



Australian Government
AusAID



Fiji Country Strategy 2012–2014



Cover image: Students of Nawaka District School in Fiji go back to class after their buildings were badly damaged by flooding in April 2012. An estimated 300 students at the school were unable to attend lessons following the natural disaster. Nawaka District School is one of 59 schools receiving funding to repair and rebuild following the flood damage. Photo: Maggie Boyle, AusAID

© Commonwealth of Australia 2012

With the exception of the Commonwealth Coat of Arms and where otherwise noted, all material presented in this document is provided under a Creative Commons Attribution 3.0 Australia (<http://creativecommons.org/licenses/by/3.0/au/>) licence. The details of the relevant licence conditions are available on the Creative Commons website (accessible using the links provided) as is the full legal code for the CC BY 3.0 AU licence (<http://creativecommons.org/licenses/by/3.0/au/legalcode>). The document must be attributed as AusAID (title, date of publication, new registration number).

Published by the Australian Agency for International Development (AusAID), Canberra, July 2012.
This document is online at www.ausaid.gov.au/publications

For further information about the Australian Government's international development program, contact:

Communications Section
AusAID
GPO Box 887
Canberra ACT 2601

Phone +61 2 6178 4000
Facsimile +61 2 6178 4880
Internet www.ausaid.gov.au

Artwork by Great Impressions
Printed by Elect Printing

Contents



1. Summary	1
2. Development principles and commitments	3
2.1 Principles and commitments	3
2.2 Focus on results	4
3. Context and rationale for Australian aid in Fiji	5
3.1 Political and economic situation	5
3.2 Poverty and need	6
3.3 Australia’s national interests	8
3.4 Capacity to make a difference	9
3.5 Scale and effectiveness	10
4. Strategic priorities for Australian aid	11
4.1 Focus areas and expected outcomes	11
4.2 Crosscutting priorities	16
5. Program performance and risk management	18
5.1 What success will look like at the end of the strategy	18
5.2 Risk management	21
6. References	23
7. Annexes	24
7.1 Progress against the Millennium Development Goals	24
7.2 Performance assessment overview	26

Aquaculture supports rural livelihoods.

Photo: AusAID



The country strategy prioritises public awareness of Australia’s strong support for the people of Fiji and deepening engagement between the people of Fiji and Australia.

Partnerships with civil society organisations (CSOs), private sector and multilateral organisations will help Australia deliver development outcomes.

The aid program will support people-to-people and institutional links through Australia’s volunteer and scholarship programs. The number of scholarships for citizens of Fiji to further their education and gain exposure to an Australian experience will increase from 40 in 2011 up to 80 in 2014–15.

Fiji also benefits from assistance through regional programs. Its history as a regional hub within the Pacific has seen it emerge as a home for regional institutions and programs. As a result, Fiji benefits more from regional programs than other countries across the Pacific. In 2012, 50 per cent of total official development assistance to Fiji is through regional programs.

Anna Sulheo (R), village health worker at Lavena Village on Taveuni Island, Fiji, meets with fellow villagers at the health post, which received support from AusAID.

Photo: Peter Davis



2. Development principles and commitments

2.1 Principles and commitments

Australia is committed to supporting the people of Fiji who continue to face economic and social hardships as a result of the 2006 coup.

The Australian Agency for International Development (AusAID) is the main government lead on development in Fiji and implementing this strategy. AusAID has identified three development outcomes for the bilateral program on the basis of AusAID's prior investments, capacity to influence, strategic advantage and need to demonstrate results. These three development outcomes are:

- 1. improving access to quality education**
- 2. strengthening primary health services**
- 3. building resilience and economic opportunities in disadvantaged communities.**

The Fiji aid program will be delivered in accordance with the following principles:

- > Take a lead role in coordinating development partners with shared development strategies in Fiji. In particular, Australia will work in close partnership with the Asian Development Bank (ADB), the European Union (EU), New Zealand, Pacific regional organisations, the United Nations (UN) and the World Bank.
- > Ensure flexibility to adapt to political developments or changes in the bilateral relationship with Fiji and support Fiji's transition to democracy.
- > Actively advance public communication and raise awareness of Australia's engagement in Fiji and continued support for its people.
- > Operate without a new formal agreement of commitment with Fiji's interim government. Facilitation will continue through subsidiary arrangements under the existing memorandum of understanding on development cooperation, established before the 2006 coup. Under these arrangements, Australia will coordinate with officials of Fiji's interim government as required to implement Australia's bilateral assistance program.
- > Ensure Australian aid does not work through Fiji government finance or procurement systems, except on a fully reimbursable basis or where

credible and audited trust accounts are available to facilitate emergency finance for natural disasters. However, the aid program will support planning, monitoring and evaluation by technical and line ministries.

