

December 2018

Fiji Country Programme Evaluation Summary Report



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Aid Programme

QUICK FACTS



Fiji



POPULATION (2015)

869,458¹



HUMAN DEVELOPMENT INDEX

90 out of 188² (2015)



POPULATION BELOW
POVERTY LINE (2008)

35% OF THE POPULATION
LIVING BELOW THE NATIONAL
POVERTY LINE⁶



INCOME INEQUALITY (2008)

35% OF NATIONAL INCOME
EARNED BY THE RICHEST 10% OF
THE POPULATION (2008)⁷



PROPORTION OF WOMEN
WHO HAVE EXPERIENCED
PHYSICAL OR SEXUAL

67%

ABUSE BY A PARTNER (2013)⁸



GDP



US\$4,67 billion (2016 estimate)³
153 out of 200 (2017 estimate)⁴

GNI PER CAPITA

US\$4,970⁵



MAJOR INDUSTRIES

Tourism, Agriculture and
Fisheries



NEW ZEALAND ODA (2016)

NZD18.84 million

KEY SECTORS (2016)

EMERGENCY RESPONSE (NZD4.1 MILLION)
ENERGY (NZD2.9 MILLION)
EDUCATION (NZD2.9 MILLION) GOVERNMENT
AND CIVIL SOCIETY
(NZD2.9 MILLION)

Introduction

In recent years the New Zealand Ministry of Foreign Affairs and Trade (MFAT) has led a series of strategic evaluations to examine the results and impact of New Zealand's country partnerships.

In June 2018, Adam Smith International completed an evaluation of New Zealand's country programme in Fiji from 2014 to 2017. The evaluation sought evidence to help MFAT assess what the country programme had achieved; how relevant and effective its current development strategy is; what lessons could be identified and applied to its future work in Fiji; what the future strategic direction for new investments should be; how to improve its country programme; and how to improve ongoing development cooperation.

The evaluation asked:

- what has New Zealand's country programme in Fiji achieved
- how can New Zealand ensure it provides high-quality development cooperation over the short, medium and long term
- how can New Zealand maximise the impact of its engagement on sustainable economic development in Fiji?

This document summarises the evaluation's findings and conclusions, and it explains the rationale behind Adam Smith International's recommendations to MFAT.

Development context

This section of the report looks at the context in which development takes place and Fiji's development partners are working.

Fiji is an archipelago of 330 islands, although most Fijians live on the islands of Viti Levu and Vanua Levu. In 1970 only 30 per cent of people lived in urban areas, but this has since grown 54 per cent.¹

Globally, Fiji is the sixteenth most exposed country to natural disasters.² Almost every two years it experiences environmental shocks that damage the economy, infrastructure and livelihoods. In 2016, 40 per cent of Fijians were significantly impacted by Tropical Cyclone Winston, which caused economic damage estimated at US\$1.4 billion and slowed economic growth by 1.5 per cent.

Fiji is in the United Nations' high human development category. Since 1980, life expectancy has increased from 63 to 70 years; the average years of schooling children receive has increased to almost 10 years; and gross national income per capita is in the top third of all Pacific Island countries (PICs). Despite this progress, Fiji met only two of the seven developing country millennium development goals (MDGs) and ranked 11 out of 15 PICs for MDG performance.

Although the percentage of Fijians living in poverty continues to fall, poverty levels in rural areas are still high — 44 per cent in 2008. This is largely because Fiji's agriculture sector is declining. Sugar is still Fiji's major export commodity, but global sugar prices are falling, and in 2017 Fiji lost access for its sugar to the European market. Women and young people are also disadvantaged. Youth unemployment is high at 18 per cent, compared to the regional average of 13 per

cent.³ Women's participation in the labour force has been steadily declining and they also experience high rates of violence.⁴

Tourism, agriculture, foreign investment, remittances, official development assistance (ODA) and military expenditure make the largest contributions to Fiji's economy. In recent years, the biggest changes to the economy have been the decline in agricultural production and the increase in tourist numbers.⁵ However, despite significant increases in tourist numbers (from 300,000 in 2001 to 800,000 in 2015) the inflation-adjusted expenditure by tourists has stayed the same. Fiji could benefit more from tourists if they spent more on local goods and services.

