



Country Reporting on National Plans

Cairns Compact on Strengthening Development Coordination in
the Pacific

Pacific Islands Forum Secretariat
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Introduction

1. One of the pieces of evidence of the state of current practice requested by Pacific Leaders in the Cairns Compact on Strengthening Development Coordination in the Pacific was a consistent assessment of national planning processes and resource use based on countries' own presentation of their national situation. As a first step, a set of 20 questions was developed which broadly covered

- a. the status of national development plans – including timeframe and priorities
- b. the status of sector plans, and how these relate to the national plan
- c. processes in place (including institutions responsible and technical support) for developing national and sector plans
- d. timeframes and processes for reviewing and/or developing future plans
- e. processes to align development partner assistance with plans

2. Forum Island Countries other than those undergoing peer reviews were asked to submit a short report using the questions as a template. Six countries did so. This is a small sample and caution is needed in drawing conclusions from it; however, this note covers some common themes arising from the reports, reinforced by the experience of the countries where peer reviews took place.

National, sector and operational planning

3. While all Pacific countries have an overarching national plan, there are varying approaches to content, focus and timescale. Some are ways of classifying and defining the whole range of development activity for the period ahead, while others aim to be more specific about the top priorities, or to extract a short term set of priorities for focus (as in Vanuatu). In all cases there is a recognition that development outcomes usually depend on actions beyond the border of a single Ministry. Time frames for the plans vary from four years (Kiribati, Cook Islands) to twenty (Nauru – though in this case there are interim milestones for all strategies).

4. All reports describe a process of consultation in the formulation of the national plan which includes communities, the private sector and non-governmental organisations, though not all of these in every case. The reporting does not capture the quality of consultation, nor whether there is a common view of the objective of consultation or where it ends (the Cook Islands continues consultation through the implementation phase). At least one report identifies the need to involve the private sector and non-government organisations more visibly into public planning processes, and experience from the peer reviews is that consultation at the planning stage needs to shade into collaboration at the implementation stage if non state actors are to feel that their stake in national development is valued.

5. Planning in Pacific countries recognises the need to distinguish different levels for different operational purposes. National plans may be effective high level statements of intent,

but need to be made specific to guide budgets and policy. In each case reported, national plans are supported by a set of sector and corporate or operational plans. Sector plans vary in their coverage, with some countries having two or three in place while Samoa, which has adopted a strong and consistent program of sector planning, has eight with a further three under preparation and is the only country to report multi-year costing of these strategies. Other than for Samoa, the extent to which sector plans are consistent with each other and with the national plan, and drive resource allocation and accountability is not clear from the reporting. Where there is not full coverage of sector plans, countries (eg Cook Islands and Vanuatu) may specify short term targets which focus sector efforts and allow for assessment of progress

6. Sector plans may be a legacy of initiatives unrelated to the national plan. They are often driven by development partners and do not generate clear accountability for results. The case of Niue, which lists 22 ‘sector’ plans existing or under development, and notes the burden attached to implementing and monitoring them, suggests that the existence of such plans are not in themselves a guarantee of a well functioning system.

7. Some reports recognise the difficulty of reconciling planning at a detailed operational level (such as agency corporate plans) with high level national outcomes. Building a system which extends accountability beyond the delivery of some well defined outputs involves the public service in a degree of uncertainty and risk which is often unwelcome. However, the underlying principle that different levels of planning need to hang together and that activities need to be justified in terms of their contribution to medium term objectives is implicit in all the reports.

8. All countries reporting have a team based in the Ministry of Finance or Prime Minister’s Office which is responsible for the formulation of the national plan and for oversight of other parts of the policy and implementation process, including subsidiary strategies and monitoring which impact on the national plan. In smaller countries the same unit may be responsible for the budget and for relations with development partners.

