



# **Annual Report 2009**

**UNDP Pacific Centre**

*Partners in achieving prosperity and stability in the Pacific*



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## Abbreviations

ABG	Autonomous Bougainville Government
ADB	Asian Development Bank
AusAID	Australian Agency for International Development
BCPR	Bureau for Conflict Prevention and Recovery
BDP	Bureau for Development Policy
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CO	Country Office
CPR	Conflict Prevention and Recovery
CSO	Civil Society Organization
CSW	Commission on the Status of Women
DRM	Disaster Risk Management
FRSC	Forum Regional Security Committee
FSM	Federated States of Micronesia
HIES	Household Income and Expenditure Survey
HRBA	Human Rights Based Approach
LDCs	Least Developed Countries
MCO	UNDP Multi-Country Office
MDG	Millennium Development Goal
NAP	National Action Plan
NZAID	New Zealand Agency for International Development
OHCHR	Office of the High Commission for Human Rights
PACER	Pacific Agreement on Closer Economic Relations
PFIP	Pacific Financial Inclusion Programme
PICs	Pacific Island Countries
PIFS	Pacific Islands Forum Secretariat
PIPSO	Pacific Islands Private Sector Organization
PNG	Papua New Guinea
PRNGOs	Pacific regional non-government organisations
RCB	Regional Centre Bangkok
RCC	Regional Centre Colombo
RMI	Republic of the Marshall Islands
SOPAC	South Pacific Applied Geosciences Commission
SPC	Secretariat of the Pacific Community
SPREP	South Pacific Regional Environment Programme
UNAIDS	United Nations Joint Programme on HIV/AIDS
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women
UNFPA	United Nations Population Fund
USP	University of the South Pacific

## Message from the Pacific Centre Manager



I am pleased to introduce the 2009 and fourth official Annual Report for the UNDP Pacific Centre. The Centre, which is based in Suva, Fiji, supports the work of the UNDP Country Offices in the Pacific as well as managing the implementation of a range of regional and sub-regional initiatives in support of the implementation of the Pacific Plan. The completion of 2009 marks the half-way point in our four year Asia Pacific regional programme.

While the core of the Centre's work has been in the areas of crisis prevention and recovery; democratic governance; and MDG achievement and poverty reduction, the Centre has continued to expand its technical and programmatic support for financial inclusion as well as in cross-cutting areas such as: civil society capacity building; HIV and AIDS; environment and energy; and gender. The Centre has also been proactive in anticipating emerging development issues in the region and in 2009 began work to identify ways to limit the potential for conflict as a consequence of natural disasters and/or climate change.

Central to the work of the UNDP Pacific Centre is capacity building that embraces gender mainstreaming as well as a human rights based approach to development. Where possible, ideas and concepts developed through regional approaches are translated into national and sub-national initiatives that are delivered through supplementary programmes designed and implemented by the network of UNDP Country Offices in the Pacific.

Knowledge management and communications along with the maintenance of partnerships are key to the work of the Centre. During 2010, UNDP Pacific Centre as part of its knowledge management strategy will continue working with UN Agencies and national and regional stakeholders to implement a value added research service, named Solution Exchange. The Pacific Solution Exchange aims to enhance knowledge sharing in the Pacific for improved coordination and cooperation in support of the Pacific Plan and Cairns Compact. The Pacific Solution Exchange will be a free service to enable professionals to connect with their peers across the region via a facilitated email network to learn faster, work smarter and not reinvent the wheel.

The Pacific Centre is one of three Centres in the Asia-Pacific Region, with regional centres in Colombo and Bangkok supporting the work of all the UNDP Country Offices of Asia and the Pacific. The network of centres together with the global outreach of UNDP ensures that the Pacific has access to worldwide experience and expertise as well having an avenue for sharing and promoting the experience and expertise developed in this region.

As I reflect back on the last year of the Centre's operations, I would like to acknowledge the support of the Director and staff of the Regional Bureau for the Asia Pacific (RBAP) in New York. I would also like to thank the Pacific Centre Management Committee for their guidance and oversight; our colleagues at the Bangkok and Colombo Regional Centres for their contributions to Pacific activities; and our colleagues in the Country Offices of the Pacific for their ongoing partnership, advice and support.

I would like to express my sincere appreciation to our funding partners, particularly Australia and New Zealand, for their ongoing support. I would also like to extend the Centre's gratitude to our wide range of partners, both inside and outside the region, as their support and willingness to network, partner and engage with our activities has contributed significantly to the impact and sustainability of our outputs.

Finally, a special thanks to the staff of the Centre who have worked hard and very effectively as a team throughout 2009. In a year when the staff of the Centre faced a number of distractions from their core business such as the re-location of its office to Kadavu House (along with the Fiji Multi-Country Office and a number of UN agencies); a complicated budget year with a fluctuating US Dollar; and a major review of the Asia Pacific regional centres.

## Key Achievements

While this Report provides information on the implementation of a range of activities across all thematic areas, the following is a summary of a few of the key achievements of the Centre for 2009. In all cases, the Centre is only one contributor and as a result shares accountability for the results with governments in the region; UNDP Country Offices and other parts of the organisation; regional inter-governmental organisations; regional non-government umbrella organisations; UN agencies and donor partners.

### MDG Achievement and Poverty Reduction

- Governments of Samoa, Tuvalu, Fiji and Kiribati were assisted in assessing the real time impact of the global economic and financial crisis, identify those bearing the brunt and providing these governments with a range of options to mitigate impact and build resilience.
- Establishment of a Pacific MDG Network and a review of NSDS & Budget in Nauru as a direct follow-up to a Pacific MDG workshop in March 2009 that reviewed the linkages between issues such as poverty, gender, human rights, HIV, climate change, governance and conflict
- Integration of enterprise and financial education into the secondary curriculum for Samoa and a request that it be replicated in other countries in the region. The focus on such education is an attempt to boost the number of Pacific Islanders engaged in entrepreneurial activities and better addressing the needs of the large number of school leavers each year unable to find a job (estimated to be more than 15,000 each year in Fiji).
- Cumulatively 43,846, mainly rural people, received financial literacy training in Fiji, Solomon Islands, Tonga & Kiribati with 91 trainers trained and financial literacy training institutionalized in 36 national organizations

### Democratic Governance

- PNG Government supported to develop a National Anti-Corruption Strategy and Palau indicates that it will undertake an UNCAC Gap Analysis
- Nauru include a strongly worded right to information in their amended Constitution and with Palau and Solomon Islands committed to develop effective freedom of information regimes
- Pacific issues on women's political representation, climate change and women with disabilities reflected in outcomes of the 2009 Commission on the Status of Women (CSW), together with strengthened CSO-Government engagement from Cook Islands, Fiji, Tonga, Samoa, PNG and Palau at the CSW.

### Crisis Prevention and Recovery

- Socio-economic rehabilitation package for ex-combatants and policy advice on legislation, structure and plan of action for the Truth and Reconciliation Commission (TRC) in place for the Solomon Islands.
- Completion of disaster risk management National Action Plans (NAP) of three Countries, namely Vanuatu, RMI and Cook Islands which have strengthened capacity to manage aid effectively by aligning DRM programmes to the budget process. The Vanuatu Government has subsequently injected its own resources into disaster risk reduction efforts.
- The Forum Secretariat has increased capacity to deal with conflict issues (with out-posted conflict advisor), leading to a Regional Human Security Framework for conflict prevention, which has been endorsed by the 15 Island countries.
- the Forum Regional Security Committee endorsed the importance of finding ways to prevent conflict as a result of combined effects of climate change and disasters. (A response to Pacific Leadership calls for action on climate change and the UNGA Resolution on Climate Change and Security).

### Pacific Financial Inclusion

- Co-founded Pacific Financial Inclusion Donors Group; led a six country exercise to update situation analysis and jointly agree on three priorities per country.
- Co-founded Money Pacific to promote financial competence of households in the Pacific Islands, including four clear goals for Forum Economic Ministers Meeting (FEMM) endorsement.
- Approved five support agreements to extend financial services through technology in PNG (2), Fiji (1), Vanuatu (1), and a regional project for seven Pacific Island Countries.
- Support to Fiji Department of Social Welfare to move electronic banking 20,000 beneficiaries.
- Co-sponsored Fiji Microfinance Strategy Workshop with Reserve Bank Fiji.
- Developed Enterprise and Financial Education Curriculum plan for Tonga.

# Part 1: Overview of the Pacific Region and Key Development Challenges



## 1.1 Economic Trends in the Pacific

During 2009 most Pacific Island economies continued to be adversely affected by the impact of the global economic recession; only those such as PNG (and Timor Leste) with their oil and mineral wealth and Vanuatu benefiting from economic reforms, property development and increasing tourism arrivals were able to show relatively positive growth rates.

Across the region as a whole (including Timor Leste) the average growth rate for 2009 was estimated to be 2.8%<sup>1</sup>, down from an original estimate of 3.0%, and significantly lower than the overall average rate of growth of 5.2% that was actually achieved in 2008. However both the 2008 and 2009 growth rates were dominated by the strong performances of PNG (7.2% in 2008 and 4.5% in 2009) and Timor Leste (13.0% in 2008 and 8.0% in 2009). Both of these countries benefited from the continuing higher oil and commodity prices compared with 2007. For the other countries economic performance was adversely affected by these same high oil and commodity prices as well as the global economic slowdown affecting demand for manufactured exports (notably bottled water, garments and automotive parts), the flow of remittances from both families and contract workers, weakening in aggregate tourism earnings even though in some countries tourism numbers have held reasonably steady, weakening domestic demand and in some countries the impacts of natural disasters, particularly Samoa and Tonga. Nauru which had commenced secondary mining of the remaining phosphate just as world commodity prices were rising in 2008, saw its growth rate reverse from minus 27.3% in 2007 to a positive one percent growth in 2008. However a weakening in demand for phosphate and equipment breakdowns at the port saw exports fall sharply again in 2009 leaving growth at only an estimated one percent again in 2009.

Country	2004	2005	2006	2007	2008	2009*	2010**
Cook Islands	4.3	0.0	0.7	1.3	-1.2	-0.1	0.8
Federated States of Micronesia	-3.3	-0.6	-0.4	-0.1	-2.9	0.5	0.5
Fiji	5.5	0.6	3.4	-6.6	1.2	-1.0	0.5
Kiribati	-1.7	1.6	3.2	-0.5	3.4	1.0	0.9
Nauru	-	-14.5	6.3	-27.3	1.0	1.0	0.0
Palau	6.0	5.9	4.8	2.1	-1.0	-3.0	-1.0
Papua New Guinea	2.7	3.6	2.6	6.5	7.2	4.5	3.9
Republic of Marshall Islands	6.7	2.0	2.4	3.3	-2.0	0.5	0.8
Samoa	3.3	4.0	6.2	6.4	-3.4	-0.8	-0.6
Solomon Islands	8.0	5.0	6.1	10.3	6.4	0.0	2.6
Tonga	1.4	2.3	3.7	0.5	0.8	-0.5	0.5
Tuvalu	4.0	2.0	1.0	2.0	1.5	1.0	1.0
Vanuatu	5.5	6.5	7.4	6.8	6.3	4.0	3.5
<b>Average PICs***</b>	<b>3.8</b>	<b>2.9</b>	<b>2.4</b>	<b>3.0</b>	<b>5.2</b>	<b>2.8</b>	<b>3.1</b>

Source: ADB Asian Development Outlook 2009 Update  
 \* estimated growth rates; \*\* forecast growth rates; - data not available  
 \*\*\* includes Timor Leste but excludes Nauru & Niue

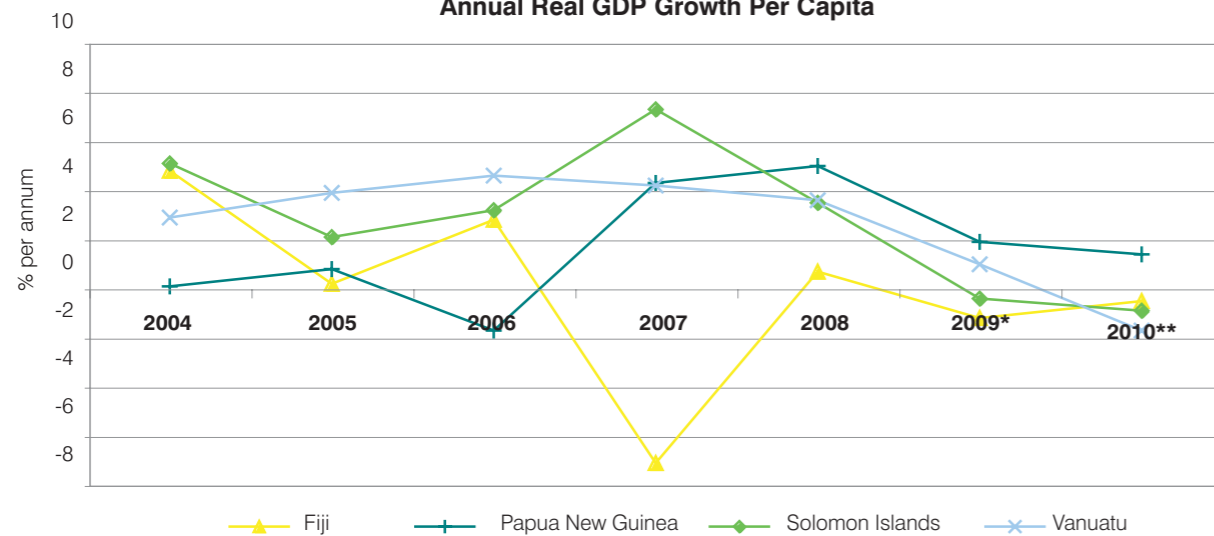
<sup>1</sup> ADB Asian Development Outlook (ADO) 2009 Update

In 2008 five of the other Pacific Island Countries had negative growth rates and in two others the growth rate was only one percent or less; in 2009 five countries were also expected to have negative growth with six more having growth of one percent or less. In 2009 the countries with the weakest growth were expected to be Palau (-3.0%), Fiji (-1.0%) and Samoa (-0.8%). Thus aggregate performance in 2009 was expected to be worse than in 2008.

