

Cook Islands Official Development Assistance Policy

Implementation plan.

Version 5.0, 22 October 2013.

Owner: National Sustainable Development Commission.

Implementation: National Sustainable Development Commission Members.

Drafting: Development Coordination Division, MFEM.

Approver: CIG Cabinet.

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Goal

Ensure aid effectiveness in achieving national development outcomes

Objectives

1. Strengthening governance and management of aid effectiveness at all levels
2. Strengthening partnerships in the coordination and delivery of aid
3. Ensuring accountability of aid to achieving sustainable development results

Background

This plan should be read with the Cook Islands Official Development Assistance Policy (ODA) approved by cabinet on 6th October 2011.

“The major challenges for the Cook Islands are service delivery to a geographically dispersed population, inequalities of income and opportunity with the vast majority of economic activity concentrated in the capital, isolation from international markets, limited diversification in the economy, emigration and the effects of extreme weather events. While aid amounts to only around \$35m per year, this is equivalent to more than \$2,500 per capita.” (CDDE, 2011)

Striving for aid effectiveness is not new to the Cook Islands. Participation in ongoing processes such as the Paris Declaration on Aid Effectiveness has nurtured understanding of key principles of Ownership, Alignment, Harmonisation, Managing for results and Mutual accountability. More recently, the interconnectivity between aid and development has resulted in a growing awareness of the potential for greater development impact through increased cooperation within and between groups in society.

While this policy is the first written development effectiveness action plan, it should be seen as a result of many ongoing actions undertaken by a broad range of actors who have strived to improve development effectiveness in the Cook Islands over many years.

Context & Drivers

Development as an ongoing process.

The Cook Islands nation has progressed substantially since independence in 1965 demonstrating political, economic and social progress and “achieving the highest human development index rating among the Pacific regions independent nations” (Health Specialists Ltd, 2010, p8). This has been achieved with a national economy of nominal GDP NZD 333 million in 2010 and a population base of 25,600 (MFEM, 2011). Development partners have long been associated with this process and are supportive of the self determined aspirations of Cook Islands people.

In recognition of the value of institutions, efforts to improve regional, central and local government effectiveness have been intensifying in the Pacific. The tools and conventional aid effectiveness principles are encompassed in key documents such as The Pacific Plan & Forum Compact, Cook Islands 2011-2015 National Sustainable Development Plan, and Community Centred Sustainable

Development Plans. In the Forum Compact “Leaders agreed that the new development compact would be based on the following principles (Leaders of the Pacific Islands Forum, 2009):

- a recognition that broad-based, private sector-led growth was essential to achieving faster development progress and that donors should encourage the private sector, including through micro-finance and support for larger-scale private sector projects;
- a recognition that improved governance and service delivery are essential to achieving faster development progress;
- a recognition that greater investment in infrastructure would underpin greater economic development;
- an acknowledgement that country leadership, mutual accountability and mutual responsibility between Forum Island countries and their development partners are fundamental to successful development outcomes;
- the need to draw on international best-practice as expressed in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action; and
- a revitalised commitment to the achievement of the MDGs in the Pacific.”

The Forum Compact establishes a series of review and reporting processes for Forum Island Countries and development partners to undertake which include;

- peer reviews of Forum Island Countries’ national development plan processes
- Forum Island Country reporting on national development plans
- development partner reporting on development coordination against the principles of the Paris Declaration, Accra Agenda for Action and Pacific Principles on Aid Effectiveness
- tracking progress towards the MDGs and development effectiveness in the region.
- a high level dialogue with the private sector, to encourage private sector growth and employment generation
- developing a 'road map' to strengthen Forum Island Countries’ public expenditure management, procurement, accountability and monitoring systems
- improving Forum Island Countries’ development data to guide better decision making, and monitoring and evaluation. (PIFS, 2012)

The 2011 high level forum on aid effectiveness in Busan has reinforced the importance of aid effectiveness principles such as transparency and called for the publishing of details of all aid projects and future plans. Moreover, the forum participants¹ committed “to modernise, deepen and broaden cooperation, involving state and non-state actors that wish to shape the agenda” (www.busanhl4.org, 2011). This new Global Partnership approach calls for “coalitions of the willing” to scale up cooperative action for national development. This call to action is a response to the ever more interconnected and diverse world in which development action occurs. Partnerships have become a significant mechanism for increasing opportunities for participation in development initiatives at local, national and international levels.