Fiji's economy has fluctuated in the past but has stabilised since the elections in 2014. The economy is very vulnerable to external shocks. However, it proved resilient to Tropical Cyclone Winston, because at the time of this evaluation the Asian Development Bank was still forecasting economic growth of five per cent in 2017 and 2018.

Fiji's ease of doing business has marginally deteriorated since 2010, resulting in a drop from 43rd (2008) to 101st (2018) place out of 190 countries in the World Bank's ranking.⁶ If Fiji wants to increase interest from international firms, it will need to address the problems that underlie this fall in the ranking.

Fiji's government has demonstrated good fiscal management. Despite increasing its capital expenditure since 2014, it has managed to reduce the budget deficit from 5.1 per cent of GDP in 2007 to 1.9 per cent of GDP in 2014.⁷ The capital expenditure programme has boosted domestic investment while tax reform and improved tax revenue collection have helped to increase public sector funds.⁸ However, Fiji's Public Accounts Committee has reported that insufficient capacity amongst public financial management staff is affecting public sector performance and governance.⁹

Official development assistance

International community

Fiji has received varying amounts of ODA in the past. However, ODA has steadily risen since the 2014 elections, reaching almost US\$103 million in 2015.¹⁰ The donor landscape has changed in recent years. While Australia has remained the largest donor since 1970, China now makes the biggest contribution to Fiji's infrastructure sector. Newer donors have emerged, principally the Global Fund, Global Environment Facility, the United Arab Emirates and China. This has increased the existing donor coordination challenges.

Up until 2011, 16 donors¹¹ supported Fiji in any one year. By 2015 this had grown to 25 donors. Similarly, the number of donor-funded activities has grown from 241 in 2004 to 465 in 2015.¹² These increases have placed extra strain on Fiji's public sector management capacity and increased the challenges for Fiji and its development partners to work in a coordinated way.

Most ODA is spent on education, health, and government and civil society. Despite their significance to Fiji's economy, the agriculture, fisheries and tourism sectors are less well supported.¹³

According to Fiji's Ministry of Finance, most donor assistance is in the form of in-kind contributions rather than cash grants.¹⁴

New Zealand's aid programme

New Zealand has been Fiji's third largest donor since 1970. New Zealand's aid increased from around NZ\$10 million in 2013 to almost NZ\$20 million in 2016 and was expected to rise again in 2017, largely in response to Tropical Cyclone Winston.

In 2014 and 2015, New Zealand supported 14 different sectors in Fiji. Given that half of these sectors (social infrastructure and services; government and civil society; education; fisheries; agriculture; disaster risk reduction; and trade and private sector) received similar amounts of MFAT funding (between NZ\$1.8 and NZ\$2.9 million), the country programme seems to lack strategic focus. By 2016 New Zealand's largest aid investments were on emergency response (following Tropical Cyclone Winston), education, and government and civil society.

The aid relationship is currently structured around the *Development Cooperation Agreement (DCA)*, which was signed in February 2016. The agreement aims to contribute to Fiji's sustainable economic development by strengthening bilateral relations between Fiji and New Zealand,¹⁵ and providing support for:

- policy dialogue
- economic development focused on dairy
- skills training and workforce development focused on scholarships and vocational training
- institutional development through capacity building and professional training.

From 2002 to 2013 the number of activities in New Zealand's bilateral aid programme stayed stable, but between 2013 and 2015 the number of activities increased from 21 to 31. Including non-bilateral programme activities, MFAT funded an average of 62 activities between 2013 and 2016. This is almost three times higher than any other donor and it suggests that New Zealand's aid programme in Fiji is highly proliferated.

Assessment of results

This section of the report looks at the performance of the major agriculture and fisheries; education; resilience; elections; institutional linkages; and labour mobility activities that MFAT funded between 2014 to 2017.

The evaluation used the following definitions to categorise achievements under the OECD-DAC's development evaluation criteria:¹⁶

Green	The activity is performing well against the OECD-DAC criterium. It is largely relevant or efficient or effective or sustainable or impactful.
Amber	The activity only partially meets the OECD-DAC criterium. Further action is needed to improve performance.
Red	The activity is not performing well against the OECD-DAC criterium. It faces serious challenges.