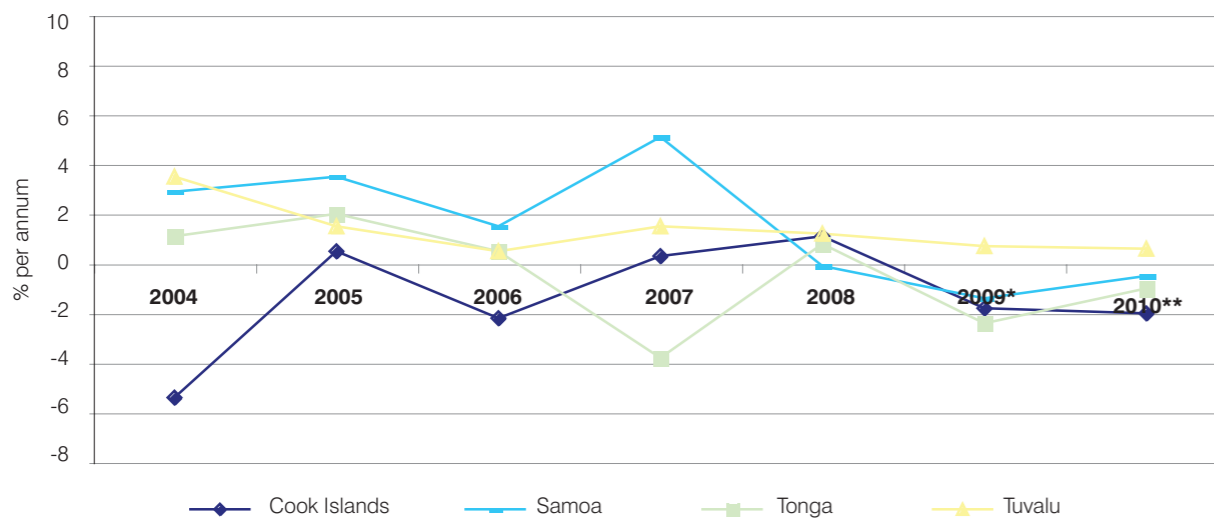
The estimated growth rate for 2009 compares with revised estimated growth rates of 3.0% achieved in 2007 and 2.4% in 2006. For 2010 the ADB forecasts average regional growth improving slightly to 3.1% as the smaller economies begin to recover from the impacts of the global slowdown, see Table 1.

The following three charts for Melanesian, Polynesian and Micronesian countries illustrate that with low rates of economic growth and relatively high rates of population growth most countries of the region have experienced very low or even negative per capita GDP growth over the 2008 – 2009 period.

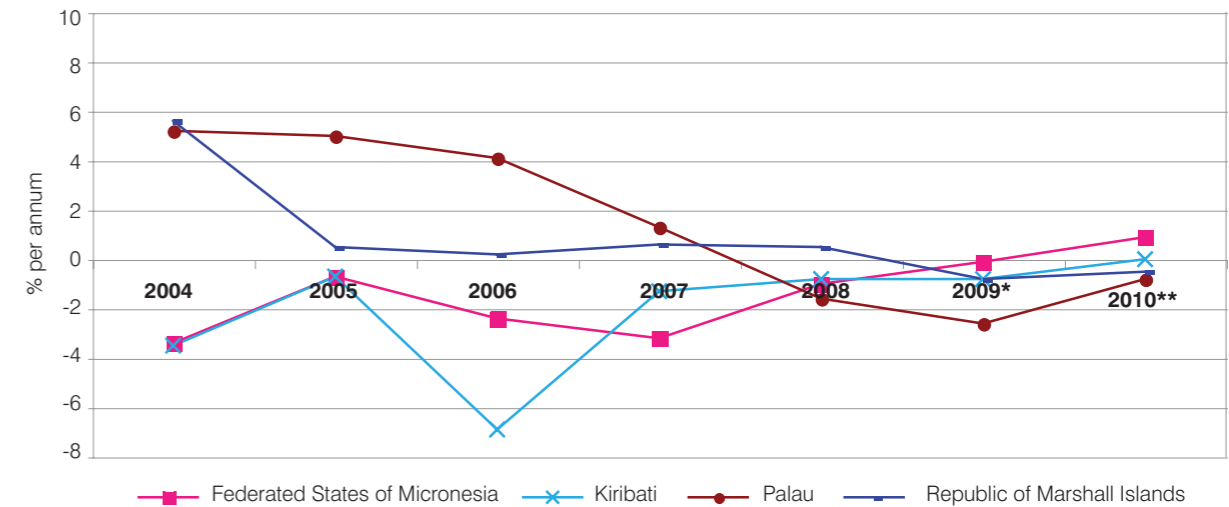
**Chart 1: Melanesia  
Annual Real GDP Growth Per Capita**



**Chart 2: Polynesia  
Annual Real GDP Growth Per Capita**



**Chart 3: Micronesia  
Annual Real GDP Growth Per Capita**



Although the IMF is forecasting positive growth in 2010 of 1.3% for the advanced economies, after negative growth of 3.4% in 2009, the long lead time for this improvement to filter through to the Pacific will ensure that the lingering affect of 2009's weak global performance will continue to be felt by the island economies well into 2010. While Australia has shown good signs of recovery on the back of rising demand for commodities, the New Zealand economy, a primary source of remittances and tourists, to Pacific Island Countries continues to have weak growth; unemployment amongst Pacific Islanders in New Zealand was estimated to be around fourteen percent in the fourth quarter of 2009. These impacts of the global economic situation will continue to be felt not only at the fiscal and macro-economic levels but also at the human level with the possibility that poverty rates could rise even further if Pacific countries do not take positive action of their own to stimulate growth.

For 2010, PNG and Solomon Islands are forecast to continue to benefit from their commodity exports with growth rates of 3.9% and 2.6% respectively. Vanuatu (forecast 3.6% growth in 2010) is expected to continue to benefit from buoyant tourism and agricultural sectors.

Excluding these three countries and Timor Leste, no other Pacific country is currently forecast to have a growth rate above one percent in 2010; and two, Palau and Samoa, are forecast to continue in negative territory.

The price of crude oil in the global market which peaked at almost US\$150 per barrel in mid-2008, fell to a low of just over US\$40 per barrel at year end 2008, and then rose steadily during 2009 to end the year at around US\$77 per barrel. Thus although the oil price, and the prices of transport and power generating fuels have fallen from their peaks, they remain significantly above the levels of three or so years ago. A similar situation exists for basic foods such as rice, sugar and flour-based products. Global market prices for these commodities have generally all fallen from their 2008 peaks but the declines in retail prices appear not to have been of the same magnitude. Thus consumers and poor consumers particularly, have been facing serious inflationary pressures, and weakening in their real incomes.

*The Government of the Republic of Kiribati would like to thank the UNDP Pacific Centre for its support to the National Statistics Office in the production of this report, The National Report on Poverty and Hardship Indicators for Kiribati. Its findings are an important guide to government policy-makers and community leaders alike in planning and formulating appropriate policies that could improve the lives and well-being of our people, especially those living below the national poverty line.*

**Honourable Natan Teewe**  
**Minister of Finance and Economic Development, Republic of Kiribati, in the Foreword to the National Report on Poverty and Hardship Indicators for Kiribati, December 2009.**

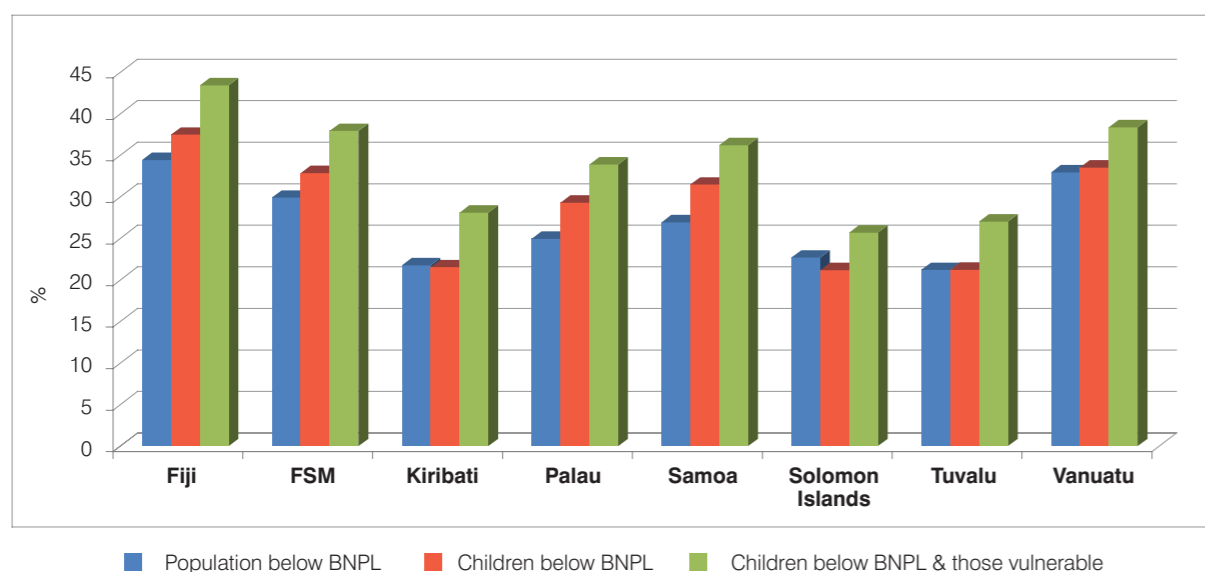
The ADB's ADO 2009 Update estimated that average inflation across the Pacific region was 6.1% in 2009 following 9.5% in 2008, both significantly above the rates of 3.3% in 2007 and 3.2% in 2006. Although every Pacific country is estimated to have experienced lower inflation in 2009 compared to 2008, nine of the fourteen countries with data had inflation at above five percent.

## 1.2 Poverty and Vulnerability Trends in the Pacific

Based on the sharp increases in basic food prices that have occurred since early 2008 it is estimated that the real incomes of the poorest households in Pacific Island Countries have likely fallen by at least ten percent in the last two years. Indeed a recent official report <sup>2</sup> in Marshall Islands concludes that real incomes in RMI's private sector fell by up to 40% between 1997 and 2009. From the most recent estimates of national basic-needs poverty lines and levels of poverty incidence across the region, it is therefore estimated that an average of an additional five percent of Pacific people will have fallen into poverty in the last two years alone. Excluding PNG where the rate of poverty incidence is estimated to be considerably higher, it is now estimated that approximately one-third of the population of all Pacific Islands countries is living at or below the respective national basic needs poverty lines.

Further it is estimated that children are especially vulnerable to falling below the poverty lines as is illustrated in Chart 4. This chart indicates the average national incidence of poverty for selected countries together with the poverty rate and poverty plus vulnerable-to-poverty rate amongst children.

Chart 4: Children in Poverty



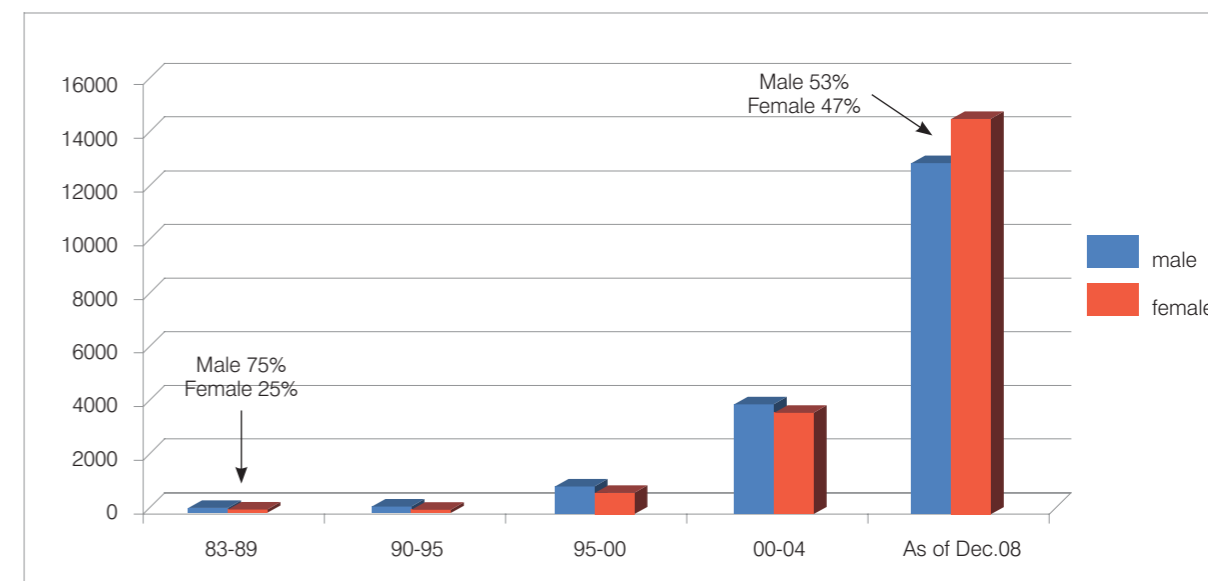
New or strengthened social protection measures, some of which have been supported by development partners, have been implemented in a number of countries, notably Samoa, Vanuatu, Fiji and Cook Islands and others are under consideration. These measures will assist the poorest households to cope with falling incomes and will provide some measure of fiscal stimulus to the respective economies. However these measures alone will not be enough to reverse the poor economic performance that has persisted in most countries for a number of years.

Increasing labour instability, as people move both internally and externally in search of livelihood opportunities, is raising the risk of HIV. While HIV infections are globally leveling off, they are still rising in the Pacific with each year

<sup>2</sup> Quoted in PacNews/RNZI 26 February 2010

seeing more new infections than the previous one. In 2008 <sup>3</sup>, reported new HIV cases amounted to 5,169 with 5,084 of them in Papua New Guinea alone. Fiji the second most populated country, has reported 2.5 times more cases between 2003 and 2006 than between 1999 and 2002, an increase that also needs to be put in relation to more testing being done. Although the lack of adequate surveillance systems in most countries and the absence of behavioral sentinel surveys make any firm conclusions on epidemiological trends hard to formulate, sex disaggregated data show that more women than ever before are being infected; and at a comparatively younger age than men. This trend underpins the heightened vulnerability of women and girls.

Chart 5: 1983-2008 Cumulative HIV cases disaggregated by sex (Source SPC data updated Jan 2010)



Major risk factors for HIV transmission in the region include high risk sexual behavior (i.e. unprotected sex with multiple or concurrent partners), early sexual debut (for girls in particular), substance abuse and gender based physical and sexual violence. These risks are compounded by the high rates of common Sexually Transmitted Infections found across the region which predispose for HIV infection in case of exposure to the virus. The risk of HIV transmission is also exacerbated by important structural factors including inadequate legal frameworks, gender inequality, rapid social change, high mobility and urbanization with the accompanying erosion of traditional social safety nets, and the lack of income opportunities for young people, women in particular, which can lead to transactional and sex work for some as a means for survival or access to otherwise inaccessible consumer goods. The Pacific HIV response is dynamic and increasingly robust with stepped-up efforts by regional, national and community actors supported by unprecedented level of funds mobilized. However, capacity is still to be developed among both governments and non governments actors as well as expertise sharing within and beyond the region; making the support of the Pacific Centre, UNDP and the UN system at large relevant and needed as ever.

