeds next year, in consultation with development partners, agencies, other donors and stakeholders. NZAID is grateful to all those who have assisted in the process so far.

As noted in the introduction, a Pacific Regional Strategy needs to have a life of several years to be of value in guiding programming. The Strategy will need to identify the longer term needs as well as be sufficiently flexible to accommodate change, which can come swiftly in today's world.

NZAID
November 2003