2.2 Focus on results

Australia's Fiji country strategy 2012–2014 focuses on results that make a difference to people's lives. AusAID will use poverty analyses to better target beneficiaries and better inform assistance by other donors and government authorities, including through social protection mechanisms.

For health and education the aim will be to influence improvements in the delivery of essential services to poor and disadvantaged communities, particularly for people with disability. To achieve this, AusAID will focus on supporting CSOs that share Australia's development aims to deliver services and better represent community interests in Fiji.

Aid effectiveness in Fiji will be enhanced by programs designed to build resilience by reducing vulnerability and targeting poverty. People's livelihoods are at risk if the cost of goods rises, communities experience flooding or cyclones, the political situation deteriorates, or investors lose confidence. The bilateral aid program therefore includes pragmatic measures to reduce disaster risk and improve preparedness to respond to financial shocks. Vulnerability is addressed by supporting access to savings and micro-insurance, alternative channels for service delivery, diverse sources of income, greater food security, and improved community-based social protection mechanisms.

For deeper engagement between the people and communities of Fiji and Australia, the aid program will build awareness of Australia's support through active public communication and increase the number of scholarships on offer for Fiji citizens to study in Australia.

The Fiji country strategy 2012–2014 is unlikely to achieve country-level development impacts in the medium term, such as improvements in the Millennium Development Goals (MDGs), given the challenging political and economic situation, constraints on the public sector, the modest size of aid resources relative to the total economy, and a lack of donor coordination by the interim government. In the absence of genuine structural reforms, there will be limited opportunities for Australia and other donors to support the economic and institutional change required to drive Fiji's economic recovery.

Against this challenging backdrop, Australia's assistance will target the provision of services to those most in need. Monitoring and evaluation frameworks will be designed to enable reporting on results achieved and to ensure programs can respond to changes in the operating environment.

3. Context and rationale for Australian aid in Fiji

3.1 Political and economic situation

The political situation in Fiji has deteriorated following the 2006 coup and deferral of elections to September 2014. Abandoning commitments to return Fiji to democracy by 2009 resulted in the interim government's suspension from the Pacific Islands Forum and the Commonwealth. The abrogation of the Constitution in April 2009 and introduction of public emergency regulations eroded human rights and compromised the country's governance and democratic institutions. The 2009 New Legal Order removed the right of legal appeal, revoked judicial appointments and disbanded the Law Society.

The Media Industry Development Decree 2010 led to controls on foreign media ownership and increased military supervision of editorial content. Media controls and restrictions on public assembly have eroded the fundamental freedoms of civil society.

The September 2011 National Essential Industries (Employment) Decree targeted trade unions and was deemed a breach of industrial and workers' rights by the International Labour Organization.

On 7 January 2012 the interim government lifted the Public Emergency Regulations, but replaced them with a new Public Order (Amendment) Decree which continues to restrict human rights.

In early 2012 the interim government announced steps towards democracy. These steps include preparing for voter registration, establishing a Constitutional Commission and hosting a UN Electoral Needs Assessment Mission.

The political environment is a binding constraint on Fiji's economic development and sustained growth. Political uncertainty has exacerbated long-standing structural problems. Uncertainty about directions of political and economic reform weighs heavily on business confidence. Since the 2006 coup, foreign direct investment has dropped dramatically to the lowest levels since Independence². Fiji dropped 15 places from 62 in 2010 to 77 in 2011 (out of 183 economies) in the World Bank's ease of doing business rankings³ and 43 places since the

² October 1970

³ World Bank: *Doing Business 2012: Doing Business in a More Transparent World*, 20 October 2011; World Bank: *Doing Business 2006: Creating Jobs*, 13 September 2005.

coup in 2006. Fiji has also fallen five places on the United Nations Development Programme's Human Development Index since 2006 to 100th place.