## 1.3 Political Developments in the Pacific

Solomon Islands took a significant step towards healing and moving beyond the traumas of the "Tensions" by establishing and officially launching the first ever Truth and Reconciliation Commission in the Pacific. The commissioners who began their work on 15 January 2010 are Fr. Sam Ata of Solomon Islands (Chair); Ms. Sofia Macher of Peru (Deputy Chair); Mr. George Kejoa of Solomon Islands; Mrs. Carolyn Laore of Solomon Islands; and Ratu Joni Madraiwiwi of Fiji.

<sup>3</sup> HIV Data Source: UNAIDS 2010, SPC 2010

The Foreign Relations Committee of Parliament tabled the final report of its inquiry into the Facilitation of International Assistance Act 2003 and RAMSI intervention. Also the Parliament made important strides towards gender equality in its law by changing four legal practices in its newly passed Evidence Act 2009. The changes also remove major obstacles to successfully prosecuting offenders in sexual assault cases. The Evidence Act 2009 removed the corroboration rule which treated as suspicious the evidence of a person who claimed to have been sexually assaulted. Government submitted the Political Parties Amendment Bill seeking to minimize 'crossing the floor' among members of Parliament. Similar efforts to amend the constitution and electoral laws were introduced in Samoa.

In Papua New Guinea, in support of a proposal from the Minister of Community Development, Dame Carol Kidu, the government has been pushing for approval by the National Parliament of the nomination of women using s.102 of the constitution, which prescribes that "...Parliament may, from time to time, by a two-thirds absolute majority vote, appoint a person (other than a member) to be a nominated member of the Parliament." In March 2008, a motion in parliament failed to attract the two-thirds majority vote required by the constitution but the government has flagged its intention to submit the motion again in a later session. As such in 2009 a Bill was developed to reserve 22 seats for women.

The Autonomous Bougainville Government created the second dedicated Ministry of Peace, Reconciliation, Weapons Collection and Disposal in the region to advance reconciliation and peacebuilding in the lead up to referendum on independence to be held no later than 2015.

On 9th April 2009 the political environment in Fiji significantly changed with the abrogation of the 1997 Constitution by former President Ratu Josefa Iloilo. On 2 May the Leader's suspended the current military administration in the Republic of Fiji Islands from full participation in the Pacific Islands Forum. Using public emergency regulations the new government suspended members of the judiciary, imposed restrictions on media reporting and announced a new timetable for national election to be held in September 2014.

Throughout 2009, the Tonga Constitutional and Electoral Reform Commission was consulting with key stakeholders on substantial political and governance reforms. In November the Commission submitted its final report to King Tupou V. Elections planned for 2010 are expected to see an increase in the number of People's Representatives directly elected by the Tongan people. Vanuatu and Marshall Island saw changes in government as shifting political coalitions led to no-confidence votes resulting in new governments.

## 1.4 The Global Financial Crisis impacts on the Pacific and MDGs achievement

The low rates of economic growth, lack of new productive investment and rising levels of unemployment, coupled with higher prices for many basic food items described in Part 1.1 mean that levels of hardship and poverty are increasing for many households across the region. Governments themselves are facing ever tighter fiscal positions as the low economic growth rates and the impacts of the global economic situation on foreign exchange earnings weaken their ability to generate sufficient revenues to meet budget needs.

Increasing hardship at the household and tight fiscal positions at the government level inevitably mean that human development conditions for many people are deteriorating. Progress towards the MDGs is being threatened. But with only five years remaining until the 2015 target date for the achievement of the MDGs there is clearly a need for renewed efforts and acceleration in progress towards the Goals.

UNDP has developed an MDG Acceleration Framework and toolkit to enhance the value and effectiveness of the Need Assessment and Costing Tools that have been introduced to the Pacific region by the Centre over the past four years.

This set of tools now provides governments with a comprehensive framework to plan, cost and implement policies and actions to accelerate progress towards the MDGs through quick win interventions and contextualized replication of proven initiatives from other regions and countries. The MDG tracking and reporting programme within the Cairns Compact will help to ensure that progress towards the MDGs remains at the forefront of Leaders' policy agendas.

But for the poorest and most vulnerable in Pacific society's actions are required immediately to assist in alleviating the deepening hardship being experienced. Pacific governments and development partners are already working both separately and together to design and implement new and/or strengthened social protection policies and interventions. Measures are now being implemented for example in Samoa, Vanuatu, Fiji and Cook Islands, and are under consideration in many other countries. These measures are generally targeted and specifically pro-poor, although some are available to everyone, but they do act as a form of fiscal stimulus to the economies and help to mitigate the impacts of the global economic slowdown.

The weakness in the availability of employment opportunities, either for those just entering the labour market or for those who have already lost their jobs as a consequence of the general economic situation, is leading many to consider migration. This may be simply domestic migration from the rural areas to the urban centres, or as is becoming more frequent, the migration overseas in search of work. But there are many reports of an increasing number of more skilled and qualified Pacific Islanders leaving for better prospects offshore particularly in the health and care-work sectors. And there are movements of labour across the Pacific and into the wider global markets in search of work in other sectors as jobs in the domestic Pacific economies fail to materialize. These movements of labour have both positive and negative impacts for Pacific countries namely in remittances flowing back to families remaining at home certainly, but also an increasing number of children being left in the care of often elderly relatives. This is leading to higher dependency ratios especially in the rural areas. It also raises the vulnerabilities of those who migrate and can threaten the welfare of those left behind. The financial inclusion programme seeks to enhance the benefits of the remittance flows for both senders and recipients. But more education is needed on the risks of, for example, HIV/AIDS and the human rights of those who leave.

The Pacific Centre together with other UN agencies and development partners is supporting Pacific governments to build capacity and to develop policy responses to these challenges with the primary objective of accelerating progress towards the achievement of the MDGs and the reduction of hardship and poverty for the people of the region.

## 1.5 Capturing Telecommunications Technologies for Financial Inclusion

In 2006 a new mobile network operator entered the Pacific. Digicel started in the Caribbean and turned its attention to the Pacific markets as telecommunications liberalization, promoted in part by the World Bank Group. Digicel saw its first launch in Samoa in October 2006. It followed quickly in the Pacific's largest country, Papua New Guinea in July 2007 and is now present in Fiji, Nauru, Samoa, Tonga and Vanuatu. In some countries geographic coverage is close to 100%. Throughout the Pacific mobile network operators now reach nearly two million households compared to just a few hundred thousand in 2007. Competition has led to better service quality and lower prices.

The impact on rural households has been tremendous. While perhaps only ¼ of households have access to a phone in PNG compared to over 80% in Fiji and Samoa, most rural areas throughout the Pacific now have regular and fairly reliable communication with relatives in cities and towns. Communications are also reducing opportunity costs. Coffee growers know when the buyers are coming and need not wait all day by the roadside and teachers can check their account balances before traveling to town to see if their salary was deposited. Villagers can call and check the prices for kava and sandalwood and village stores can order goods from cities and use dial up phone banking to pay suppliers.

*It's important that people understand their rights and responsibilities when it comes to banking and financial services. The United Nations Development Program is doing some excellent work in this area through the Pacific Financial Inclusion Program.*

**Bob McMullan Parliamentary Secretary for International Development Assistance, Pacific Microfinance Week, Nadi July 2009.**

In some areas, there are reports of airtime and airtime cards being used as a virtual currency. Many operators allow subscribers to transfer air-time credit from their phone to others, enabling families to "top up" relatives. This service is the basis for a mobile money transfer service. Pacific islanders appear remarkably adept at using new technologies and there is little doubt they could manage mobile phone based financial services.

## 1.6 Environmental Developments

The Pacific is exposed to a range of natural hazards. Pacific Island Countries are particularly vulnerable due to geographic isolation, small economies and densely populated areas around coastal zone. Sadly the Pacific region experienced a number of major natural disasters in 2009. A devastating tsunami hit Samoa and Tonga in September 2009 taking lives, displacing families and villages, damaging people's livelihoods and the natural environment. In Samoa the official death toll was 143, with an estimated 4,500 people being directly affected, most of who were displaced. The Government of Samoa estimates the total damage at US\$147.25 million. In Tonga nine people died as a result of the tsunami hitting the northern island of Niuatoputapu, with an estimated cost of total damage US\$9.5 million. In December 2009 Fiji Tropical Cyclone Mick took several lives with an estimated cost of total damage at FJD\$38 million.

Climate change will make Pacific Island Countries more vulnerable to natural disasters. Leaders at the fortieth Pacific Islands Forum held in Cairns, in August 2009 recognised that it is "the greatest challenge of our time..." and adopted the Pacific Leaders Call for Action on Climate Change. Leaders also welcomed the resolution on Climate change and its possible security implications, adopted by the UN General Assembly on June 3, 2009. The resolution was an initiative of the Pacific Small Island Developing States (SIDS) at the UN, and leaders undertook to continue to assist, encourage and strengthen work in the region in support of its recommendations. In addition the leaders reaffirmed that energy remains one of the region's key priorities, and urged members to remain vigilant in the face of increasing oil prices, not least given the potential pressure on scarce national resources and budgets

If there is an increase in the frequency and intensity of disasters as a result of climate change it is likely that, by exacerbating long standing underlying threats to stability, climate change and disasters may act as a trigger for further conflict in the region. Through initial research and high-level advocacy in 2008, the Forum Regional Security Committee (FSRC) in 2009 formally endorsed the link between climate change, disasters and the potential for conflict as well as the proposed UNDP research and programming on this issue in the Pacific.

## Part 2: Pacific Centre Management



### 2.1 Regional Programme

All UNDP activities are implemented within the framework of the UNDP Strategic Plan 2008-2011. The UNDP Strategic Plan was approved in 2007 by the UNDP Executive Board, a steering and oversight body consisting of 36 UN member countries on a rotating basis.

The Asia-Pacific Regional Programme 2008-2011 was derived from the UNDP Strategic Plan. It guides the work of the Pacific Centre, and the two Regional Centres in Bangkok and Colombo. The Regional Programme takes into account the priorities of the Pacific Plan and the lessons learnt from previous UNDP regional programmes.

In support of the Regional Programme Document, the Centre is implementing three major Pacific regional projects – Governance in the Pacific, Crisis Prevention and Recovery, and MDGs Achievement and Poverty Reduction. The Pacific project documents, which run from 2008-11, all went through a consultative process with a number of stakeholders within the Pacific region – governments, non-governmental organisations, donors and other UN agencies – before being approved by the UNDP Directorate for the Asia Pacific region in December 2007.

The Pacific Financial Inclusion Programme (PFIP) was developed to improve access to financial services among one of the least banked regions in the world. The UNDP Pacific Centre, UNCDF, and EU Africa, Caribbean and Pacific Microfinance Framework Programme (EU/ACP) formed PFIP in 2008 and the PFIP team made its goal to reach an additional 250,000 low income and rural Pacific islanders with new or improved access to appropriate financial services by the end of 2011.

*I would like to thank the UNDP PNG Country Office, the UNDP Pacific Centre, and the Pacific Islands Forum Secretariat for organizing this sub-regional workshop on Anti-Corruption. I hope this forum will mark the beginning of a collective drive to tackle corruption in the region and in our respective countries, in a more coordinated manner led by the Government and supported by the Donor Community.*

**Honorable Dr Allan Marat, Minister for Justice & Attorney-General of Papua New Guinea, Melanesian Sub Regional Workshop on Anti-Corruption, Port Moresby, March 2009**

### 2.2 Support to National Programmes

The execution of regional programme activities accounts for the majority of the Centre's work. However, the Centre also provides policy advisory, technical backstopping, programming and knowledge management support to UNDP Country Offices in the Pacific, namely the Samoa Multi-Country Office, Fiji Multi-Country Office and PNG Country Office, as well as to PIC governments, intergovernmental agencies and civil society organizations, upon request.

The co-location of the Fiji Multi Country offices and the Pacific Centre in Kadavu House, Suva has resulted in more regular interactions both formal and informal. To further enhance working relationships the Pacific Centre and Fiji Multi Country Office have participated in each other's work planning and retreat sessions. Colleagues from the three Country Offices and the sub-office in Solomon Islands were invited to the 2009 Pacific Centre retreat/work planning sessions. A positive follow-up from this has been discussions amongst the Environment and Energy colleagues in the Pacific on how they might jointly enhance UNDP's performance in the region. Using the recommendations of the 2008 Evaluation of the Role and Contribution of UNDP in Environment and Energy as a starting point this group is sharing ideas to identify some practical measures which can be taken.

Teamworks is being introduced to promote greater interaction between the offices of the Pacific and promote staff exchanges and participation of the country office staff in the work of the Pacific Centre.

## 2.3 Governance Arrangements

The Pacific Centre Management Team is committed to a robust and transparent governance structure, based on UNDP corporate rules and procedures. The Centre's work is reviewed annually by its Management Committee, including the Pacific Resident Representatives and senior management from the Bureau as well as a Project Steering Committee that includes country and regional organization representatives. Resources are allocated in the annual work plan for the Centre based on this performance review process and in response to emerging priorities as determined by Pacific Island Forum Leaders. Careful attention is paid to ensuring that the Centre's work is targeted and reflects the comparative advantage of UNDP.

In February 2009 there was a Review of UNDP Regional Centres in the Asia Pacific Region which involved a review of both the services being delivered as well as the organizational and institutional arrangements established to deliver those services. The review mission report was highly satisfactory for the Pacific Centre, which stated that the Centre "has published an outstanding strategy document to cover the 2008 – 2011 planning cycle and that it is highly responsive to the concerns of the government agencies and CSOs that approach it, for some CSOs "there was no UNDP until the PC was established".

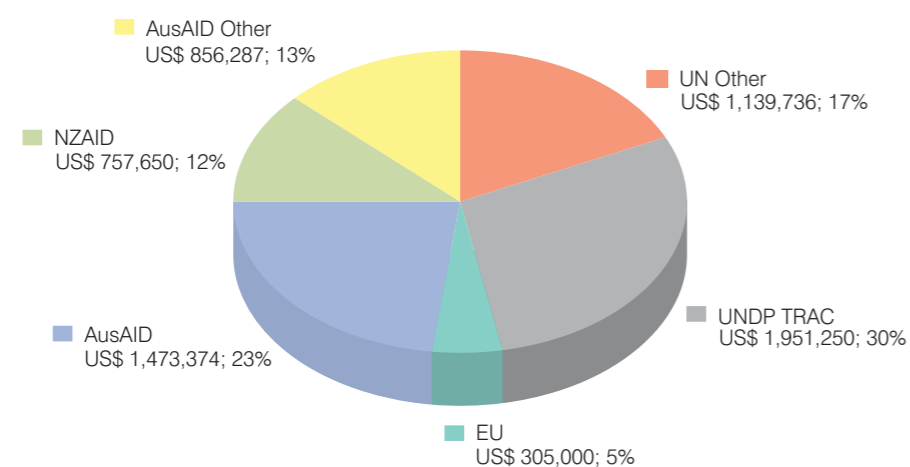
The Project Steering Committee met twice in 2009, on 12th February and 24th November. The Project Steering Committee looks in detail at project management focusing on the monitoring and quality assurance of projects. The Management Committee met in Fiji on the 23rd November, it is an internal UNDP meeting providing strategic oversight of the Centre, looking at prioritisation and sustainability. The Cluster meeting in 2009 was held in Thailand from 7-10th October, with attendance by the UNDP Administrator Helen Clark.