9. The directions of change described in the reports are;

a. learning from previous plans and adjusting coverage and ambition to make them more useful

b. ensuring that national plans are supported by sector plans (Samoa), or recognising that while sector plans may not be in place everywhere, interim short term strategies and targets can be set to guide operations (Cook Islands, Vanuatu)

c. increasing challenge to line Ministries, within the limits of capacity in central agencies, to demonstrate links between operations and nationally determined priorities, and through improved financial monitoring and monitoring against policy.

Planning and budgets

10. All the reports state that budget bids are expected to be aligned to national plan priorities. However, there is a wide variation in practice, correlated with length of country experience in aligning outputs to budgets and with capacity in Ministries of Finance. Practice ranges from partial scrutiny of bids (eg scrutiny primarily of new expenditure proposals or investment projects) to a detailed examination of the objectives to be met by through all projected financial resources. Samoa operates medium term expenditure frameworks for all sectors with strategic plans which provide added discipline to budget proposals.

11. A similar range of practice is found in costing plans. In principle multi -year costings at the national, or more likely, a sector level entrench priorities and allow attention to focus on the overall cost of an outcome. A variant of this practice is some form of public sector investment plan, such as Tuvalu has, which takes a medium term view of investment expenditure. But for most Pacific countries the point at which plans are costed is the annual budget, that is, progress towards development outcomes can only be determined for the year ahead and may be subject to budget or policy pressures for that year.

12. In some countries even this forecast is not possible because there are no mechanisms for translating annual activities into a statement of progress against medium term outcomes or because Departments are not sure that development funds for the year, a significant element in achieving outcomes, will actually arrive.

13. There is no evidence in the reports of the effects on decision making of splitting recurrent and development budgets. This was found to have disadvantages in the peer reviews of Nauru and Kiribati. As a general rule, however, better developed systems which provide for scrutiny of all resources against departmental responsibilities and national priorities will tend to reduce problems of lack of coordination between investments and their recurrent cost implications, or of split accountabilities for budgets (to Parliaments for the recurrent budget and development partners for the development budget). Vanuatu has made progress on this front with the introduction of an Integrated Development Budget system to ensure that development funds are integrated with line agency bids and subjected to Parliamentary scrutiny

14. Most countries have an interdepartmental mechanism for examination of project proposals before they are approved for entry in the budget, usually by Cabinet. In Tonga and Samoa this examination is carried out separately for projects destined for aid funding. One report reflects on the effectiveness of this mechanism; there should be scope for greater sharing of experience between FICs on ways of making such common arrangements work better, and of strengthening the links between the approval function and the existing or potential link to monitoring results. For example, an issue which many countries share is managing political pressures which lead to circumvention of established decision making procedures.

Managing relationships with development partners

15. Formal consultation with development partners is often carried out through annual or biennial consultations with all partners collectively. For Tonga, getting its major development partners to meet together has been a step forward from separate annual negotiations. Experience from the peer reviews has been that such meetings are useful in setting out broad development issues and enhancing harmonisation. But understanding, alignment and constructive policy engagement are more effectively driven by smaller, more frequent and informal consultations. Tonga has instituted quarterly telephone conferences for its main partners, while Samoa supplements regular development partner consultations with sector consultations which take place around program monitoring events.

16. In general there is a single point of contact for development partners. Anecdotal evidence, and the experience of the peer reviews, suggests that agreed procedures are not always observed by development partners (the Cook Islands report confirms that they have identified this as a problem too). Where development coordination is well developed elsewhere in the world, it is usually because Ministries of Finance or their equivalents have invested heavily in leading donor dialogue and setting and monitoring norms for behaviour. Samoa is the leading example in the Pacific.

17. There appears to be a wide variation in the treatment of external support for budget purposes, including over whether aid in the budget is built up annually from departmental plans or allocated through medium term frameworks, and whether it is appropriated by Parliament or not. Some countries face continuing problems over the completeness of forecast and expenditure figures from development partners. There is at present no agreement between countries and their development partners about what constitutes minimum standards for coverage of external support in budgets, and PEFA reports in the Pacific consistently give a low rating to this dimension of budget comprehensiveness.