¹ Including the Cook Islands

This plan seeks to build on existing initiatives such as the Roadmap to Public Financial management improvements 2011 Public Expenditure Financial Accountability (PEFA) assessment, Public Service Functional Review, local government and gender and development plans to reinforce links between national budgets and national objectives. In addition this plan aims to foster new ways of working consistent with national, regional and international learning about development effectiveness.

Improving the public policy process

This plan acknowledges the importance of learning for action as a powerful lever for development effectiveness. Conceiving of public “policy as process” (Mackintosh, 1992) reveals the many levels and diverse actors that have potential to improve Cook Islands policy development. “The National Sustainable Development Commission should take a more proactive role in providing strategic advice on aid management and....could also be expanded incorporate representation from civil society, Parliament, the private sector and donors to facilitate more inclusive policy-making” (CDDE, 2011, p. 2). Diversity of perspectives about what constitutes ‘Development’ in society underlies the complexity of defining ‘public goods’² and is the power behind innovative process.

The ownership and leadership of Cook Islands development policies can be strengthened by organising an ongoing dialogue that “includes all stakeholders in the debate regarding aid effectiveness and prioritisation decisions” (Health Specialists Ltd, 2010, p4). This plan seeks to create more space for constructive interaction between diverse stakeholders and foster learning for innovative policy alternatives, for example by setting up an informal policy network to share information and build policy capacity. More informed decision making should address causes rather than symptoms and make better use of the already significant local experience and growing international knowledge relevant to the development challenges of the Cook Islands.

In recognition of the potential leverage from learning, international research has identified “building blocks” (Fourth High Level Forum on Aid Effectiveness) which are informed by more than 50 years of development experience across the world. This evidence finds that trade, migration, climate change, technology and private investment have more impact on development than aid, which remains especially relevant for poverty reduction.

Building trust for cooperative effort

Long running relationships with international development partners have assisted the Cook Islands connect with regional (e.g. Cairns compact) and international development efforts. At the 2011 high level talks in Busan, the Cook Islands recognised the potential of working in partnership across organisational boundaries³. This recognises that today, no single organisation has the ability to direct national development alone and that private sector and civil society organisations are significant development partners.

The basis of partnerships is common values and trust which can be fostered by sharing experiences and seeking mutual understanding through dialogue. There is already calls for “improved communication of aid information including monitoring and evaluation reporting (Health Specialists Ltd, 2010, p5)”. This recognises that collectively agreed action alone is not enough to sustain trust.

² Meaning those goods and services that the state should provide.

³ The Cook Islands through the Minister of Finance was a signatory to the HLF4 outcomes document.

Once agreed, public policy must return results. The lessons from the review of NSDP 2007-2010 highlighted the need to be realistic in “what we plan, our ability to finance..and implement..” (Office of the Prime Minister, 2010).

Achieving results needs monitoring efforts that provide evaluation of impact that informs ongoing improvement. This plan seeks to do this by fostering a diverse (and challenging) policy environment where people seek to ‘see through the eyes of others’ to learn rather than ‘win and lose’. A variety of actions are intended to influence different levels of the process driving public action and learning. This places emphasis on creating space for more dialogue while mitigating resource constraints by embedding learning within the local public action process.

Methodology

The goals and objectives of the policy provided the basis on which to develop this plan. . In determining the strategic actions, consideration was given to a range of ongoing activities, recent studies, reviews and national dialogues which capture the views of a diverse range of actors with interests in national development and ODA effectiveness in the Cook Islands. The 2011-2015 National Sustainable Development Plan and associated national strategies were used as legitimate sources of strategic options for consideration in this plan.

In order to provide a contemporary aid effectiveness lens from which to assess each action, the recently developed Aid effectiveness building blocks⁴ was used which consists of:

- Conflict and Fragility⁵
- South-South Cooperation
- Private Sector
- Climate Finance
- Transparency
- Effective Institutions & Policies
- Results & Accountabilities
- Managing Diversity & Reducing Fragmentation
- Cost - (Low, Medium, High) was used to assess the intensity of resources required by the option.