Agriculture and fisheries

Despite a decline in production in recent years, agriculture remains a priority for Fiji and is one of the pillars in the DCA. Both Fiji and New Zealand consider that agriculture can drive economic development and address Fiji's trade deficit. It is also a way to improve livelihoods, for young people; women; and rural communities, and reduce poverty. However, the agriculture sector has been held back by some unsuccessful policies, inadequate quarantine facilities and insecure land tenure.¹⁷

Fisheries is also important for the economy. Fiji's offshore fisheries directly provide around 400 local jobs¹⁸ and contribute around US\$24 million to GDP every year through licence fees. Coastal fisheries provide food and household income and contribute almost US\$60 million to annual GDP.¹⁹

New Zealand has invested in four agriculture and fisheries activities.

Fiji Dairy Industry Development Initiative

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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This activity started in 2015/16 and is anticipated to continue until 2020. MFAT's budget is NZ\$10.25 million. The evaluation found that, although the activity is ambitious, it is highly relevant to local priorities, and has the potential to make a big impact if it achieves its objectives.

The activity has made steady progress since 2016. However, the implementing context is challenging, particularly because the commercial, social and political drivers don't always gel. This makes implementation difficult and could affect the sustainability of results.

Rural Beekeeping Livelihoods Programme

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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This pilot activity started in 2015 and will continue until 2018. MFAT’s budget is NZ\$596,629. Honey production and beekeeping is one of Fiji’s most profitable industries and it has the potential to be scaled up. It is also an industry that women and young people can take part in.

The pilot got off to a slow start, as the implementing partner found that farmers prioritised other livelihood options over beekeeping. Although 33 beekeepers have increased the quality and quantity of the honey they produce, the numbers of women and youth participating have not reached the targets expected. There’s also a risk that the results may not be sustained due to the low priority that farmers give to beekeeping.

Nature’s Way Cooperative

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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Nature’s Way Cooperative (NWC) deals with the mandatory quarantine requirement to heat-treat fruit and vegetables before they are exported. MFAT has funded expert advice and a subsidy for the operating cost of the heat treatment facility since it started in 1995. MFAT’s current support is NZ\$326,000 over 12 months, funded through an agriculture stimulus package created after Tropical Cyclone Winston.

NWC cannot function without financial support, and the heat treatment facility won’t be economically viable unless agricultural production increases significantly – a challenge given how frequently it is undermined by natural disasters. Addressing these problems, and improving sustainability, will need broad changes to the agriculture sector.

Pacific Fisheries Development Programme

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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New Zealand is well placed to work in fisheries, and New Zealand’s Ministry of Primary Industries has delivered this programme since 2014. The programme is aimed at improving enforcement and compliance matters in coastal and offshore fisheries. Its activities have progressed well and are on track.

While New Zealand’s support for fisheries is valued, private sector partners think it is not addressing the highest priorities in the fisheries sector. These priorities include reforming coastal fisheries, improving certification and training, improving the licencing regime, and helping to implement a licensed-fish receiver system. Working in these areas would improve the programme’s relevance and sustainability.

Education and scholarships

Compared with other PICs, Fiji’s education system is reasonably strong, and the country is an education hub for the region. As there is scope to improve Fiji’s higher education capability, MFAT is funding two higher education activities.

Fiji Higher Education Support Programme

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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MFAT has funded Fiji's Higher Education Commission (FHEC) to strengthen the quality and relevance of higher education and training delivered in Fiji since 2016. The activity has made slow, but steady, progress due to human resource constraints within FHEC. In addition, MFAT's NZ\$5m annual contribution is equivalent to FHEC's entire budget. This has become an administrative burden for FHEC, taken its resources away from other work and created a sustainability risk.

Scholarships Programme

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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MFAT's scholarships programme aims to improve Fiji's tertiary and skills training and maintain people-to-people connections between New Zealand and Fiji. MFAT has provided hundreds of scholarships to Fijians in the past, and currently funds postgraduate scholarships and short-term training scholarships. These programmes cost NZ\$1.6 million in 2016.

The programme is running well. In 2015, 39 of the 40 scholarship places were filled; all scholarships were given for qualifications in the Government of Fiji (GoF)'s government priority sectors; scholars' performance was equivalent to or exceeded Pacific tertiary education indicators; and women received 25 per cent of the scholarships (this rose to 31 per cent in 2016).²⁰

It is difficult to measure the cost-effectiveness or impact of scholarships or track how many returning scholars gain employment in priority sectors where their new skills can be used.