The Pacific Centre continues to receive a strong endorsement for its work from Australia and New Zealand, two donors which have supported the Centre since its establishment and which have agreed to a four-year programme of support to the Centre for the period 2008-2011. In 2009, both donors participated in a joint partners review meeting with the Centre to ensure consistency and a focus on results.

## 2.4 Resource Mobilisation

UNDP Regional Target for Resource Assignment from the Core (TRAC) was US\$1.9 million in 2009. In terms of resources from other UN sources, UNCDF support to the Financial Inclusion project was US\$530,000, while the UNDP Bureau for Crisis Prevention and Recovery (BCPR) also committed an amount of US\$195,000 to the Crisis Prevention and Recovery Team for 2009. The Bureau for Development and Policy provided specific funding of US\$100,000 for work on HIV and US\$95,000 from the Gender Thematic Trust Fund, while US\$120,000 was provided by the UNDP Global Human Rights Strengthening Programme. TRAC, together with UNCDF, BCPR and BDP funds, provided a strong foundation for the Pacific Centre's resource mobilization strategy.

**Figure 1: Pacific Centre Funding Partners for 2009**



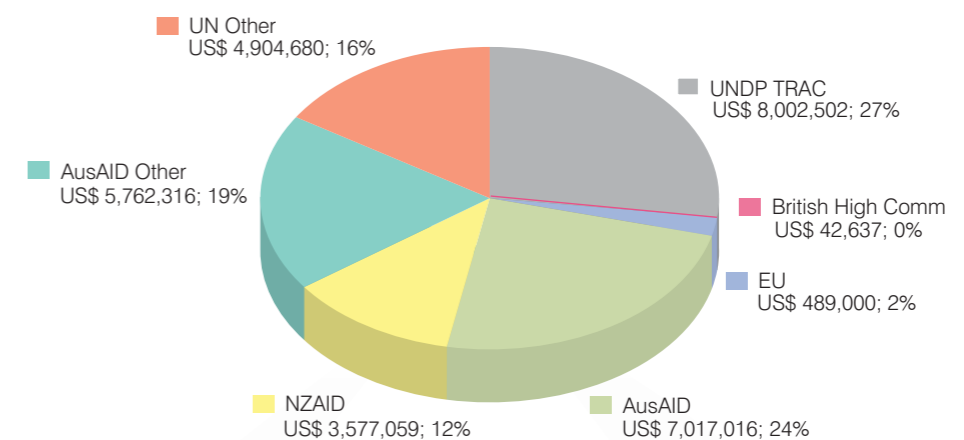
In late 2008, the Centre concluded long term partnerships with its two traditional bilateral donors in the region, namely, Australia and New Zealand for support in the implementation of the Pacific Plan through partnerships with a range of regional entities, which has led to a sustained commitment from both donors. Under the partnership arrangement with both donors, they agreed to provide funding for the core work of the Centre in 2008/2009 and in the longer term. In 2009, AusAID provided almost US\$2.3 million in terms of core support and specific funding of activities in all the of the Centre's Projects, while NZAID provided almost US\$0.75 million as core support.

While AusAID provides core funding to the Centre, it has also provided additional project and activity funding in 2009. Under the long-term partnership agreement with Crisis Prevention and Recovery Project US\$415,000 was received with specific activity funding of US\$155,000 for implementation of activities on Freedom and Information in the Pacific and US\$93,000 for sending a Pacific and East Timorese Delegation of Non-Governmental Originations to attend the Global Symposium on Engaging Men and Boys for Gender Equality held in Brazil. With the initiation of the Pacific Financial Inclusion Programme from 2008, funding of US\$305,000 was provided by the European Union in 2009, with UNCDF providing US\$530,000.

The UNDP Global Human Rights Strengthening Programme provided US\$120,000 for a Human Rights Capacity Development Specialist. The UNDP Gender Team under the Bureau for Development Policy provided US\$195,000 to the Centre. This included US\$45,000 for "Bringing the Pacific into the Beijing+15 Review"; US\$50,000 for "Making Invisible Work More Visible"; and US\$100,000 for "HIV and sexual minorities" work in the Pacific.

Since its establishment, the Centre has pursued a vigorous resource mobilization strategy that has yielded close to US\$22m over and above the TRAC allocation of US\$8m for the period 2008-2011. Australia and New Zealand (55 % of the total) have contributed significant resources to the work of the Centre along with other parts of UNDP (27%) and the UN (16%), while there has also been support from the British High Commission and the EU.

**Figure 2: Resource Mobilization 2008-2011**



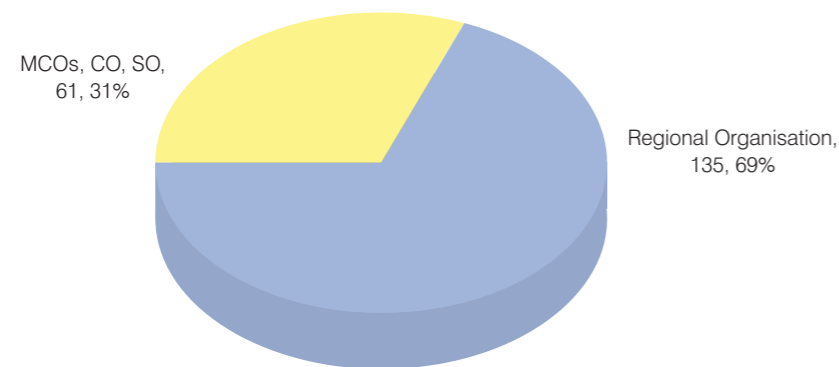
While the Centre has been able to broaden its donor base, in most cases the funding is provided for specific initiatives without the incorporation of staffing costs leading to a pressure on funds which are provided more flexibly to meet the staff component of this funding. In 2010, the Centre at the request of Senior Management will introduce a cost sharing arrangement with Country Offices whereby they will be required to make a contribution towards the cost of services provided by the Centre. While this is an internal UNDP resource allocation question it will hopefully free up some of the Centre's core resources for additional regional programme work.

## 2.5 Partnerships with Regional Stakeholders

During 2009, the Pacific Centre maintained a focus on strengthening partnerships with regional and national stakeholders, a key goal of the overarching 2008-2011 Pacific Centre Strategy for ensuring sustainable outcomes. To that end, the work of the Centre is carried out in line with and in support of the Pacific Plan. In this context, the region's intergovernmental organisations are key Centre partners, including Pacific Islands Forum Secretariat (PIFS), Pacific Islands Private Sector Organisation (PIPSO), the Secretariat of the Pacific Community (SPC) and South Pacific Applied Geosciences Commission (SOPAC). The Centre also partners with Pacific regional NGOs, private sector organisations, UN agencies and other donors. In 2009, 69% of services were provided to the Centre's regional partners, including regional intergovernmental agencies, civil society organisations, intergovernmental agencies, other UN agencies and donors.

**Figure 3: Key Meetings and Missions by Client 2009:**

Regional Organisations vs UNDP Multi Country Offices, Country Offices and Sub Country Office



*The UNDP Pacific Centre has contributed greatly to the strengthening of PIFS work on conflict prevention and response. PIFS benefited from the provision of a conflict prevention advisor who was able to provide a key conduit for our cooperation. With adoption of a Human Security Framework for the Pacific Island region in recent years, and through the support provided by the Pacific Centre, PIFS has been able to progress substantial work on security sector governance and conflict prevention priorities welcomed by the Forum Regional Security Committee.*

**Rick Nimmo, Director, Political Governance and Security, Pacific Islands Forum Secretariat, December 2009**

In 2009, the Centre worked with PIFS on a range of activities, the MDGs team provided technical and policy support on aid effectiveness and mechanisms for Cairns Compact peer reviews. Meanwhile, the CPR team has worked with PIFS since 2006 to place human security at the centre of security thinking in the Pacific. The result is a shift in focus by the annual Forum Regional Security Committee (FRSC)<sup>4</sup> and agreement by Pacific Leaders to guiding principles for land management and conflict minimisation together with policy options for strengthening regional crises response mechanisms. Furthermore in 2009, the FRSC endorsed UNDP's approach to enhancing the democratic governance of security institutions in the region and provided a mandate for the development of regional and national policies and programming assistance to enhance security sector governance in the region.

Since 2006, the Centre has partnered with SOPAC to advocate for the mainstreaming of disaster risk management into national planning and budget processes. In 2009, the Government of Vanuatu made its first allocation for risk reduction of approximately US\$ 270,000 and the Republic

<sup>4</sup> FRSC is the principal meeting for setting a regional security agenda and identifying priorities for enhancing the capacity of members to respond to internal and external security threats.

of Marshall Islands and Cook Islands has directed more of its donor support towards activities in this area. The process has also resulted in greater alignment between DRM and adaptation to climate change initiatives.

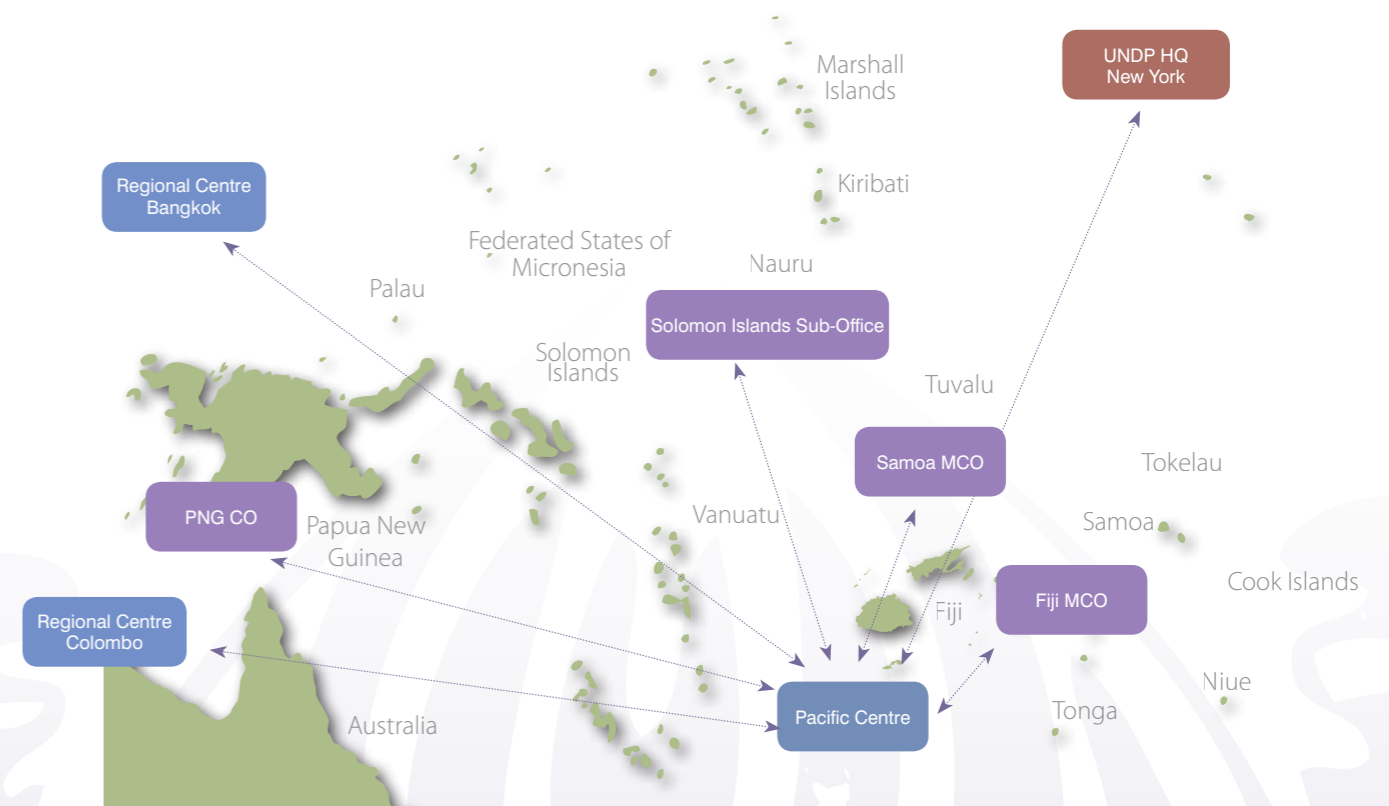
For all core areas of the Centre's work, support to civil society is of major significance. In 2009, the centre developed a strategy of engagement with Civil Society Organisations (CSOs). The Centre has long recognised that engagement with a range of civil society actors will support a more participatory and inclusive approach, which underpins the UNDP's human rights based approach to development. The Strategy seeks to promote a more unified approach to the Centre's efforts and relationships with the civil society sector to ensure maximum impact and sustainability. On a team level, in 2009 Governance provided mentoring and capacity development support to CSOs participation in the Commission on the Status of Women to put Pacific issues on women's political representation, climate change and women with disabilities in outcomes of Commission on the Status of Women.

The Pacific Financial Inclusion Project works with regional stakeholders, in 2009 it co-founded Pacific Financial Inclusion Donors Group and led a six country exercise to update situation analysis and jointly agree on three priorities per country. The programme has helped the seven member Pacific Central Bank Governors meeting establish a working group with international expert assistance to develop national regulations and policies that make it easier for low income households to have access to savings and other financial services. Furthermore, it co-founded Money Pacific to promote financial competence of households in the Pacific Islands, including four clear goals for Forum Economic Ministers Meeting (FEMM) endorsement.

## 2.6 Partnerships within the UN family

The Centre has actively partnered with a range of UN agencies to maximize the impact of the UN's engagement in the Pacific. For example, together with UNIFEM, the Centre developed and piloted a toolkit for gender integration in

### UNDP in the Pacific and its outreach to regional centres in Asia and Headquarters in New York



HIV programming's following the publication Gender and HIV in the Pacific Islands. In cooperation with UNFPA, the Centre worked across the core practice areas. The Governance team provided technical assistance to their Pacific Parliamentarians for Population and Development programme, in the area of HIV the Centre provided joint support to Fiji's Coordinating Mechanism for the Global Fund and for MDGs it collaborated to include MDG-related questions in the design of census forms administered by Pacific countries. The MDGs team also worked with UNESCAP in preparation for the 2010 MDG review.