Taking an inclusive approach, an informal working group was established which included representatives from the Ministries of Education & Internal Affairs, the Chamber of Commerce and the National Council of Women. This group provided a broad range of perspectives which challenged conventional discourses and ongoing plans in its assessment of each potential action to be included in the plan.

Once a draft plan was developed this was presented to the National Sustainable Development Commission (NSDC) as the owner of the plan. In a collaborative process the action plan is then shaped into a final version for representation to cabinet.

⁴ <http://www.aideffectiveness.org/busanhlf4/en/topics/building-blocks.html>

⁵ in the CI context was defined as conflict for resources between economically developed islands in the South and North and the exposure of our small island state to climate change and isolation

Other alternatives considered were continuing with conventional management approaches such as “aid management” to develop this plan. This was not pursued because of the perceived benefits of shifting into a space where the Cook Islands could pioneer action based on emerging trends and robust development effectiveness evidence. The values of inclusive partnership and cooperative action underlying the new development effectiveness discourse are also seen as consistent with Governments’ and the Cook Islands’ cultural values.

Constraints and limitations.

The linkage made between ODA effectiveness and national development goals introduced a context where a board range of actors, operate across sectors, in an ongoing process of change. This makes planning action a complex task that must take into consideration existing structures, power relations and multiple perspectives.

Due to time taken to introduce and develop the methodology and the need to accommodate ongoing commitments the plan consists mainly of actions already developed that score highly against the criteria. Only a few new low cost actions have been proposed. It is intended that this framework would be useful for the ongoing work of the NSDC overseeing this plan.

In the development of this plan, it was necessary to raise awareness of development issues and trends with group members at all levels, including public employees and private interest groups. This raised the importance of capacity to participate in “Development” and the need to make basic knowledge available across organisations to enable meaningful participation in the ongoing development dialogue.

This approach supports to a certain extent the importance of actions that are already proceeding. It is expected that this methodology can be useful to refine plans over time, particularly as the NSDC is strengthened and evidence from the evaluation of policies intended to deliver the national sustainable development plan become more accessible.

Implementation Plan

The actions proposed in this plan are listed under the policy objective where the most impact is expected. The assumptions underlying the links from action to outcome and contribution to final objective is portrayed in the results diagram following. A budget and monitoring and evaluation plan complete the plan.

Objectives

1. Strengthening governance and management of aid effectiveness at all levels. (Institutions and capacity building).

Strategic Actions:

- a. Implement the Public Sector Functional Review (PSC) and agreed improvement process including implementing the roadmap to improving Public Financial Management (MFEM).
- b. Review and strengthen National Sustainable Development Commission (NSDC) functions to provide more effective oversight of aid effectiveness agenda at national

level and improve the quality of policy advice provided to cabinet. Set up informal policy network open to all organisations to catalogue policy initiatives, share information and build policy capacity.

- c. Organise Aid Management Division as the ODA Coordination Division focused on delivery of ODA policy and raising knowledge of Development issues and trends in MFEM and across partner organisations.
- d. Incorporate development partner funding into national medium term national budgeting and financial systems to provide implementing partners increased confidence to develop multi-year plans and reduce administration caused by duplicate administrative systems currently used to administer aid projects.
- e. Improve CIG Budget reporting to improve clarity of information to Parliament about the allocation and use of donor funds.

2. Strengthening partnerships in the coordination and delivery of aid.

Strategic Actions:

- a. Improve the transparency and effectiveness of the National Sustainable Development Commission operations
 - i. NSDC to review terms of reference and communications including expanded membership to include representative from civil society and private sector organisations.
 - ii. NSDC to establish representative NSDC working groups to drive action to achieve key ODA outcomes such as General Budget Support.
- b. Engage with Development Partners on ODA matters aligned to NSDP monitoring and budget process cycles.
 - i. MFEM to Develop communication plan
 - ii. MFEM to host annual Development Partners roundtable event
- c. Publish information which clarifies the process, roles and responsibilities related to official development assistance processes and that foster greater participation by non government actors.
- d. Develop an electronic tendering portal to facilitate the participation of the private sector in development activities and reduce administrative delays.