Resilience

As Fiji experiences frequent severe natural disasters, it is almost always in a recovery mode. This makes 'disaster proofing' a critical goal for Fiji. MFAT is supporting a range of resilience measures in Fiji.

Tropical Cyclone Winston Recovery Package

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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New Zealand responded swiftly to Tropical Cyclone Winston with a NZ\$20.4m recovery package. The help started immediately and involved deploying over 500 New Zealanders from across New Zealand's government.²¹ New Zealand's response was highly regarded by Fiji and has strengthened the New Zealand-Fiji relationship. The response work also gave donors an opportunity to coordinate better amongst themselves.

National disaster management

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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MFAT has supported Fiji's National Disaster Management Organisation (NDMO) through a range of activities. Although these were relevant to the NDMO's needs, implementing them has taken longer than planned.

NDMO Disaster Preparedness Project

This activity started in 2012 and was scheduled to end in mid-2017. With a budget of NZ\$3 million, a second phase was set up to address the drought Fiji experienced in 2015. The activity improved water distribution to affected areas, reduced the incidence of water-borne diseases, improved warehouse operations and integrated disaster risk reduction at divisional, district and community levels.

Fiji Evacuation Centres Upgrade Project

This activity, which started in 2013, is building two community evacuation centres in Narata and Nassau with a budget of NZ\$1.45 million. This activity has involved the local community well in the construction. However, at the time of the evaluation, the activity was behind schedule because the contractor had proved to be unsuitable for the work.

Housing

MFAT has funded housing projects in Fiji for some time. This support has responded to the needs of people living in sub-standard housing in informal settlements, and the needs of people whose housing has been damaged by natural disasters.

Habitat for Humanity Fiji's Build Back Safer Initiative

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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After Tropical Cyclone Winston, Habitat for Humanity Fiji changed the focus of its work from building transitional shelters to helping communities rebuild stronger homes. With financial support from Australia's Department of Foreign Affairs and Trade (DFAT) and MFAT, Habitat for Humanity Fiji has helped 7000 families with emergency shelters; training in water, sanitation and hygiene; house repairs; and training to build their houses back better.

Koroipita Social Housing

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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Koroipita is a settlement of 940 people east of Lautoka city. Over many years, various organisations and donors have helped create a low-cost social housing model there, including building strong housing infrastructure that has largely withstood subsequent natural disasters.

From 2009 to 2018, MFAT budgeted NZ\$8 million to build more sustainable housing. So far, this funding has been used to build 150 houses (and 25 more are planned), a workshop and a community hall.

The housing model's intention is that residents will return to the general community. However, a large housing backlog and high unemployment has meant only 3.5 per cent of residents voluntarily leave every year, and at least half of them return.²²

This model could be replicated in other parts of Fiji, although its social housing nature means it is not self-sustaining and will always need a financial subsidy. GoF has agreed to continue supporting Koroipita when donors' funding ends.

Elections

In 2013, one year before Fiji's democratic elections in 2014, MFAT and other development partners began support Fiji's electoral agency to prepare for the elections.

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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Fiji Elections Assistance Programme

This activity started in 2013 and is expected to continue until 2020. MFAT has budgeted NZ\$5.5 million to build the capability of the Fiji Electoral Commission and Fijian Elections Office (FEO) to conduct well-managed and credible elections.

The activity began with technical support to help set up the FEO. The activity is now focusing on ironing out some of the operational problems experienced during the 2014 elections and continuing to build Fiji's capability in preparation for the next elections in 2018.

Election Management System

During the 2014 elections the FEO used standalone data management systems. This made data collation difficult and increased the risk of errors. MFAT is now helping the FEO to develop an integrated election management system in time for the 2018 elections.

Institutional Linkages

The links between New Zealand's and Fiji's customs, police and defence services have developed and strengthened with the country programme's support.

Customs

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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New Zealand's and Fiji's customs services have a long relationship, which has grown stronger since 2014. Through its Pacific Leadership Programme, the New Zealand Customs Service has trained 52 customs managers; seconded its Director of Border Management to Fiji to coach and mentor Fiji's customs officials; and supported Fiji's customs services Chief Executive Officer to vice chair the Asia Pacific Working Group of the World Customs Organisation — this is the first time that a small island state has had this important role.