The absence of growth over several years makes Fiji one of the worst-performing economies in the Pacific. Fiji's economy contracted by around 10 per cent over 2007 to 2009. In 2011 the International Monetary Fund (IMF) forecast medium-term growth prospects as weak. Gross domestic product growth was around 2 per cent in 2011, and projected annual growth rates for 2012 to 2015 are between 1.5 and 2.3 per cent. The interim government's 2012 budget has adjusted its growth forecasts to match IMF projections. The IMF has estimated Fiji could generate growth of 5 per cent if constraints are removed. This would require political stability, and the Fiji interim government to reduce government debt and maintain a consistent policy environment that upholds the integrity of the legal system and the rule of law.

3.2 Poverty and need

Before the coup, Fiji had made impressive progress towards the MDGs. While services are good by Pacific region standards, they are declining and Fiji's progress against the MDGs has regressed with the country now at risk of not achieving the goals by 2015 (see Section 7.1: Fiji's progress against the MDGs).

Poverty is increasing. One-third of Fiji's population live in poverty. Whereas Fiji was once on track to meet global targets to eradicate poverty by 2015, it is now back to where it was in 2002 with 35 per cent⁴ of the population living below the basic needs poverty line (less than A\$3.30 a day). Urban incomes are on the rise, but rural poverty is growing⁵ across all ethnic groups and the rural share of national household income fell by a third in the five years to 2009. Areas reliant on sugar production have suffered marked declines in income due to the reduction in preferential pricing of sugar to the EU. This has been exacerbated by migration to urban areas as people search for wage employment and better services. However, with 20 per cent of the population living in the peri-urban fringe, services have failed to keep up with demand from the rapid influx of rural migrants. Clothing, footwear and textile manufacturers face significant competition from lower-cost producers in Asia. Reliance on tourism as the primary driver of growth increases Fiji's exposure to declines in global demand.

Rural poverty is deepening. Poverty analyses conducted through partnerships between AusAID, the Fiji Islands Bureau of Statistics, the University of the South Pacific and the World Bank, using data collected for the Household and Income Expenditure Survey in 2008–09, estimated rural

⁴ World Bank, *Poverty Trends, Profiles and Small Area Estimation (Poverty Maps) in Republic of Fiji*, 2003–09; 2011.

⁵ Fiji Island Bureau of Statistics, *Report on the 2008–09 Household Income and Expenditure Survey*, July 2011.

poverty between 43 per cent and 44 per cent. Poverty in the northern division—Fiji’s poorest region—reached as high as between 47 per cent and 53 per cent. Among all of Fiji’s people living below the basic needs poverty line in 2008–09, 70 per cent lived in rural areas (up from 63 per cent in 2002–03).⁶

Fiji’s progress against the health MDGs is at risk. Maternal mortality ratios improved to 31 per 100,000 live births in 2008, but remain well above the 2015 MDG5 target of 10.3. The under-five mortality rate has barely changed since 2000 and remains at 18 per 1000 live births, against an MDG4 target of 5.5. Non-communicable diseases, on the rise in Fiji, are at epidemic levels.⁷ Diabetes affects more than 18 per cent of the population, one of the highest prevalence rates in the world. The health system has been impacted by the interim government’s early retirement policy (55 years of age). Approximately 800 health staff, mainly nurses, have left the Fiji health system since 2009. The failure of the community health worker network to respond to growing needs in peri-urban areas is of great concern. The declining number of workers, insufficient budgetary resources and weak management systems are the main problems facing the health sector.

Increasing drop-out rates threaten Fiji’s achievement of universal primary school completion (MDG 2). According to the Ministry of Education, 10 per cent of primary school students dropped out of school before they reached Form 6 (age 12) in 2008. The Ministry emphasised the need to take immediate steps to reverse this trend. The poor retention rate from primary to secondary school, particularly in disadvantaged areas, reflects the rising costs of schooling and deteriorating facilities. Adhoc reforms since 2009 have further undermined the quality of education in Fiji, exacerbated by severe cuts to the budget and the compulsory retirement of more than 1000 experienced teachers and administrators.

Fiji is highly vulnerable to shocks, including political tensions, changes in global demand and natural disasters, which are significant risks for the poor (security of their assets and income). Since 2006 these risks have been realised. Fiji’s economy was hit hard by the coup, the global downturn and higher import prices, with negative impacts on the poor. In addition, Fiji was recently rated the 19th most vulnerable country in the world to natural disasters.⁸ Since 2009 the country has experienced extensive flooding (2009 and 2012), drought (2010), Cyclone Tomas (2010) and typhoid outbreaks (2009 and 2012). Development programs must take disaster risks into account to be effective.