The Centre continues its partnership with United Nations Capital Development Fund (UNCDF) for the Pacific Financial Inclusion project. The Centre Manager chairs the Investment Board for the project which approved over USD 1.5m in grants in 2009. The Centre provides financial management support to this joint project.

The Centre also gives major support to the Resident Coordinator (RC) system in the Pacific through 100% financing (US\$800,000 for 2008-2011) of the UN Joint Presence Initiative for 4 Pacific Island Countries – Palau, Nauru, Solomon Islands and Tuvalu. The initiative creates permanent joint UN presence in the above countries.

## 2.7 Integrating key development issues

The centre has developed a holistic approach to mainstream the issues of gender and human rights, working across teams and core practice areas.

### Human Right Based Approach

In 2009, the Centre's Governance and MDGs teams promoted a human rights based approach (HRBA) in a collaborative report presenting options for human rights-based legislation for the prevention and management of HIV. The report, "Enabling Effective Responses to HIV: Options for a Human Rights-based Legislative Reform" was produced in partnership with UNAIDS and the Pacific Regional Rights Resource Team (RRRT). This report presents options for human rights based legislation for the prevention and management of HIV, for protecting those affected by or vulnerable to HIV, and ensuring that people living with HIV can continue to have useful and productive lives.

In the area of CPR, the Centre was invited to present the checklist developed in 2008 for integrating a human rights based approach in Disaster Management, at a workshop on 'Protecting and Promoting Rights in Natural Disasters: Prevention and Response'. This follows significant demand for the HRBA toolkit and on developing a training and capacity building programme for the Pacific region.

### Gender Mainstreaming

Gender mainstreaming, cuts across practice areas and activities. Publications were produced by the MDGs and Governance teams, the first, 'Making Invisible Work more visible – Gender and Time Use Surveys with a focus on the Pacific' looks at methodologies for time use surveys in developing countries, especially the Pacific and the importance of unpaid care work and lays the ground work for further research in the area of Pacific women's contribution to their national economy. The second, "Pacific Sisters with Disabilities: at the Intersection of Discrimination" aims to identify the issues and challenges faced by women and girls with disabilities in the Pacific and was done in partnership with PIFS, Secretariat of the Pacific Community and UNESCAP. The MDGs team completed a study presenting evidence linking the spread of HIV with gender inequality in law and in custom in the Pacific. The study helps to provide a framework for policy makers, governments, civil society and development partners to design more efficient and targeted interventions for the Pacific that fully take gender issues and relations into account.

Continuing the capacity development of Pacific NGOs, the Governance team supported the participation of the Pacific CSO delegation at the 53rd session of the UN Commission on the Status of Women, in New York, to engage local NGOs with international human rights mechanisms, including the Commission on the Status of Women. The CPR team hosted a workshop together with AusAID to highlight the gendered dimension of disaster risk management, from which emerged a set of "Stories from the Pacific".

## Part 3: Key Achievements of Pacific Centre Practice Areas

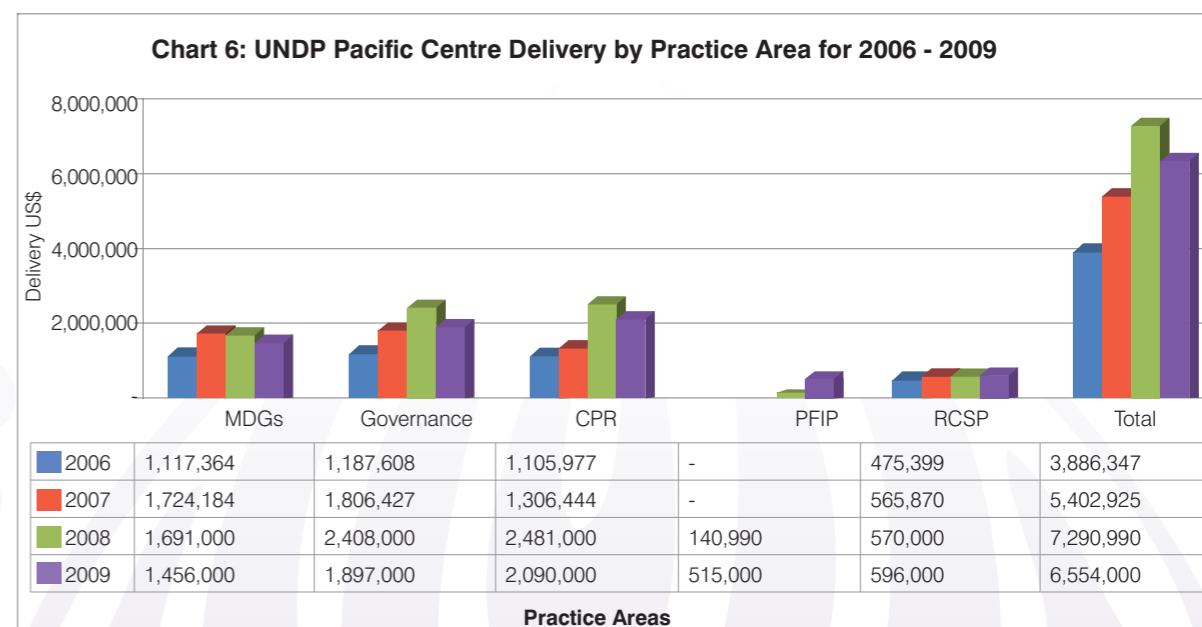
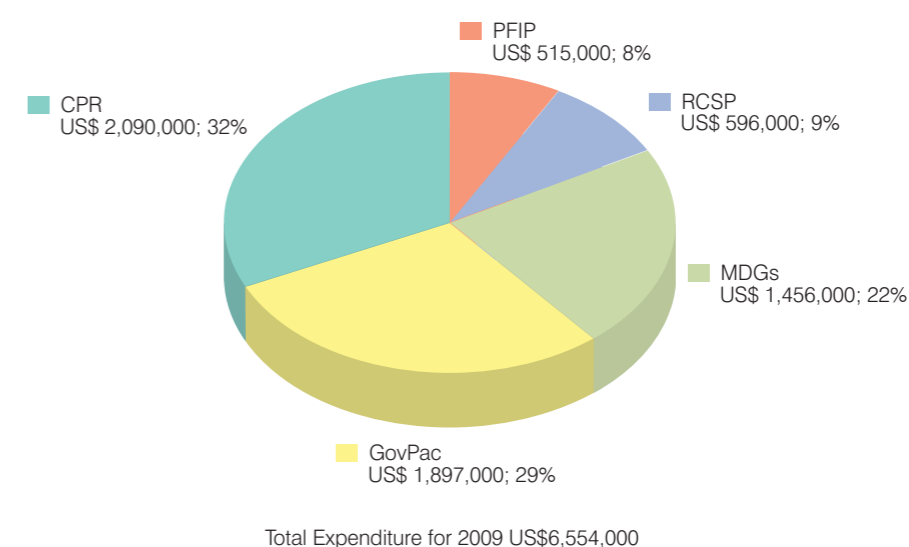


### 3.1 Overall Delivery

The total expenditure as at 31 December 2009 stood at USD \$6,554,000. The delivery rate against the budget across the Centre's projects is varied, but taken together, at year end the total delivery rate was 71% of the total budget. A more detailed breakdown of budget versus expenditure is shown in Annex 4.3.

If the UNCDF portion of the Financial Inclusion delivery was included then the delivery would be US\$7.0m. In 2006, the Centre delivered almost \$3.9 million, in 2007 delivery increased to \$5.4 million and in 2008 delivery stood at \$7.3 million.

Figure 4: UNDP Pacific Centre Expenditure Delivery as at 31 December 2009



## 3.2 Programme Outcomes and Outputs

### *MDGs Team Summary of Key Results for 2009*

#### **Strengthening Pacific Governments Capacities to achieve the MDGs**

A range of initiatives were undertaken to further strengthen Pacific Governments' capacities to reach the MDGs. In March 2009, a Pacific workshop was convened by ESCAP/ADB/UNDP to take stock of MDG achievement in Pacific Island Countries past the mid-point of the MDGs 2000-2015 time frame and address emerging issues. This inter-agency and cross-practice event brought together 14 Pacific Island Countries, the Council of Regional Organisations in the Pacific, UNDP Country Offices, development partners, UN Agencies, Civil Society Organisations and women's machineries. The workshop focused on the health bottlenecks in Pacific Island Countries, addressed linkages among energy, natural resource management, climate change, HIV and poverty, with a whole day dedicated to mainstreaming gender and human rights based approaches in these sectors. Kiribati's response to climate change and RMI's mitigation of the energy crisis, among others, added value to policy options for governments. As follow-up, a Pacific MDG Network was set up to share information, resources and good practices in the region. Members have also used the network to seek experiences and lessons learnt from other Pacific Island Countries.

Building on the work initiated in 2008, capacity building was provided to government ministries in Vanuatu to utilize the MDG Needs Assessment and costing tools to align resource allocation with costed plans. The 10-day training included sessions on MDG 3 and the Gender Costing Tool. This was complemented by face to face training in Fiji for the MDGI Project Coordinator on MDGs, MDG-based planning and the costing tools. The experience of rolling-out this approach in Pacific Island Countries with small administrations is now documented in the global MDG Guidebook. Technical support was provided to UNDP Country Offices in Fiji and Samoa to finalise National MDG Reports in four Pacific Island Countries (Fiji, FSM, Cook Islands and Tokelau) and to Nauru to (i) review and align the NSDS with international frameworks including the MDGs and (ii) develop a full-fledged National MDG report.

#### **Poverty analysis and pro-poor policy**

In support of the Samoa and Kiribati National Statistics Offices (NSO) poverty analyses were conducted using data from the 2008 and 2006 household income and expenditure surveys respectively; at year end the draft national poverty reports were under review by the respective governments. These two analyses included poverty and social impact assessments addressing the impacts of the global economic and financial crisis (GEFC) on the economies and people of the two countries. A similar poverty and social impact assessment was prepared for Tuvalu. The Centre worked very closely with UNICEF in the preparation of a report "Protecting Pacific Island Children and Women During Economic and Food Crises". The Centre contributed gender and child disaggregated poverty data and analysis to this report which became a core paper for the Pacific Conference on the Human Face of the Global Economic Crisis which will be held in Vanuatu in February 2010. The regional conference to be attended by the UNDP Administrator Ms Helen Clark and Regional Bureau Asia Pacific Director Ajay Chhibber is being organised by the UN in partnership with the Government of Vanuatu, the Secretariat of the Pacific Community and the Council of Regional Organizations in the Pacific and Asian Development Bank. The MDG team is providing extensive organisational and substantive inputs into the preparations for the conference. The main aims of the conference are to: strengthen understanding of the impact of the crisis on Pacific economies at macro- and community- levels; identify country-specific actions and facilitate networking to mitigate the crisis and promote sustainable recovery; and enhance national capacities to consider and implement short-term and longer-term policy options to respond to the current and future crises. The conference will bring together heads of government and a wide range of sector ministers from 16 Pacific Island Countries, along with civil society representatives, young people, women, the private sector, UN agencies and development partners from around the region.

Recognising the adverse impacts of the GEFC, the Centre also worked with Asian Development Bank, World Bank and AusAID in deepening the analyses of poverty and social protection related issues for those countries for which sufficient data was available. These analyses contributed to the implementation of social protection measures in Samoa and Fiji. Further work was ongoing at year end with a number of other countries.

#### **Aid effectiveness, coordination and management**

Technical support was provided to Country Offices to enhance aid effectiveness in Pacific Island Countries through review of aid coordination projects for Fiji Multi-Country Office and Solomon Islands Sub Office, and through joint work with Regional Centre Bangkok and Fiji Multi-Country Office, to develop a strategic framework for UNDP's support to improved aid effectiveness in the Pacific. In April, the Centre delivered a presentation on behalf of UN Agencies on MDGs and Aid Effectiveness at the annual Pacific Island Countries/Partners meeting convened by Pacific Islands Forum Secretariat (PIFS). During the year, the Centre nominated Samoa as a Pacific representative on the Steering Committee of the Capacity Development for Development Effectiveness (CDDE) Facility, a global forum on aid effectiveness. The Centre also supported PIFS' participation in a regional meeting in Cambodia to foster their exposure to global and regional aid architecture and best practices. As an emerging priority from the 2009 Pacific Leaders' Meeting, the Centre has supported the Cairns Compact on two main fronts: (i) distilling lessons learnt from the Africa Peer Review Mechanism to better shape the concept in the Pacific; and (ii) providing policy advice on the focus, alignment and preparation process of the 2010 MDG Tracking Report, particularly in the context of the 2010 MDG Review.

#### **Supporting effective HIV responses**

Policy research, analysis and advocacy work was undertaken in the areas of Gender, Migration, Mobility and HIV/STI vulnerabilities in the region. This work analysed key socio-economic determinants HIV risk in the Pacific and suggested substantiated policy and programmatic recommendations. The information collected contributed to the report of the Commission on AIDS for the Pacific and is being published as joint UNDP-Secretariat of the Pacific Community (SPC) knowledge product. The recommendations made on Gender and HIV have been endorsed at the 2009 Pacific Ministers of Health meeting to serve as a basis for more gender responsive interventions. The Centre through its collaborative work on Human Rights has also finalised drafting instructions for Human Rights Based legislative reform in the Pacific Islands and contributed to the Fiji Human-Rights based HIV Law drafting. Technical assistance was provided on a number of fronts including to the Country Coordinating Mechanism for the Global Fund and the development and implementation of a National AIDS Spending Assessment exercise in Fiji; contribution to a number of regional and national policy documents (Fiji, PNG, Cook Islands) to strengthen gender and human rights dimensions and contribution to the International Conference on AIDS for Asia Pacific (ICAAP 9th). A number of pilot initiatives have also been initiated in 2009. These include a Civil Society Organisation project for the identification of men who have sex with men (MSM) networks to facilitate service delivery and introduction to basic communication and research skills on HIV risk reduction among MSM in Fiji, the development of a research and capacity development project on Intimate Partner Transmission, as well as ongoing support to address legal barriers to inclusive prevention in PNG.

#### **Energy and Environment**

During 2009 significant policy advisory and technical backstopping support was provided to UNDP's Pacific (multi-) country offices and countries as requested. Among others assistance was provided to an ongoing US\$5.23 million SPREP/UNDP/GEF regional renewable energy project covering 11 Pacific Island Countries that among others undertook a feasibility study for a rural small hydro power plant undertaken in Talise in Vanuatu (with civil works and hardware planned to be funded by a regional IUCN project). Other examples of support provided by this regional project is wind resource monitoring for the island of Savaii in Samoa and financial assistance to undertake a conversion and reprogramming of Renewable Energy Service Companies (RESCO) Manager, which is a soft-ware that was developed in Kiribati to assist in managing large numbers of rural electrification consumers. The new version called 'RESCO Manager III' will be freely accessible as a web-based version using open source standards. Several Pacific Island Countries including Fiji have expressed interest in the new software, which potentially could be used outside the Pacific region.