Since 2014, New Zealand has also supplied detector dogs and experienced handlers to train Fiji's dog handlers. This support has helped Fiji's customs service good drug detection results and has strengthened the relationship between Fiji's police and customs services.

The New Zealand Customs Services' current input is a five-year customs administration capacity programme in Fiji worth NZ\$1.2m, which started in 2017.

Police

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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New Zealand Police has a police liaison officer in Suva whose role is building relationships and trust between police services across the Pacific and within Fiji.

Police in Fiji and New Zealand think that on-the-ground presence of New Zealand Police' and programmes that target Fiji's specific needs, have more effectively built local capacity than the regional 'fly-in, fly-out' programmes like the Pacific Prevention of Domestic Violence Programme.

Nearly 60 of Fiji's most senior police officers are reaching retirement, meaning that New Zealand Police will be working with a younger and less-experienced force in future.

Defence

Relevance	Efficiency	Effectiveness	Sustainability	Impact
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New Zealand's and Fiji's defence relationship was re-established in the wake of Tropical Cyclone Winston and is now very strong. The New Zealand Defence Force's current focus is increasing the professionalism of military personnel, so they are suitable for UN peacekeeping work; maritime security, through providing an interim patrol boat; and humanitarian assistance and disaster preparedness.

Labour mobility

New Zealand's Recognised Seasonal Employer (RSE) programme started in Fiji in 2014 with 30 participants. This rose to nearly 200 in 2017. Fijians also took more than 50 per cent of the places in the RSE's Canterbury Trades Employment Initiative. Feedback from employers is that Fijians are often more experienced than employees from other Pacific nations and can fill supervisory roles.

High-quality development cooperation

This section provides the main findings about the quality of New Zealand's development cooperation in Fiji.

The development relationship

New Zealand and Fiji have strong economic ties through two-way trade, tourism and New Zealand's private sector operations in Fiji. Since 2014, when political relations were restored, the two countries have jointly identified development priorities and New Zealand has scaled up its development investments.

Strong relationships between a recipient country and its development partners are a critical part of effective development. Although the relationship between New Zealand and Fiji has been strained in the past, the underlying relationship is strong and provides a good foundation to build from. However, while the relationship is still being restored it limits the impact that New Zealand's aid could have.

Where Fiji and New Zealand have strong institutional linkages; similar policy priorities; and involve close trusted advisers, MFAT's investments are achieving good results. (New Zealand's customs, police and defence activities performed the best performing in terms of the OECD-DAC's criteria.) MFAT could consider using this type of high-quality technical assistance, placed inside government departments, in its other priority sectors.

The DCA has guided where New Zealand's aid should focus but not the form (or modality) it should take. Most of MFAT activities have standalone projects (delivered by NGOs or private sector organisations) or institutional arrangements with New Zealand agencies. The country programme doesn't yet make use of higher-order modalities like budget support, and it makes limited use of GoF's own systems.

Alignment

The evaluation examined two aspects of alignment. *Strategic alignment* (or relevance) is the extent to which a donor's programmes meet the strategies and needs of a recipient country's national development plans. *Systems alignment* is the extent to which a donor works with and through a partner government's systems.

Strategic alignment

The DCA sets out the principles, priorities and duties that Fiji and New Zealand agreed to. However, it doesn't refer to which national strategy or priorities it aligns to, and it doesn't have a jointly-agreed framework to assess its performance.

When the DCA was agreed, *Fiji's Roadmap for democracy and sustainable socioeconomic development (2010–2014)* had ended and not been replaced. MFAT also had stronger relationships with GoF's line ministries than it did with the Budget and Aid Coordination Committee that sets aid priorities. Given these circumstances, the approach that New Zealand took at the time — articulating broad thematic priorities and then agreeing activities with Fijian counterparts at department level — was a practical one. Now that Fiji has now published its *2017*

national development plan, MFAT can improve the strategic alignment of its country programme.

The evaluation found that Fiji was not providing strong direction for its development partners and was not taking a good lead on coordinating their activities. However, New Zealand's state sector agency-relationships appear to be strong and meeting Fiji's priorities.

Some people consulted during the evaluation said that New Zealand's priorities don't reflect those of Fiji. They tend to be developed in Wellington not consulted on locally. This seemed to particularly be the case for activities funded by the Partnerships Fund. Others said that MFAT and GoF needed to communicate better when activity concepts and strategies were being developed.