3. Ensuring accountability of aid to achieving sustainable development results

Strategic Actions:

- a. Develop a national development performance monitoring and reporting framework

Actions:

- i. OMP to develop and implement assessment matrix
- ii. OPM to publish 6 monthly progress report

- b. Improve government communication with public on development assistance use and results

Actions:

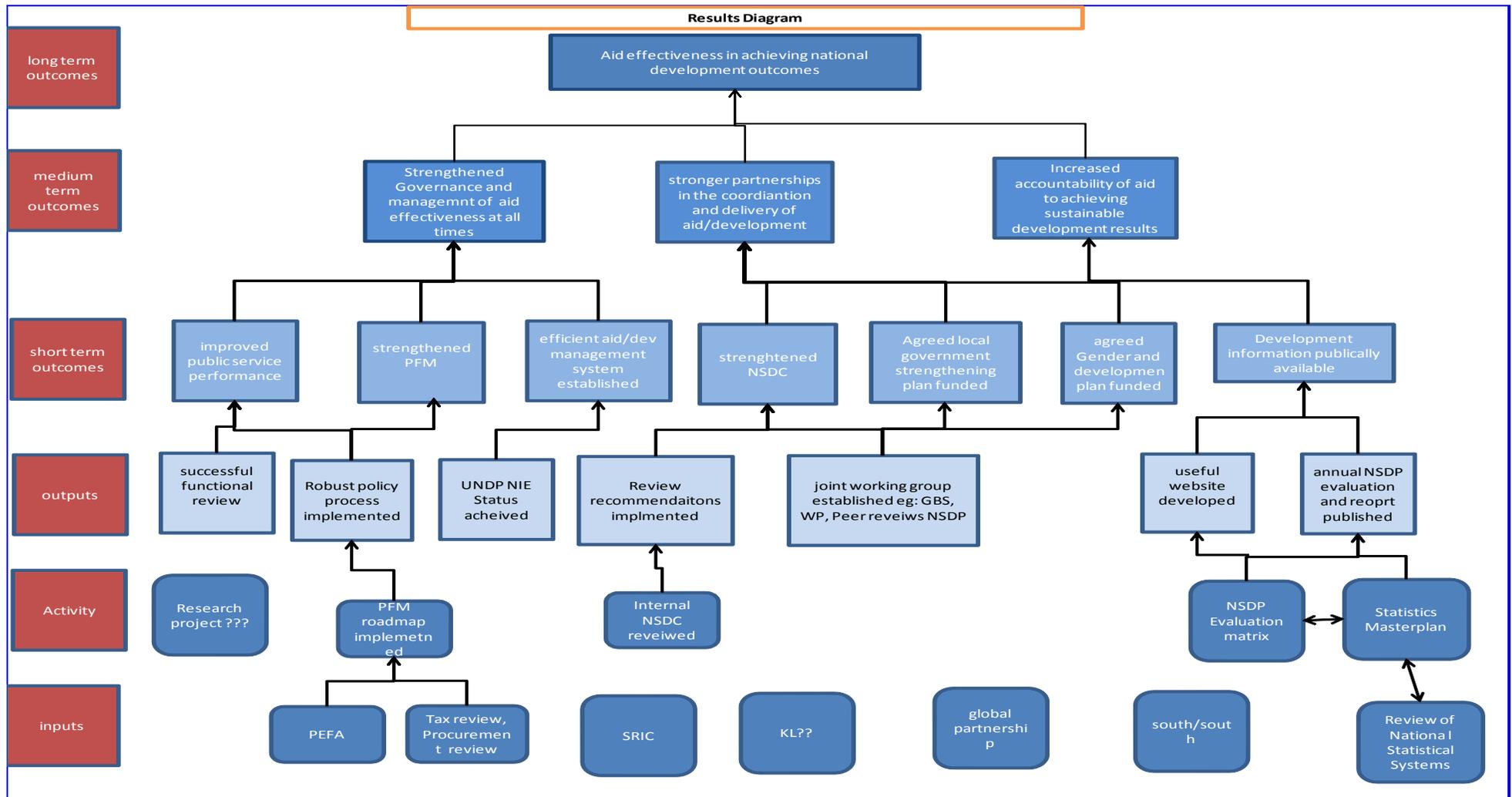
- i. MFEM to develop web pages to host information for stakeholders about the use and results of aid programs including funds sources available, annual reports, reviews and evaluations.
 - ii. MFEM to integrate ODA information within Medium term budget framework and annual budget process
 - iii. MFEM to inform Parliamentary review committee on ODA allocations and results.
 - iv. All government departments to report on ODA activities and results to parliament through annual reports
- c. Improve equitable representation of women and men in national decision making in the use and access to development resources. (Refer GEWE policy outcome 2)
- d. Strengthen local government systems to foster the accountability of local government service providers to citizens.
- e. Integrate climate change considerations into development and ODA design and aid funding modalities