Fiji’s geography adds to the challenges. An estimated 49 per cent of the population live in rural areas, many on small islands with small

6 Ibid.

7 Fiji Ministry of Health, *Non-communicable diseases prevention and control strategic plan 2010–2014*, p. 9.

8 United Nations University, ‘Institute for Environment and Human Security’, *World Risk Report 2011*.

populations which present many challenges in delivering basic services. Remoteness from major markets, expensive and infrequent transport links and very high exposure to natural disasters makes service delivery difficult and economic opportunities scarce.

3.3 Australia's national interests

A politically stable and economically prosperous Fiji is of fundamental importance to Australia and the region. Successive coups have eroded Fiji's previously impressive economic and development achievements. It is in Australia's and the region's interests that Fiji be restored to democracy and resume its natural place as a hub for Pacific islands' commerce, education, transport, and regional political architecture.

Australia has expressed grave concerns about the impact of the political situation on the economy and, as a result, on the welfare of the people of Fiji, especially the poor and vulnerable. The Fiji aid program has maintained its support for basic health and education services, and provided humanitarian relief in times of natural disasters. Australia has maintained its support for and engagement with the people of Fiji.

Since the coup in 2006, Australia has consistently called for a return to democracy and the rule of law in Fiji. Australia will provide support to help Fiji deliver on its commitment to hold free and fair elections by 2014.

Whole-of-government interests

To ensure Australia's aid supports broader national interests, AusAID works closely with the Department of Foreign Affairs and Trade and other Australian government agencies with an interest in Fiji. These agencies include Treasury (economic issues and engagement with international financial institutions), Department of Health and Ageing (regional health initiatives), Department of Climate Change and Energy Efficiency (disaster risk and adaptation) and the Australian Centre for International Agricultural Research. AusAID also works closely with the Department of Foreign Affairs and Trade on advising the Australian Government on the development relationship with Fiji and managing the aid program. AusAID will engage other agencies as required, including Australian Electoral Commission, Attorney General's Department and Australian Federal Police.

Donor coordination

Australia remains Fiji's largest bilateral donor. Fiji's traditional donors—Australia, the EU, Japan and New Zealand, as well as the multilateral development banks—will continue to maintain a strong commitment to supporting the people of Fiji, adopting a common approach of continuing humanitarian support. UN agencies, including the Joint United Nations Programme on HIV/AIDS, United Nations Children's Fund (UNICEF), United Nations Development Programme, UN Women and World Health Organization, have Pacific regional offices in Suva, and deliver modest

programs of assistance in Fiji. These small and targeted programs are consistent with Australia's policy aim of helping the people of Fiji.

The ADB and World Bank provide targeted technical advisory assistance to Fiji. Following the 2009 floods, these organisations responded to Fiji's request for short-term emergency loans. The ADB continues to manage loans agreed to before the coup, however these are all due for completion at the end of 2012.

China does not report publicly on its commitments in Fiji, however the Ministry of Finance stated that just over FJ\$30 million is expected from China in 2012, though it is uncertain how much of this support is provided as grants. Fiji's other major donors are the EU, Japan and New Zealand.

3.4 Capacity to make a difference

As a middle-income country, total aid flows to Fiji are a relatively small proportion of gross domestic product, reducing the influence of donors as a result. In Fiji, this is exacerbated by the poor governance environment and prospects for weak economic growth. However, through targeted assistance Australia will contribute to improvements in areas such as access to primary education, maternal and child health, developing markets that deliver benefits to the poor and reducing disaster risks.

Australia will continue to work in ways that do not compromise or undermine our intention to ensure the welfare of the people of Fiji is maintained.

Australia will engage credible partners with a shared interest in Fiji's development. Assistance will be provided through managing contractors,



On your marks, get set, go. Nausori Special School, Fiji. Each Friday Makelesi Volank blows the whistle to get the sports program underway. The school program coordinated by the Fiji Sports Association for the Disabled, makes it possible for over 1,000 children in 17 special schools across the country to participate in sports every week.