Systems alignment

The evaluation found that MFAT makes limited use of Fiji's procurement, auditing, accounting and general financial management systems, although it noted that this is not unusual for MFAT's relationships with PICs. In 2012, a public expenditure and financial accountability (PEFA) assessment found that reporting of New Zealand's total aid flow through Fiji's budget was limited. It also found that donors were providing GoF with limited financial information to help it with budgeting and reporting.

While MFAT and GoF cooperate closely on activities, these activities are usually being implemented outside of GoF's structures and managed by non-government partners. An exception is the Fiji Higher Education Improvement Programme, which will be delivered by the Fiji Higher Education Commission.

One reason why MFAT has not made greater use of GoF's systems is the limited capacity GoF departments have to implement activities additional to their current workloads. While this is understandable, by not using GoF's systems, MFAT loses the opportunity to strengthen them, improve accountability, and ensure activities achieve more sustainable results. GoF is currently working through an ambitious public sector reform programme and a public financial management improvement programme. When these reforms are completed, MFAT may be able to make greater use of higher-order aid modalities.

Harmonisation

Harmonisation is the extent to which donors coordinate their activities amongst themselves to avoid duplication and reduce transaction costs for their partner government.

The evaluation found very few examples of harmonisation in Fiji. Although there are several project-related governance groups that MFAT attends, thematic groups only meet sporadically, and donor coordination meetings tend to be ad hoc.

Interaction between traditional and non-traditional donors is limited in Fiji. This may be because they are managed by different GoF departments. While DFAT and MFAT work closely together, they could be more coordinated by participating in each other's planning processes. Donors would like GoF to be more proactive in its coordination of their work.

Five²³ of the eight sectors that New Zealand invests in the most are also the most heavily-supported sectors by other donors. This also suggests that there is a lack of harmonisation.

Coherence and complementarity

This part of the evaluation assessed what attempts MFAT had made to integrate and connect the different parts of its country programme. In common with other New Zealand country programmes, the programme in Fiji consists of high-value, high-priority activities that are managed through a bilateral programme, and low-value activities managed through other funding channels. This type of country programme makes it is harder to achieve coherence.

As New Zealand's ODA to Fiji scaled up, the number of activities rose to 70, but dropped to 62 in 2016. As half of these activities are managed by the bilateral programme team, this team has little time to spend on strategic management of the activity portfolio. After a period of opportunistic growth, MFAT should now consider consolidating the country programme by narrowing its involvement to fewer sectors.

The evaluation did find evidence of complementarity in some sectors. Social housing, disaster risk reduction and resilience are complementary to each other; they are sectors that meet both governments' priorities; and they are sectors in which New Zealand has achieved good outcomes. MFAT's funding of agriculture has also been complementary in the sense that it has developed the dairy industry while combating diseases that threaten the dairy herd.

Looking ahead

This section summarises the evaluation's main conclusions about the development context and their implications for New Zealand's future aid programme in Fiji.

Contextual conclusions

Extreme weather events will occur more frequently in Fiji in the future. Therefore, New Zealand should factor disaster planning and disaster response into its programme, and mainstream disaster planning into its activities.

It will be challenging for Fiji's economy to remain on an upward trajectory. Maintaining economic growth and political stability will require Fiji's political support for inclusive economic development, a commitment to make doing business easier, and continued public sector reform. New Zealand should prioritise activities that provide more opportunities for women, young people and rural communities.

Tourism and agriculture are vital to Fiji's economy. The agriculture sector needs to be reinvigorated and expenditure on local products and services by international tourists needs to grow. There's an opportunity for New Zealand and Fiji to work on an agritourism strategy to increase the amount that tourists spend on local agricultural food products supplied to local restaurants.

New Zealand's aid is spread too thinly. MFAT funds a high number of activities across a wide range of sectors, which suggests a lack of strategic prioritisation. It should look for ways to deepen its engagement with GoF's line ministries in priority sectors and increase its high-level policy dialogue.

Fiji's development priorities

New Zealand's aid programme in Fiji should align with the 20-year plan outlined in GoF's *Transforming Fiji: 20 year and 5 year national development plan*.²⁴ This plan aims to transform Fiji into: 'an even more progressive, vibrant and inclusive society' by 2036.²⁵

New Zealand's aid programme should also be owned by Fiji at the strategic level, as well as the implementation level. It should strategically align to a small number of Fiji's priorities that match the drivers of sustained economic development in Fiji and New Zealand's comparative advantage as an aid donor.