Allocated Actions and Indicative Costs 2012-2014⁶

Objectives	Strategic Actions	Estimate NZD			Coordination	Partners & Resources
		Dec-13	13/14	14/15		
1.Strengthening governance and management of Aid Effectiveness at all levels	a) Complete Functional Review and implement recommendations approved by cabinet	250	187.5	187.5	PSC	ADB 500kUSD
	b) Implement PFM road map. PEFA assessments.	0	55	0	MFEM	NZ/A, Audit Office, Parliamentary Accounts Committee, EU, PFTAC, NZ/A(CITAF).
	c) Build Development Knowledge. Peer review.	0	0	0	MFEM/OPM	Use existing resources, PIFS, NZ/A.
	d) Improve transparency of donor funds in national budget process including Parliament information	35	0	0	MFEM	NZ, MFEM. (policy review, software and maint)
2.Strengthen Partnerships in coordination and delivery of aid	a) Review NSDC membership and clarify roles, ID resources needed.	0	0	0	NSDC/Cabinet	Use existing resources
	b) Joint working groups established e.g. GBS, Water, Energy.	0	0	0	NSDC	Development Partners, MFEM
	c) Development Partners Meeting	10	20	10	NSDC/MFEM	CIG budget. MFEM/OPM.
	d) Publish information on ODA processes	0	0	0	MFEM	Use existing resources
	e) Electronic tendering portal and systems	0	150	150	MFEM	CIG funds, Australia TA.
3.Ensure accountability of aid to sustainable development results	a) Bi-annual NSDP Monitoring Report institutionalized.	0	50	?	NSDC	MFEM (Statistics NSDS), HLF, OPM.
	b) Improve development program information available to public via web/budget process	0	0	0	MFEM/OPM	Use existing resources
	c) Complete & implement Gender & Development plan	0	277	75	INTAF	AusAID (165+37) SPC, UNWomen, NCW, INTAF (CIG 75k p.a.)
	d) Improve local government	43	43	0	OPM	UNDP CCSDP 70kUSD
	e) Integrate Climate Change considerations into ODA. Climate and development policy.	?	?	?	OPM/CCCI	UNDP SRIC
Monitoring & Evaluation		338.75	241.25	197.5	DCD	DCD and program budgets
Total plan		\$777,500 (needs revision)				

⁶ (note costs need to be verified once actions are endorsed in principle)

Results Diagram



Monitoring & Evaluation plan

Outcome	Indicator	How to measure	Baseline	Who will measure	Cost (000s NZD)	When
Strengthened governance and management of Aid Effectiveness	PS performance improvements? FRR -% of PS staff	FR project assessments? ?	2011 staff ratio	PSC	?. ADB	annually
	PFM rating	PEFA ⁷ ODA criteria?	PEFA 2011 rating?	MFEM	How much is a PEFA?	2013
	Efficiency of aid systems? Higher order modalities	Aid finances fully integrated with MFEM % ODA by modalities	0 % use of government systems.	MFEM	Existing resource	2014
Stronger partnerships delivering aid	# and type of joint programs	DCD systems	Count 2011	MFEM	Existing resource	2013
	Women participation in ODA decision making	# of women on ODA governance groups and govt boards	To be est.?	NCW/INTAF	Tbc	2014
Strengthened NSDC	NSDP matrix developed??	Date of cabinet approval??	0	NSDC	None	12 months
	Interim-review of NSDP	Peer review through Compact	Compare to 2010 internal review	PIC peers	Tbc	2013
	Annual NSDP evaluation report pub.	Count published each yr	Calculate last 5 year average.	NSDC	Tbc	2013
Improved accountability for use of resources.	Parliamentary reporting of ODA	# ODA related audit and annual reports tabled with Parliamentary Expenditure committee	Use 2012 data	DCD	Tbc	Annual

⁷ Public Expenditure Financial Accountability assessment

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