Photo: Australian Sports Commission

bilateral and regional programs, as well as in partnership with CSOs, international development partners and the private sector. Partnerships with CSOs and multilateral and private sector organisations also provide opportunities for pursuing development outcomes, with scope to scale up if required.

Through our volunteer and scholarship programs, the aid program will support people-to-people and institutional links, as well as provide opportunities for more Fijians to further their education and gain exposure to Australia.

Australia will remain committed to supporting Fiji's return to democracy. In response to moves towards credible elections, we will provide assistance for an effective election process, and be ready to support economic restructuring and institutional reform once democracy is re-established.

3.5 Scale and effectiveness

Total Australian aid flows will increase to \$55 million a year over the life of this strategy with bilateral aid to Fiji increasing from \$18.5 million in 2011–12 to \$36 million by 2013–14. We have a long-standing commitment to assist the people of Fiji affected by the 2006 coup. Alongside Australia's continued calls for Fiji to return to democracy, we have remained strongly committed to Fiji's development and have maintained bilateral assistance at around \$18 million a year since the coup (2006–07 to 2011–12). The increase in funding to \$36 million will allow Australia to focus more on the rural poor and continue to support health and education. Programs directly supporting families and communities will increase Australia's public diplomacy opportunities and enhance recognition of our aid program and our support for the people of Fiji.

Australia will improve aid coordination and effectiveness by working with other development partners, including with Fiji communities, to meet development priorities. This will involve expanding support to business and CSOs and building a stronger relationship with the EU over the life of this strategy.

Fiji will continue to benefit from our support to regional programs.

As a Pacific regional hub, Fiji has emerged as a home for regional institutions including the Australia – Pacific Technical College, College of Health Sciences at Fiji National University (formerly the Fiji School of Medicine and Nursing), Pacific Islands Forum Secretariat, Secretariat of the Pacific Community, and University of the South Pacific. The benefits to Fiji from this assistance, directly and indirectly, are more significant than in other countries across the Pacific because they are located in Fiji. In 2011–12, 50 per cent of official development assistance to Fiji has been provided through regional programs. With the increase of the bilateral aid program, this will change to around 35 per cent.

4. Strategic priorities for Australian aid



4.1 Focus areas and expected outcomes

Australia's assistance over 2012 to 2014 will target poverty and vulnerability in Fiji by working towards the following three development outcomes:

- 1. Improving access to quality education** by reducing financial barriers to schooling and improving learning facilities in the most disadvantaged communities, including disaster-affected areas.
- 2. Strengthening primary health services** by improving maternal and child health and diabetes prevention.
- 3. Building resilience and economic opportunities in disadvantaged communities** by supporting market development, access to financial services and skills development.

Development outcome 1: Improving access to quality education

The Access to Quality Education Program (2011–15) will target the poorest quarter of Fiji's most disadvantaged primary schools, including those in squatter settlements, and emphasise increased access by both girls and boys, including those with disability.

Rural and remote schools in the poorest districts are targeted using poverty maps prepared by the World Bank. In urban areas, schools with the highest proportion of students from informal settlements are selected for support. Over 2012 to 2015, Australia will improve school access, attendance, retention and completion rates at up to 180 schools, benefitting 43,000 students through:

Intermediate outcome 1: Reduced financial barriers at school level for primary education through school grants.

Intermediate outcome 2: Improved school learning environments and facilities, including upgrading water and sanitation systems and access for children with disability, and rehabilitating schools impacted by natural disasters.

Intermediate outcome 3: Strengthened teaching quality and performance reporting systems for assessing and monitoring student progress at all schools in Fiji and promoting literacy and numeracy.

Partners: The Access to Quality Education Program is implemented by a managing contractor allowing Australia to target local schools, 98 per cent of which are managed by community boards. Australia will coordinate its assistance with Fiji’s Ministry of Education and directly support the Ministry’s efforts to improve teaching quality and learning outcomes. This program will be supplemented by partnerships with organisations sharing a commitment to improving access to education in Fiji. AusAID is collaborating with UNICEF to improve sanitation in schools, and non-government organisations to address the needs of vulnerable children, including students with disability.

Development outcome 2: Strengthening primary health services

Support will be delivered through the Fiji Health Sector Support Program (2011–15). The program targets areas of most concern in Fiji’s progress against the health MDGs, in particular infant and maternal mortality and the alarming rise in non-communicable diseases. It is closely aligned with the Ministry of Health’s strategic priorities.