In addition technical backstopping support was provided to national US\$1 million UNDP/GEF renewable energy projects in Palau and RMI respectively. As part of the former the initial preparatory phase for a Renewable Energy Fund Window (REFW) at the Palau National Development Bank (NPDB) was completed. In a regional context the REFW is an innovative and promising mechanism, which will finance off-grid/grid-connected solar photovoltaic (PV) and solar water heater

systems, for both households and businesses. Through a mix of subsidies and loans (and equity for commercial projects), REFW financing will improve the affordability of the RET systems, encouraging the wide spread application of renewable energy in Palau. Tentatively a total of USD 1.8 million has already been allocated to the REFW. In addition the project in Palau supported a tariff review of the Palau Public Utility Corporation (PPUC). Furthermore technical backstopping was provided to Multi-Country Office Fiji and the Government of Fiji for development of a new US\$ 1 million UNDP/GEF renewable energy project in Fiji.

For the Regional Centre Bangkok project 'A Comparative Analysis of Experiences with Expanding Energy Services for the Poor in Asia-Pacific' a comprehensive case study of Fiji's Rural Electrification Program was prepared.

## *Democratic Governance Team Summary of Key Results for 2009*

### **Parliamentary development**

The Centre's regional parliamentary support efforts are specifically designed to complement the national parliamentary support activities of UNDP's Pacific (multi-)country offices. In that context, technical advice and backstopping support was provided to the Fiji Multi-Country Office in support of the development and/or implementation of parliamentary support projects in Tuvalu, Kiribati, Palau, Tonga and Solomon Islands. Technical advice was also provided to the PNG Country Office in support of their efforts to assist the PNG Government to implement temporary special measures to promote more women in the national legislature (see below for more).

In March 2009, PIFS and the Centre launched "Utilising Temporary Special Measures to Promote Gender Balance in Pacific Legislatures: A Guide to Options", a user-friendly handbook designed to assist Government and CSOs to develop national initiatives to promote more women in parliament. At the request of partners, the Guide was provided to every MP in the PNG National Parliament, it was distributed at a Cook Islands National Consultation on Temporary Special Measures and was provided to participants in the Centre for Democratic Institutions "Campaigning for Women in Parliament" training. Feedback indicates that stakeholders also used the book to inform submissions on temporary special measures in Solomon Islands and Tonga. At the national level, as noted earlier, the Centre provided advice to the PNG Country Office on temporary special measures, as well as to the Clerk of FSM Parliament and SPC to support work to raise awareness on temporary special measures at the September 2009 High Level Micronesia Summit.

The Centre was also involved in supporting regional and global parliamentary support initiatives. In 2009, the Centre continued to participate as a member of the Executive Committee and Project Management Advisory Group of the PPAPD-FPOC Regional Parliamentary Secretariat. The Centre provided technical assistance to the Secretariat to support its strategic development, as well as engaging actively in the PPAPD-FPOC Annual Conference. The Centre also catalysed the development of Pacific Benchmarks for Democratic Legislatures, in cooperation with the Commonwealth Parliamentary Association and the PPAPD-FPOC Secretariat. In addition to providing important guidance to Pacific legislatures, this work provided Pacific inputs in the global benchmarking initiative which is being pursued by UNDP, CPA, the World Bank Institute and others partners. The Centre also undertook initial preparatory work to scope options for establishing regional parliamentary services for Pacific legislatures. To this end, the Centre developed a Survey on Regional Information and Research Services for completion by Pacific parliaments. This will be used to inform the developing of service delivery options in 2010.

The Centre also provided substantive technical inputs into a number of global UNDP parliamentary products, including the updated UN Parliamentary Development Practice Note and draft knowledge products on parliaments and aid effectiveness and parliaments in conflict. This latter work complements efforts by the Centre's Governance Team to provide technical inputs on the CPR Team's Security Sector Governance regional initiative by highlighting options for Pacific legislatures to engage more effectively in security sector oversight. The Centre's Legislative Strengthening Advisor was also selected to participate in the UNDP Global Parliamentary Development Community of Practice Meeting in December 2009, and to complete parliamentary training at the French National Assembly.

### **Accountability, anti-corruption and freedom of information**

In the Pacific, only Cook Islands has enacted a Freedom of Information (FOI) Act, and only PNG, Fiji and Palau have ratified the UN Convention Against Corruption (UNCAC). In 2009, the Pacific Centre built on its previous work to promote implementation of both of these key accountability measures. In March 2009, the Centre held a "Sub-Regional Consultation on UNCAC" for Melanesia in Port Moresby. Delegations from PNG, Fiji, Solomon Islands and Vanuatu attended and identified nationally appropriate anti-corruption activities for their Governments to take forward. Subsequently, the PNG Government requested technical assistance from the Pacific Centre to facilitate the development of their National Anti-Corruption Strategy (NACS). The Centre provided technical assistance to the Government, and in December 2009 the NACS Framework was launched. The Centre has also provided technical advice to the Solomon Islands Government on the process for ratifying UNCAC. Later in the year, the Centre facilitated the attendance of officials from both PNG and Solomon Islands, as well as Marshall Islands, at a "Cross-Regional UNCAC Ratification and Implementation Workshop" organised by the UN Office of Drugs and Crime to share experiences across the Pacific and the Caribbean.

FOI was also discussed at the "Sub-Regional Consultation on UNCAC" for Melanesia, and all the delegations indicated an interest in promoting FOI. In February 2009, the Centre collaborated with PIFS and the Commonwealth Human Rights Initiative (CHRI) to run an FOI workshop in Solomon Islands for government and civil society. The Workshop was opened by the Deputy Prime Minister who reiterated the Prime Minister's 2008 commitment to enact FOI legislation. The Chair of the Solomon Islands Anti-Corruption Taskforce also agreed at the meeting to recognise FOI as a priority for the Taskforce. Subsequent technical assistance has been provided to the Solomon Islands Ombudsman to assist in progressing the issue within Government channels. Also in February 2009, the Centre collaborated with PIFS and CHRI to run an FOI workshop for government and civil society in Nauru. In the margins of the workshop, the Centre provided technical advice to redraft a proposed new FOI constitutional provision to focus more strongly on the public interest. The redrafted provision was included in the Constitutional Amendment Bill approved by parliament in mid-2009.

In July 2009, recognising the importance of the media as an accountability partner, the Centre participated in the Pacific Islands News Association Regional Media Summit. The Centre ran a pre-Summit training workshop on FOI, which was attended by about 20 journalists from throughout the region. The Centre also facilitated a plenary on "freedom of the media and FOI", bringing together practitioners from Fiji, Cook Islands and Solomon Islands to share their experiences. In August 2009, the Centre collaborated with PIFS and the Australian Commonwealth Ombudsman to support a "National Consultation on Accountability, UNCAC and FOI". Participants were extremely supportive of progressing work to assess UNCAC compliance, as well as to develop an information disclosure policy or law. Subsequent support on UNCAC has been provided to Government. In November 2009, the Centre also presented on "Global and Regional FOI Perspectives" at the Fiji Attorney General's Conference. It was envisaged that sharing global best practice on FOI could inform the Fiji Government's intended initiative to enact an FOI decree in 2010.

Following up on the July 2008 FOI Regional Workshop co-organised by the Centre, the Centre has initiated an regional Accountability and FOI Network, which is used to circulate updates, resource materials and other relevant information on those issues. In 2009, the Centre also collaborated with the Regional Centre Bangkok to develop a more comprehensive Asia-Pacific Accountability Portal. It is envisaged that the Portal will be launched in 2010.

### **Local Governance and Civil Society**

Building demand for good governance requires not only strengthening formal national level accountability institutions, it also requires developing the capacity of civil society organisations (CSO) to hold the government at various levels to account in terms of promoting development through the provision of local economic and social services as well as create an enabling environment that promotes the interaction of the traditional governance with the formal governance system.

In 2009 the Pacific Centre completed a 'Stocktake and Analysis on Social Accountability Initiatives in Pacific Island Countries' that covered 15 Pacific Island Countries. The Stock take aims to provide insights to help inform the Pacific Centre and other stakeholders on how best to develop and design an effective support to promote social accountability in the region. The study shows that social accountability initiatives across the Pacific are limited; more common in larger Pacific Island Countries (Fiji, PNG), and mostly found in urban capital centres. Social accountability initiatives

implemented in various Pacific Island Countries tend to be less complex/less technical and focus on 'big picture' than on core service delivery functions of governments. The study found that the social accountability initiatives are reasonably inclusive of women and youth. To lay the groundwork for the implementation of social accountability at the country level, follow-up action was initiated. These included (i) the integration of mapping of social services in the Community Centred Sustainable Development Project (CCSDP) in Samoa as an entry point for examining the role and interaction of traditional governance system and civil society more generally and the national government in the service delivery system; (ii) exploring possible partnership with AusAID supported CSO initiatives in PNGs working at the national and sub-national level in monitoring local services. The Pacific Centre is also working with the UNDP Oslo Governance Centre to integrate some of the lessons in the Pacific in the development of the UNDP Guidance Note on Social Accountability to be published in 2010.

In the area of traditional governance, the Centre is working with The Foundation of the Peoples of the South Pacific International and PDP in completing research that examines the interaction of traditional governance and local governments in sample Pacific Island Countries. At the same time, the Centre through the UNDP Multi-Country Office Samoa is supporting the Samoan Government examine the governance and government structure in Vaitele, one of the largest and fastest growing peri-urban areas on the periphery of Apia, the capital of Samoa, where some discordant developments are taking place in an area that comprises of a number of long-standing traditional villages. UNDP is supporting a pilot project that will ensure that appropriate governance structures are developed as a socio-political and economic framework for managing both the human and natural resources of an urban area in an equitable manner that is based on modern government system while at the same time respect the traditional governance system in place in the country.

For civil society to play an important role in governance their capacity requires development. In 2009 the Centre in partnership with the Pacific NGO (PRNGO) Alliance completed the CSO Capacity Development and the Capacity Development Plan. The capacity assessment covered in-country consultations in 6 Pacific Island Countries, consultations with CSOs in other countries through online and telephone communications; and validation of the results of the capacity assessments with CSOs. The assessment informed the formulation of a capacity development plan to address the critical capacity development gaps facing CSOs at the regional and national level in the Pacific. Complementary to this initiative the Centre also provided technical inputs and facilitated the strategic planning workshops of the Tuvalu Association of NGO, a regional NGO working on women issues FemLink, and supported the training of staff of the Samoan Umbrella Organisation for NGOs, on the implementation of the Civil Society Index. These and earlier initiatives informed the Centre's development of CSO engagement strategy which put emphasis on the centre's engagement with civil society utilizing the various initiatives in the centre to maximize complementarity rather than through a standalone CSO project. Human rights

Noting that the Pacific has the lowest levels of ratification of international human rights treaties in the world and that most of the Pacific Island countries are just beginning to implement the few treaties they have ratified, the Pacific Centre has been collaborating with a number of partners to develop the capacity of both governments and civil society to engage with international human rights mechanisms as well as support the implementation of human rights treaties. In partnership with the Office of the High Commissioner for Human Rights (OHCHR), and with support from the Global Human Rights Strengthening Programme (GHRSP) the Pacific Centre is developing the 'Human Rights treaty Implementation handbook' as a guide for Pacific governments and civil society to understand the merits of implementing human rights conventions, the processes involved in ratification and implementation, and the roles of each stakeholder in advancing the implementation of human rights treaties in their country. A validation of the first draft of the handbook was held in November 2009, where valuable feedback was gathered. The handbook is expected to be published in mid – 2010, to be followed by a training on treaty implementation organized by UNDP in partnership with development partners utilizing the handbook.

As part of the Centre's work on engaging with international human rights mechanisms, the Centre has provided technical assistance to assist the Cook Islands Convention on the Elimination of Discrimination against Women (CEDAW) Law Reform Programme Inter-departmental working group in developing a Policy paper on the proposed Family Law Bill, and to draft a comprehensive CEDAW compliant draft family law bill in the context of the Cook Islands. This is a follow up to UNDP's work on the development of the CEDAW legislative compliance review for the Cook Islands in 2008,

which resulted in the establishment of the inter-departmental working group, to work towards legislative consistency with CEDAW particularly in the area of marriage, family life, and the safety and security of women and children. A national consultation to gather feedback from relevant national stakeholders is scheduled for February 2010.

The Centre also supported the participation of eight Pacific NGO's from Cook Islands, Fiji, Palau, PNG, Samoa, and Tonga at the 53rd session of the UN Commission on the Status of Women (CSW 53) in New York in March 2009. The Centre's capacity development approach which involved mentoring before and during the Commission contributed to the NGOs support to Pacific government counterparts as reflected in Pacific Governments' contribution at the CSW in influencing and putting Pacific issues on women in decision making, disability and gender and climate change in the CSW Agreed Conclusion.

In the area of HIV and human rights, the Centre, together with UNAIDS, and the Regional Rights Resource Team (RRRT) jointly commissioned a legislative review of HIV, Ethics and Human Rights in 15 Pacific Island Countries (Cook Islands, Fiji, Federated States of Micronesia, Kiribati, Marshall Islands, Niue, Nauru, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, and Vanuatu) which was undertaken from 2007 - 2009. The results and analysis of the review are contained in the report 'Enabling Effective Responses to HIV in the Pacific Island Countries' (launched in December 2009 on World AIDS Day) which presents options for human rights based legislation for the prevention and management of HIV, for protecting those already infected and those particularly affected by or vulnerable to HIV, and ensuring that people living with HIV can continue to live useful and productive lives. Key human rights issues identified from the HIV legislative reviews in the Pacific are the subject of a 5-part video series on HIV, human rights and the law, being developed by the Centre in collaboration with RRRT, UNAIDS, and UNICEF. The video series is an advocacy and training tool aiming to develop an understanding of the critical relationship between public health, HIV and human rights, and the rationale for using human rights principles and approaches to guide public health, legal, and all interventions and responses related to HIV. In addition to this work on HIV and human rights, the Pacific Centre through the Human Rights Specialist provided technical input to the UN team (led by World Health Organisation) in the drafting of the Fiji HIV Decree; and in the training on basic human rights based approaches to programming to staff of the regional NGO Foundation of the Peoples of the South Pacific International, as well as to a select group of civil servants under a training programme being delivered to the Fiji Public Service Commission through the UNDP Fiji National Initiative on Civic Education (NICE) Project.