New Zealand's development assistance

The evaluation's main recommendations concern the sectors that New Zealand's country programme supports and the approaches that MFAT uses to deliver aid.

Sector focus

The evaluation concluded that New Zealand should concentrate its effort in fewer sectors, promote cohesion between those sectors, and choose sectors that:

- align with *Transforming Fiji's* policy objectives
- tackle the core drivers and inhibitors of sustained economic development
- reflect New Zealand's comparative advantage as an aid donor
- ensure New Zealand is visible as a development partner

- ensure New Zealand has influence
- provide a reasonable prospect for success.

Two approaches

The evaluation recommended that New Zealand adopts one of two approaches. Each of these approaches would address the main contextual conclusions, align with *Transforming Fiji* and focus in sectors that meet the criteria outlined above.

Approach one: status quo

This approach involves a similar approach to the current Fiji Programme but:

- focusing around 70 per cent of total country aid flow on agriculture and fisheries; post-secondary education and tertiary scholarships; private sector development; and housing
- using the remaining 30 per cent of funding on shorter-term, opportunistic and high-visibility activities with easily-observable outcomes such as labour mobility
- mainstreaming climate change and disaster resilience, and gender, into all activities
- capping the number of activities at an average of 62 each year
- capping the number of Partnerships Fund activities, and moving the management of these activities to New Zealand's High Commission in Fiji
- delivering most activities through the bilateral programme
- carefully planning and communicating an exit from non-priority sectors
- supporting disaster response when natural disasters occur.

Approach two: scale up

The scale-up approach differs from the status quo approach in several ways:

- focusing around 70 per cent of total country aid flow on agriculture and fisheries; post-secondary education and tertiary scholarships; private sector development; and housing
- using the remaining 30 per cent of funding on shorter-term, opportunistic and high-visibility activities with easily-observable outcomes such as labour mobility
- It includes a focus on tourism and agritourism, which draws more on New Zealand's comparative advantage as an aid donor, and aligns more with *Transforming Fiji*.
- To be successful, this approach would require more strategic and policy engagement with GoF, especially around private sector development, tourism, agriculture and agritourism.
- It would ideally include a policy coherence for development framework to promote synergies between New Zealand's development, trade, security and other engagements with Fiji.

Recommendations

This section summarises the 11 recommendations that Adam Smith International made to MFAT.

1. MFAT should ensure its country programme is strategically aligned with GoF's national development plan, *Transforming Fiji*.

The overarching strategic priority for New Zealand's country strategy should be supporting inclusive socioeconomic development.

The country programme's activities should be able to demonstrate how they explicitly address inclusive economic development.

2. MFAT's country strategy should be for the same five years as *Transforming Fiji*.
3. The results framework that accompanies MFAT's the country strategy should have objectives, targets and performance indicators that align with *Transforming Fiji*.
4. MFAT should report to GoF on progress against the country strategy and discuss progress during high-level policy dialogue.
5. MFAT should adopt a more progressive and transformational approach to its engagement with GoF. This should include high-level policy dialogue with senior politicians.
6. MFAT should consolidate its country programme in line with a new strategy that targets tourism, agriculture and fisheries, housing and education. Over time, at least 70 per cent of its funding should target these sectors.
7. MFAT should cap the number of activities it supports each year at 62, and fund most of these activities through the bilateral programme.
8. MFAT should continue to prioritise institutional linkage-type activities such as those presently in customs, police and defence.
9. MFAT should develop a strategy for moving towards an internal adviser role of providing technical support and, where possible, provide advisory support directly in government ministries in priority sectors.
10. MFAT needs to ensure that gender is mainstreamed across all new activities. It should also consider funding activities that target women's economic empowerment.
11. MFAT should consider adopting a framework for policy coherence for development.

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- ⁹ The evaluation report's reference for this information is this URL, which is broken or no longer live: <http://www.parliament.gov.fj/getattachment/Parliament-Business/Select-Committees/Standing-Committee-on-Public-Accounts/PAC-2015-2007-2009-Report.pdf.aspx>
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- ¹¹ This number excludes China.
- ¹² This number excludes China.
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