Nurses in a maternity ward in Fiji. Australia is strengthening health services in Fiji to reduce deaths and illness among mothers, babies and young children.

Photo: AusAID



Australia will contribute to reducing infant and maternal mortality and improving prevention and management of diabetes over 2011 to 2015, through:

Intermediate outcome 1: Expanded safe motherhood and healthy child programs, and improved diabetes prevention

throughout Fiji by upgrading rural hospitals, funding new vaccines and establishing systems to maintain immunisation rates of greater than 90 per cent, and expanding health worker training to focus on managing childhood illness.

Intermediate outcome 2: Improved prevention and management of diabetes and hypertension through nationwide biannual screening for diabetes for all persons over 30 years of age and training of health workers in diabetes prevention.

Intermediate outcome 3: Strengthened systems for delivery of primary health services, including restoring the network of community health workers and improved information, monitoring and clinical standards for maternal and child health.

Partners: The Fiji Health Sector Support Program is delivered through a managing contractor. With the aim of addressing maternal and child health and diabetes through a strengthened primary health system, Australia's assistance will prioritise support for decentralised and community services. More than 80 per cent of allocated funds will be directed at sub-divisional hospitals and district clinics, rather than central-level management. Australia will coordinate closely with Fiji's Ministry of Health, aligning where possible with ministry policies, standards and systems of planning and evaluation, including divisional and sub-divisional public health networks. The program will not use Ministry of Health financial systems to disburse funds. Australia will play a leading role in supporting ministry efforts to coordinate the work of donors and international institutions, including Global Fund, Japan International Cooperation Agency, Secretariat of the Pacific Community, UNICEF, and the World Health Organization.

Australia is a substantial supporter of the Fiji School of Health Sciences, formerly known as the Fiji School of Medicine and Fiji School of Nursing. The school provides medical and nursing training across the region, contributing to the delivery of essential health services and training for Fiji's health professionals. AusAID's health program will link with the school, as well as with other Pacific regional initiatives addressing health promotion, human resource capacity and health system strengthening and non-communicable diseases.

Development outcome 3: Building resilience and improving economic opportunities in disadvantaged communities

Several programs will contribute to creating higher incomes for Fiji's poor and help communities better respond to economic shocks.

AusAID's Market Development Facility and the Fiji Community Development Program 2012–2014 will be the primary vehicles for Australia's support to development outcome 3. The facility will focus on stimulating sustainable, private sector-driven, pro-poor market development in targeted sectors in the economy. The Fiji Community Development Program will support capacity building for CSOs and provide grants to help them deliver better services to people in need.

This will be complemented by partnering with local, multilateral and regional organisations on programs to create export markets; help local communities adapt to the impacts of climate change; manage and reduce risks of disaster; improve access to financial services; improve the conditions of and participation in municipal markets for women and children; and the prevention of violence against women.

A mother works with her son on a painting at Fiji's Hilton Special School to help improve his motor skills. Australia is enhancing the lives of children with disabilities by providing specialists in occupational and speech therapy. Financial support is also being provided for teachers' assistants, sign language interpreters, rehabilitation, and transportation to and from school.

Photo: Maggie Boyle, AusAID



Development outcome 3 will be achieved by:

Intermediate outcome 1: Increased net income of poor people through targeted market development interventions designed to catalyse business growth. This will assist in creating new opportunities to earn income. To support this initiative, efforts will be made to look at how day-to-day household expenditure of the poor can be better managed and further reduced, including with the cost of food.

Intermediate outcome 2: Improved use of financial services for the poor by supporting national financial education programs and financial literacy training, as well as improved outreach and quality of financial services to the poor. The effective use of financial services such as micro-insurance and appropriate savings products will allow poor households to accumulate assets, invest in health and education, and better cope with financial commitments in times of hardship.

Intermediate outcome 3: Increased community resilience to shocks and stresses by building the ability of communities to deal with shocks and strengthening support systems for the poor. With increasing levels of poverty in Fiji, especially in rural areas, emphasis will be on mitigating the impact of natural disasters and household-level financial shocks. Community-based social protection will be strengthened, food security will be lifted and investments will be made to improve the lives of women and people with disability. Together these factors can buffer poor communities against shocks and reduce vulnerability to poverty.