The Centre developed two knowledge products in 2009, the first, 'Pacific Sisters with Disabilities: At the Intersection of Discrimination' was launched in April 2009 at the Pacific Regional Disability Conference in Vanuatu. It identified issues and challenges faced by women and girls with disabilities in the Pacific, and analysed social and economic factors impacting on their human rights. The second publication 'Making Invisible Work More Visible: Gender and Time Use Surveys' was formally launched in March 2009, and in its draft stage, was used for capacity building for Pacific NGOs/ Civil Society Organisations on women's time use survey at the training and strategy session for CSW 53, held Sept 2008. The publication was presented by the UNDP Gender Team at a CSW 53 side event in New York. Finally, the Centre in partnership with OHCHR is pursuing the development of a toolkit aimed at linking human rights and trade to help inform Pacific Island Countries on the potential human rights implication of trade policies proposed under the various regional trade arrangement such as PACER +.

## *Crisis Prevention and Recovery Team Summary of Key Results for 2009*

### **Conflict prevention and recovery**

Building on work undertaken since 2006 to place human security and conflict concerns at the centre of regional security thinking, UNDP provided a dedicated advisor to Pacific Islands Forum Secretariat (PIFS). The advisor was instrumental in raising the profile of conflict prevention issues, through the development of regional programming initiatives.

The Centre worked closely with PIFS to support the annual Forum Regional Security Committee (FRSC) <sup>5</sup>. The immediate outcome has been a shift in focus and engagement. For example, in 2009 the FRSC endorsed a structured approach for

<sup>5</sup> FRSC is the principal meeting for setting a regional security agenda and identifying priorities for enhancing the capacity of members to respond to internal and external security threats.

dialogue with CSOs, providing an opportunity for CSOs to raise concerns and provide input into setting the agenda and inform regional security policy-making. The FRSC also recognised the potential for conflict in the region due to climate change and natural disasters and the importance of engaging marginalized youth to prevent crime and violence.

Solomon Islands, Papua New Guinea and Fiji were identified as priority countries for conflict prevention and recovery programming support to UNDP country offices in 2009. In Solomon Islands, technical advice provided led to the establishment of an International Support Facility for the Truth and Reconciliation Commission. The TRC focuses on human rights and ensures a space for victims and perpetrators to ensure that healing takes place, to prevent a recurrence of conflict. In PNG, technical assistance was provided to the country office as part of a strategic partnership with BCPR to support implementation of the nation-building programme. This included developing the methodology, terms of reference, questionnaire and partnership agreement with Divine Word University for the integrated development analysis (IDA), which is designed to provide an in-depth understanding of the development context in selected provinces of PNG, from crisis prevention and recovery perspective. In Fiji, technical assistance was provided on the design of and resource mobilization for a dialogue process. This involved mainly civil society organizations. This initiative, known as Dialogue Fiji, was proposed by Fijian participants who attended a regional UNDP experience-sharing workshop on dialogue and conflict management, held in Port Vila in August 2008.

### **Post-disaster recovery**

2009 was marked by a series of unusually severe disasters. The Centre was immediately deployed to the affected sites, working closely with UNDP country office colleagues and national governments to lead recovery planning and to secure funds for recovery programming. The first disaster was severe flooding to an extent seen only once every 50 years, affecting half of Fiji's territory. Advisors from the Centre were instrumental in securing \$100,000 USD in recovery funding and in designing the recovery programme, which included detailed socio-economic assessments in the affected zones. Two Centre staff, including one economist, formed part of the assessment team which conducted the field work.

Also in 2009, a tsunami struck Samoa and Tonga, considered one of the worst disasters in the history of both these countries, especially in Samoa, which had 143 deaths as a result. The Centre assisted the Samoa Multi-Country Office by facilitating and leading on the development of a comprehensive Early Recovery Framework, based on an early recovery needs assessment, extensive consultation and analyses of policy options. Technical support was also provided for related impact assessments, and \$400,000 USD secured from the UNDP Bureau for CPR. The Centre assisted the Tongan government in obtaining \$300,000 USD for tsunami recovery, by drafting a programme document and Early Recovery Framework, based on extensive consultation. Support was also provided for related Terms Of References and design of recovery program components, including the first ever cash-for-work programme in the Pacific region. In all three cases, the early recovery frameworks were submitted to and endorsed by the national cabinet.

### **Security Sector Governance Reform**

After the initial scoping missions to Fiji and Vanuatu for the preliminary research and needs assessment undertaken in 2008, the Centre completed missions in Papua New Guinea, Solomon Islands and Tonga. To build on the scoping missions and identify priority needs and capacity constraints UNDP - in cooperation with PIFS - organised a Regional Conference in April 2009, in Tonga. The conference was a first step in supporting Pacific Island Countries to determine their own security governance concerns, the resources needed to deal with them and the strategies that will work best in their context. This conference also enabled participants to share views with a variety of stakeholder groups, ensuring broad ownership of security problems. The conference resulted in preliminary national priority areas and common regional priorities.

In June 2009, the Pacific Islands Forum Regional Security Committee (FRSC) endorsed the development of regional and national policies and programming assistance to strengthen security sector governance in the Pacific region. PIFS and UNDP recognise that assistance provided at the national level to improve security sector governance has to be sufficiently tailored to the needs, priorities and circumstances of Forum Member Countries. Assistance also should be flexible enough to respond to changes in the political situation. This requires the development of a process of national debate and reflection on security sector governance.

Since then, given the FRSC endorsement and conference outcomes, UNDP and PIFS have undertaken national security sector governance strategic planning sessions in Papua New Guinea, Solomon Islands and Vanuatu and agreed on national level priorities and programming activities to commence in April 2010. These include the formulation of national security policies, enhancing the capacity of PM's Office and line ministries, establishing or strengthening Parliamentary Committees on Security and Justice, building the capacity of civil society and the media to actively participate in security discussions.

### **Addressing gender-based violence in conflict situations**

Gender equality underpins UNDP's approach to conflict prevention, with an emphasis on creating and sustaining space for women's organisations to inform regional security processes. This led to the recognition by FRSC of sexual and gender-based violence (SGBV) as a regional security threat. Furthermore, at the Pacific Islands Forum meeting in Cairns, the region's leaders reaffirmed their support for ongoing action at the highest level to raise awareness on SGBV and to establish it firmly on the political agenda of Forum members.

Since 2007, the Pacific Centre has led regional advocacy to expand efforts to prevent gender-based violence in conflict and post-conflict contexts and promote gender equality through partnerships with men and boys. As such, a group of Pacific NGOs participated in a global symposium, which resulted in the development of a core group for networking, knowledge sharing and south-south exchange. This has catalyzed advocacy efforts to raise awareness, the lobbying of government and Parliamentarians and the development of innovative programming interventions in the region.

### **Gender, disaster risk management and climate change**

The Pacific Centre in partnership with AusAID published a compilation entitled "Stories from the Pacific," documenting the gendered impacts of climate change in various Pacific islands, following up on a forum and delegation that it had facilitated the previous year, to draw out lessons learned on this topic. This publication also indicates ways in which women's and men's distinct capacities can be rallied for more effective climate change adaptation, based on experiences across the region. Recommendations for policy-makers on gender-sensitive ways to address climate change are included, as well as the identification of gaps requiring further resources and follow-up. The publication is one of the few evidence-based advocacy tools available on this issue, specifically addressing the Pacific region.

To implement one of the report's recommendations, Pacific Centre subsequently began to coordinate with sister UN agencies and humanitarian actors for the development and delivery of training on gender, disasters and climate change, to be rolled out in our several Pacific island countries the following year, in close coordination with national authorities.

### **South-south cooperation among SIDS**

The Pacific Centre undertook extensive consultation with regional partners in the Pacific and the Caribbean to develop an inter-regional project which aims to build the capacity of Small Island Developing States for the management of risks related to disaster and climate change, based on south-south collaboration, exchange and technology transfer. Recognizing the innovative value of this project and its ambitious scope, the UNDP Special Unit for South-South Cooperation allocated seed funding of \$200,000 USD and is leveraging additional funds from Japan. This can be considered a flagship project for the Centre, as it is breaking new ground and has garnered positive attention from the UNDP Administrator and Office of the Secretary General, in addition to a broad range of stakeholders. The Administrator has recently indicated that south-south cooperation is taking on increasing importance for UNDP, and this inter-regional program makes a significant contribution in this direction, coinciding with the anniversary of the Mauritius Strategy. Initial exchanges have brought delegations from the Pacific to the Caribbean and vice versa, to participate in regional platforms on risk management and addressing issues on request, such as catastrophes risk insurance schemes and their advantages and drawbacks for small islands. This project will be launched in 2010.

### **Interface between climate change, disasters and potential for conflict**

The Centre has explored ways to reduce the risk of emerging issues leading to crisis in the region. One such issue is the threat of climate change and disasters on human security and the potential for conflict and instability. The region has been leading internationally on this issue and played a central role in the endorsement of a resolution on climate change and security by the UN General Assembly. Through initial research and high-level advocacy, the Forum Regional Security Committee in 2009 formally endorsed the link between climate change, disasters and the potential for conflict as well as the proposed UNDP research and programming on this issue. Subsequently, at the PIF Leader's meeting UNDP organised a high level side event on climate change and security, which raised the profile on the issue and provided a forum for expert opinion on its possible manifestations in the Pacific and programming response options.

### **Mainstreaming disaster risk management**

In previous years there have been a number of successful mainstreaming DRM initiatives at the national level. Building on these achievements and reflecting on the lessons learned in various country level engagements, disaster risk management programming for 2009 was modified to include a sectoral focus, with the agricultural sector taken on as the first pilot, in collaboration with SPC and SOPAC. National level mainstreaming processes provided highly useful policy and strategic planning spaces for disaster risk management. Implementation was also emphasized in 2009 to attain more traction with governments, as mainstreaming efforts have tended to revolve around planning and policy processes.

Key results relating to existing and new programming approaches for 2009 are evident at several levels:

At the regional level, guidelines for policy makers were prepared on mainstreaming disaster risk management, which have been used to train Disaster Management and Planning specialists in several Pacific Island Countries by regional organizations. To advance advocacy in favor of better disaster risk management, a socio-economic impact assessment (in partnership with SOPAC and Fiji Red Cross) was carried out in Nadi and Ba following the major flooding event in Fiji. The results of this assessment are being applied to make an economic case for Disaster Risk Reduction measures in the region. Discussions were facilitated with NGOs and bilateral donor agencies active in the region, on the need and potential for integrating disaster risk reduction and climate change adaptation work in the Pacific.

At the national level, specialized support was provided to the Fiji government on the development of a disaster management plan specifically focusing on agriculture, as it was shown to be one of the most vulnerable sectors. The process of developing the plan also led to a commitment by the Department of Agriculture to employ a full-time disaster management professional in order to coordinate preparedness and response activities for the agriculture sector in Fiji.

At the local level, a detailed Vulnerability and Capacity Assessment (VCA) was completed for the Navua local level risk management project. This formed the basis for a disaster risk and climate change management plan enabling communities in Navua to implement community-driven risk management initiatives. The plan also served to mobilize resources for its implementation from the British High Commission.

### **Strengthening capacities for peace and development**

In 2009, the Pacific Centre significantly changed the strategic focus of its approach to capacity development of government and CSOs on peacebuilding and conflict prevention, through extensive consultations and scoping missions in Fiji, PNG and Solomon Islands. This led to the formulation of a project for strengthening capacities for peace and development (CPAD), which was approved by the UNDP Regional Bureau for Asia-Pacific and awarded funding from UNDP's Bureau for Crisis Prevention and Recovery (BCPR).

The project aims to strengthen the conflict prevention infrastructure of the Pacific region by focusing on key CROP agencies, government officials and CSOs. The representatives will evolve into a community of practice, which will eventually be hosted by institution(s) in the Pacific and build better awareness and cooperation on conflict prevention and peacebuilding among strategic partners in the region. The year-long CPAD programme involves the following:

- An induction workshop to build skills and strengthen approaches to peace and development in the Pacific for middle level staff of eligible NGO/CSOs, as well as two more face-to-face meetings during the year;
- Ongoing support to participating organisations through individual mentoring and a solution-oriented closed e-mail group to resolve issues and share peace practices;
- Support in the design and assessment of peace-building projects; and
- A small fund for all participating CSOs for the implementation of pilot peace-building activities.

## *Pacific Financial Inclusion Programme Team Summary of Key Results for 2009*

### **Knowledge Management**

PFIP conducted a groundbreaking study with the International Finance Corporation detailing how financial services, social and environmental payments could be delivered using mobile phones in Papua New Guinea. The team has conducted workshops in three other countries on the "mobile money" possibilities in the Pacific. It also completed research proving the positive impact of financial literacy training and access to a bank account on rural Fijian households, particularly for women, as well as a detailed assessment of financial services in Fiji. PFIP was a major sponsor of the biannual Pacific Microfinance Week, conducting two full day workshops on financial literacy and microinsurance, and supporting over a dozen participants attendance. PFIP has also provided a grant to the Microfinance Pasifika Network to cover costs of operations and develop a plan for its long-term future.

### **Policy, Advocacy and Coordination**

Policy and advocacy activities have been driven by PFIP's branchless banking and financial literacy focus. PFIP help found the Money Pacific initiative that has won the commitment of all Pacific Ministers of Finance and central bank governors to make financial capacity building and financial inclusion part of their core strategy. PFIP also worked closely with the Reserve Bank of Fiji to conduct a national workshop on financial inclusion that has resulted in a clear action plan and National Financial Inclusion Task force consisting of public and private actors, including PFIP. The team facilitated the membership of all Pacific central banks in the newly formed Alliance for Financial Inclusion (AFI), a network of central bankers committed to pro-poor policy and regulation. Central Bank governors endorsed the creation of a central bankers working group on financial inclusion and appointed PFIP as the secretariat. The team has also focused on fostering better donor coordination and assisted in founding the Pacific Financial Inclusion Donors Group and leading its members in developing donor principles and priorities in six Pacific countries.

### **Technical Assistance & Grants**

PFIP has pursued a market leading approach balanced with more demand driven and opportunistic interventions. With UNCDF as its partner, PFIP is able to make grants and loans to private sector institutions. In 2009 it requested expressions of interest for microfinance projects that are scalable—in other words they have the ability to reach large numbers of people. Based on a competitive process, PFIP has signed five grant agreements for \$1,162,000 with a range of partners to develop branchless banking systems that have the potential to reach over half a million unbanked clients across four different countries by 2011. These private sector actors include a mix of banks, telecommunications and technology companies, some of which are choosing to work in partnerships. It is also providing direct technical assistance to Fiji's Department of Social Welfare to move approximately 24,000 beneficiaries from cash payments to electronic payments linked so savings services.

### **Financial Literacy**

Financial literacy is the "fourth pillar" of PFIP's work. In addition to co-founding Money Pacific and researching the impact of the financial literacy training, PFIP has worked to introduce enterprise and financial literacy training in primary and secondary schools in partnership with Young Enterprise Trust in New Zealand. It has supported the development of a new methodology for measuring household financial competency which it will pilot in 2010. It also researched social welfare beneficiaries attitudes toward financial services in order to help design a training materials for the most vulnerable households.