18. The reporting does not on the whole reflect on the effectiveness of planning and budget systems in directing development partner support. However, Samoa's concentration on sector planning, and its investment in financial and HR systems, has provided a strong lead to development partners and driven changes in behaviour, though there is more to be done. Elsewhere lower levels of capacity to direct development partners has led to a continuing dependence on discrete projects as the principal means of aid delivery.

19. Apart from poor transparency and failure to observe procedures, country reporting identifies as issues in the relationship with development partners;

- a. failure to use national systems
- b. frequent and overlapping demands on the time of officials
- c. the risks that countries dependent on a major development partner run from abrupt changes of policy on the part of the partner
- d. predictability of aid into the future.
- e. These will be discussed in greater detail in the Forum Secretariat's overall report on *Tracking the Effectiveness of Development Efforts in the Pacific*.

Monitoring and evaluation

20. This is recognised in all the reports as a central responsibility of the oversight agencies for planning and finance. In general, these agencies have a responsibility for tracking project progress and for encouraging line agencies to synthesise progress information on sector and national plans. At least two of the interdepartmental committees who approve aid proposals also have a role in monitoring results; in Tuvalu this includes the right to summon heads of departments and corporations to account for the results achieved by their organisation. In Vanuatu a Monitoring and Evaluation Unit has been established. In Samoa, sector strategies have monitoring and evaluation plans attached which also form the basis for development partner monitoring. In four of the reports monitoring was identified as something that needed improving, either by devoting more time to it or by improving systems, structure and skills.

21. Although there is increasing recognition of the importance of monitoring, the reports do not allow judgements to be made about the environment for monitoring, in particular how far senior officials feel accountable for results and what institutions are seen as legitimate enforcers of accountability. This emerged in the peer reviews as a key part of thinking about improved performance. It may not be a good investment to create more sophisticated systems for monitoring if agencies do not have the capacity to respond to them and more especially if the sense of accountability is missing in top management.

National reporting as an evidence base

22. The responses received were reasonably frank and pointed to some common issues of development coordination which confirm those emerging from the peer reviews. However, the major drawback to this form of evidence gathering is that it relies on hard pressed Planning Departments to produce a report which may for them cover well trodden ground and for which they may not see a necessity. The fact that Pacific governments already face a high reporting load may have contributed to the low number of returns.

23. Even within the limited number of country reports, the objective of assembling a set of evidence by asking common questions of countries at the same time was only partly achieved. Respondents interpreted the questions differently, and they gave different weights to different responses (ie there was a random pattern of depth of response). Most importantly, as presently constituted, the questions encourage description rather than assessment.

24. While there was extensive reporting on the existence of structures for policy coordination, budget processes and aid management, respondents were not prompted to consider how well they were working and what more might be required of Governments or development partners to make them work better (it is a credit to most respondents that there was a degree of self reflection in the responses anyway).

25. Whether there is a place for country reporting in future monitoring of the Cairns Compact is a matter which needs discussion among Forum Island Countries in the light of this year's experience and other demands on the time of officials. If there is, the content will need to be

discussed more extensively with proposed respondents than it was possible to do for this round. Options for improvement in both coverage and quality of evidence include:

- a. fewer questions (the current set encourages repetition)
- b. facilitation of responses (eg recording interview responses rather than commissioning a report). At the least this would improve the consistency of response and allow for timely clarification where descriptions are not clear
- c. focussing reporting on recurring themes of development coordination (such as the way that policies drive budgets, links between recurrent and investment expenditure, accountability for and information on results, development partner responsiveness, use of national systems for aid delivery), rather than the existence of processes
- d. prompting countries to think in terms of specific change that has taken place, say over the previous year
- e. prompting countries to think about areas where aid effectiveness principles are working well or badly and the reasons for this