Partners: The Market Development Facility and Fiji Community Development Program will be delivered through managing contractors. AusAID will collaborate with the EU on work with CSOs, and with United Nations Capital Development Fund, the ADB and the International Financial Corporation on the provision of new financial services for the poor. Scoping work has begun with UN Women on an initiative to improve the conditions of and participation in municipal markets for women and children.

AusAID will support the World Bank to work with CSOs, the Department of Social Welfare on social protection and with the Fiji Islands Bureau of Statistics, UNICEF, universities and the World Bank to further improve poverty analysis. This analysis, as well as sentinel studies being undertaken by UNICEF on children and poverty, will inform AusAID programs.

AusAID will continue to look for other opportunities to coordinate aid and collaborate with other donors, including New Zealand.

4.2 Crosscutting priorities

Underpinning the implementation of the three development outcomes are cross cutting priorities which reinforce the focus and coherence of Australia's development assistance, including deeper engagement between Fiji and Australia, support to civil society and humanitarian assistance.

The aid program will support **deeper connections between Fiji and Australia** through people-to-people and institutional linkages, in ways that deliver important development benefits. Australia's aid program will support:

- > Increased numbers of Australian Development Scholarships (ADS) for Fiji citizens to undertake study at Australian universities, with the annual intake of new scholarships to increase from 40 in 2011–12 to 60 in 2012–13, with scope to increase to 80 by 2013–14. Complementing opportunities under the Australia – Pacific Awards, an expanded ADS program will support more Fiji citizens to further their education, gain exposure to Australia and directly contribute to a better skilled workforce on return home. Candidates will continue to be drawn from public and private sectors through an open, merit-based selection process, in consultation with the Fiji Public Service Commission and the Fiji Employers' Federation.
- > Australian Regional Development Scholarships will continue for study in the Pacific islands region, with numbers maintained at around 20 scholarships for Fiji citizens a year, focusing on technical and vocational education.
- > Australia Pacific Technical College Scholarships will continue to provide around 200 Fiji citizens a year with high-quality technical and vocational education and training across more than 20 course areas. Fiji campuses comprise Automotive, Construction and Electrical and Manufacturing, a School of Health and Community Services, and a School of Tourism and Hospitality. Fiji citizens are also eligible to study at Australia Pacific Technical College campuses in other countries in the region.
- > CSOs will continue to be an important vehicle for service delivery across the three objectives of the aid program. AusAID will support and finance **the role of CSOs** through the Fiji Community Development Program. CSOs will also play a key role in civic education and democratic transition.
- > Volunteer programs will support around 70 new volunteer placements in Fiji each year. Australian volunteers will continue to work in a broad range of areas, reflecting key development outcomes of this country strategy, but not limited to these areas.
- > Active public communications and building awareness of Australia's continued support for the people of Fiji. Major initiatives, in particular

civil society support programs, education, health, and market development will include communications and public diplomacy strategies.

AusAID will support effective **responses to humanitarian emergencies and disasters**. Partnerships will be maintained with the Fiji Institute of Engineers, Fiji Red Cross, National Disaster Management Office, and Pacific Disability Forum to build local disaster preparedness capacity, through awareness raising in communities, improved disaster assessments and pre-positioning of supply stores. This bilateral assistance will be complemented by Australia's new regional Pacific Disaster Risk Management Program which focuses on strengthening national arrangements and building the resilience of communities across Fiji.

As Fijian communities are extremely vulnerable to natural disasters and climate change, disaster risk reduction approaches will be incorporated across the aid program, including actions for each development outcome under Australia's assistance. This will be consistent with Australia's disaster risk reduction policy, *Investing in a Safer Future (2009)*, and the *Environment Management Guide for Australia's Aid Program (2012)*.

Australia will also support **political discussion** on genuine, inclusive political reform and steps towards elections. Australia will work with other development partners to provide support for civic education and credible institutions and processes.



The Australia-Pacific Technical College offers a number of courses, including hospitality. There's equal opportunity for female and male students across the Pacific to pick up work skills and qualifications.

Photo by Rob Maccoll

5. Program performance and risk management

5.1 What success will look like at the end of the strategy

At the end of the Fiji country strategy 2012–2014 there will be improvements in basic social services. These will directly benefit the lives of the poor and vulnerable in Fiji who will have better access to quality education and strengthened primary health services. The aid program is targeting urban settlements and rural areas where development outcomes are designed to have the greatest impact on and benefits for people who are vulnerable, living in poverty or at risk of falling into poverty.