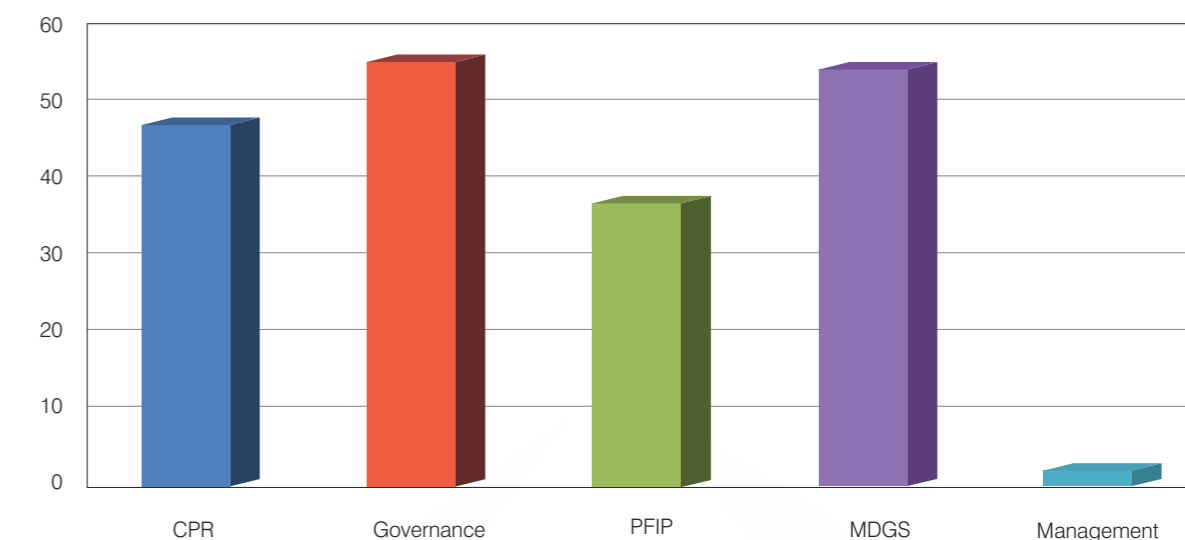
### 3.3 Knowledge Products 2009

Knowledge Product	Partner	Brief Description
<b>Crisis Prevention and Recovery</b>		
Stories from the Pacific: Gendered Dimensions of Disaster Risk Management and Adaptation to Climate Change	AusAid	This publication synthesises the issues and outcomes from the workshop on the Gendered Dimensions of Disaster Risk Management and Adaptation to Climate Change held in Suva, Fiji, in February 2008.
<b>Democratic Governance</b>		
Utilising Temporary Special Measures To Promote Gender Balance in Pacific Legislatures: A Guide to Options	Pacific Islands Forum Secretariat & UNIFEM	This paper is designed as a reference for governments, members of Pacific legislatures, political parties, women candidates and civil society advocates who want to understand the possible options for temporary special measures that could be introduced in the Pacific.
Pacific Sisters with Disabilities: At the Intersection of Discrimination	Pacific Disability Forum, Secretariat of the Pacific Community, UNIFEM	This study aims to identify the issues and challenges faced by women and girls with disabilities in the Pacific and to analyse social and economic factors impacting on their human rights. Women and girls with disabilities experience disadvantages and discrimination based on the combination of both disability and gender-based discrimination, known as 'intersectional discrimination'.
Enabling Effective Responses to HIV: Options for a Human Rights-based Legislative Reform	UNAIDS, RRRT	This report presents options for human rights-based legislation for the prevention and management of HIV, for protecting those already infected and those particularly affected by or vulnerable to HIV, and ensuring that people living with HIV can continue to live useful and productive lives. It has been designed specifically for the Pacific, taking into account the particular cultural contexts, constraints and opportunities presented in Pacific Island Countries.
<b>Poverty Reduction and MDGs</b>		
Gender and HIV in the Pacific Islands Region: A literature review of evidence with recommendations	Cross Practice with GovPac; collaboration with SPC, UNIFEM	This study presents evidence linking the spread of Human Immunodeficiency Virus (HIV) with gender inequality in law and in custom in Pacific Island countries and territories. It suggests recommendations based on the findings in five areas, proposing policy responses and programme approaches which can and should be fundamental to fighting the spread of HIV in Pacific Island Countries and Territories.
Making Invisible Work More Visible: Gender and Time Use Surveys with a focus on the Pacific and Unpaid Care work	Cross-practice with GovPac – HIV/Poverty/ Governance, Launched with SPC	Pacific Women play a major role in the small economies of the region. Available data demonstrates their significant contribution to food and cash cropping, informal trading and community work. This book looks at methodologies for time use surveys in developing countries, especially the Pacific and the importance of unpaid care work.
Palau Analysis of the 2006 Household Income and Expenditure Survey	Palau Office of Planning and Statistics	The Palau analysis of the 2006 household income and expenditure survey is the final report on the estimation of basic needs poverty lines, and the incidence and characteristics of poverty in Palau.
Federated States of Micronesia Analysis of the 2005 Household Income and Expenditure Survey	Government of the Federated States of Micronesia	This report is the analysis of the 2005 household income and expenditure survey. The report is an estimation of basic needs poverty lines and the incidence characteristics of poverty in Federated States of Micronesia.

Protecting Pacific Island Children and Women During Economic and Food Crises	UNICE, PasEFIC, Partnership of Excellence for Pacific Children	Protecting Pacific Island Children and Women During Economic and Food Crises examines some of the well known and potential impacts on Pacific Island children and women of the 2008 food price rise crisis and the current economic crisis. It also highlights some of the crucial lessons learnt from previous crises.
<b>Pacific Financial Inclusion Project</b>		
PNG cash point study for mobile phone banking	International Finance Corporation	This report outlines how a mobile money system might develop in Papua New Guinea, what existing networks it might use for "cash in" and "cash out" services, and how mobile money might help individuals, companies and government alike to lower cost, increase security, and reduce corruption linked to the movement of money.
PFIP Note Series: Women's Financial Inclusion Significantly Improves Household Wellbeing	Jonathon Sibley	This is the first of the PFIP Note series. It contains information on the important role women play in financial inclusion. This information has been gathered from an in-depth study of rural households in 2008 in Fiji.

### 3.4 Missions & Key Meetings

Chart 7: No. of Missions & Key Meetings by Country

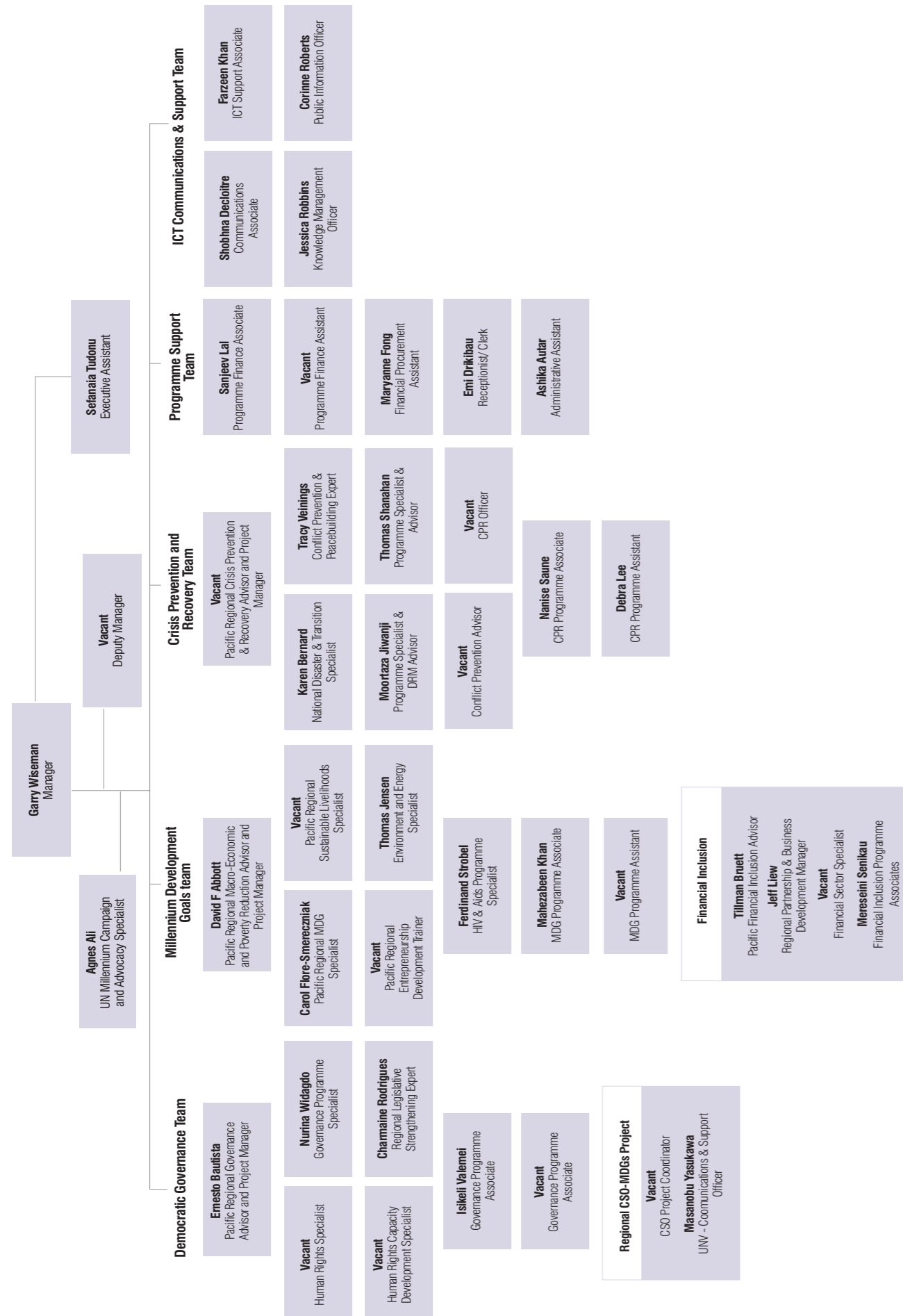


N.b Missions and key meetings include technical backstopping, policy and technical advice and knowledge services.

# Part 4: Annexes



## 4.1 Organisational Chart 2009

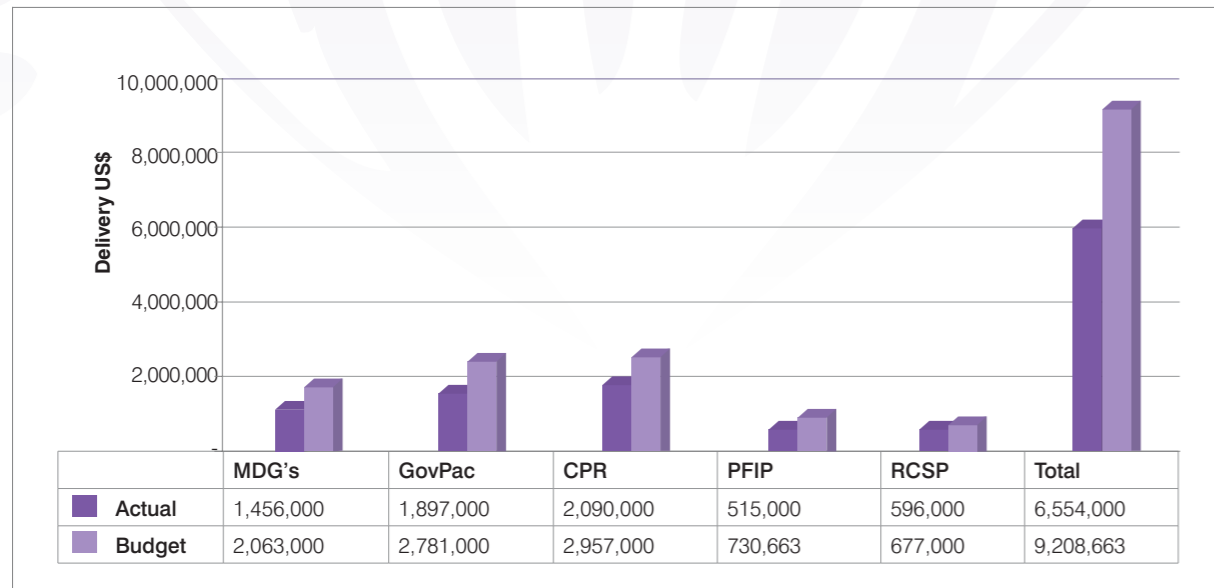


## 4.2 Financial Report for the year ending 31 December 2009

Award ID (US\$)	Project Name	Source of Funds	Total Budget	Total Expenditure	Delivery Rate %
<b>00036482</b>	<b>Regional Centre Support</b>				
		Core (TRAC)	350,000	350,000	100%
		XB Funds	327,000	246,000	75%
	<b>Sub Total</b>		<b>677,000</b>	<b>596,000</b>	<b>88%</b>
<b>00048491</b>	<b>Governance in the Pacific</b>				
		Core (TRAC)	500,000	500,000	100%
		AusAID TF	200,000	199,957	100%
		NZAID	537,543	503,000	94%
		AusAID	1,543,458	694,044	45%
	<b>Sub Total</b>		<b>2,781,000</b>	<b>1,897,000</b>	<b>68%</b>
<b>00048498</b>	<b>MDGs in the Pacific</b>				
		Core (TRAC)	688,750	670,447	97%
		AusAID	960,157	376,084	39%
		NZAID	399,093	395,469	99%
		UNDP	15,000	14,000	93%
	<b>Sub Total</b>		<b>2,063,000</b>	<b>1,456,000</b>	<b>71%</b>
<b>00048515</b>	<b>Pacific Financial Inclusion</b>				
		Core (TRAC)	62,500	58,402	93%
		EU	472,673	314,842	67%
		NZAID	82,490	63,306	77%
		AusAID	113,000	78,450	69%
	<b>Sub Total</b>		<b>730,663</b>	<b>515,000</b>	<b>70%</b>
<b>00048493</b>	<b>Crisis Prevention &amp; Recovery</b>				
		Core (TRAC)	350,000	350,000	100%
		SSR	644,390	339,670	53%
		BCPR	213,705	209,909	98%
		NZAID	498,567	247,407	50%
		AusAID	1,250,339	943,015	75%
	<b>Sub Total</b>		<b>2,957,000</b>	<b>2,090,000</b>	<b>71%</b>
	<b>Grand Total</b>		<b>\$9,208,664</b>	<b>\$6,554,000</b>	<b>71%</b>

#### 4.3 Budget versus Expenditure by Practice Area for 2009

**Chart 8: UNDP Pacific Centre 2009 Delivery by Practice Area Against Budget**





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