Australia will provide financial assistance to families who cannot afford to send their children to school, and ensure the poorest quarter of all primary schools in Fiji (180 schools) have improved sanitation facilities, clean water and equipment to cater for children with disability. As a result, it is expected that more children will stay in school for longer, will improve their literacy and numeracy outcomes and will progress effectively to secondary education. At the end of this strategy there will be stronger teaching quality and performance reporting systems in place to better support children's learning.

The aid program's focus on improving maternal and child health will result in women receiving best practice antenatal care and more health workers having the skills to manage childhood illnesses. Improvements to health systems will ensure that the child immunisation rate of more than 90 per cent is maintained. At the end of 2014, 21,600 babies will be vaccinated against pneumococcal and rotavirus and 8,700 girls will be vaccinated against the human papilloma virus, the main cause of cervical cancer deaths. Upgrades to 17 subdivisional hospitals to meet World Health Organization mother and baby standards will improve the quality of services for and experience of patients.

Seventeen subdivisional hospitals and 15 health centres will also have new diabetes centres which will increase the number of people being routinely screened for the disease. Early detection, treatment and management of diabetes will result in more Fijians being physically active and in control of their illness. Stronger information systems and support for primary health care will be developed. This will contribute to a more active and effective network of community and village health workers, and extend the reach of medical services to remote locations.

A stronger investment in opportunities for economic growth will result in increased net incomes for 2,500 poor people (at least 40 per cent women) through market development programs.

Better financial services in rural and remote areas will improve the way these communities manage and save their money. At the end of the strategy, 200,000 school students (at least 40 per cent girls) annually will have access to financial education and 100,000 people (at least 40 per cent women) who had previously not banked will have access to financial services such as savings, loans, remittances and micro-insurance.

Australia's support for up to 70 CSOs will result in them being able to more effectively deliver essential services to at least 70,000 people across Fiji by



A mother learns about the importance of immunising her child during Fiji's Immunisation Week. Australia is working with the Ministry of Health to maintain infant and baby immunisation rates above 90 per cent across Fiji.

Photo: Margaret Logavatu, AusAID

2015–16. Improved community-based social protection systems and adoption of disaster preparedness and response arrangements will help build the resilience of more than 100 of Fiji’s poor and vulnerable communities (50,000 men, women and children) against economic shocks and natural disasters.

As many as 20,000 women survivors of violence will receive services including counselling and 7,000 people with disability will have improved access to services through support for disability inclusive CSOs.

Over the life of the strategy, the aid program will have supported more than 100 Fiji citizens to complete tertiary studies in Australia, providing them with the skills and knowledge required to contribute to Fiji’s development. Another 1,000 people will graduate with technical and vocational qualifications from regional institutions (at least 30 per cent women) allowing them to secure employment or start their own businesses. This focus on building the capacity and skills of the country’s human resources will prepare Fijians for opportunities as leaders and innovators of change. At the same time, Australia benefits from the linkages and friendships forged as a result of their experience in Australia.

A female villager of Bila Settlement in Ba, Fiji is planting new crops that will provide food for her community. Australia is supporting local organisations to help rebuild communities which were devastated by floods in April 2012.

Photo: Iris Low-McKenzie, AusAID



Australia's aid program to Fiji will be subject to regular whole-of-government review. AusAID's annual program performance report process will be the primary vehicle for reporting progress against the development outcomes set out in this country strategy. Figure 7.2, Annex 7, illustrates the expected end results of the strategy and intermediate development outcomes planned activities will have over its life, as well as the levels at which impacts will be measured. A detailed performance assessment framework is being developed for when the strategy takes effect from July 2012.

5.2 Risk management

The Australian Government's Aid Policy Agenda states that '... a sensible approach to risk management is required to guard against risk and fraud while delivering programs and assistance to those most in need.' Risk management is always included in AusAID's country strategies and the following are the main areas of risk identified for the Fiji aid program.

Fiduciary risks. The quality and probity of Fiji's public spending is of concern given the country's declining transparency and accountability. AusAID will provide ongoing financial management training to its partners given the need to support CSOs and school management committees, some of which have limited financial management capacity. AusAID will remain vigilant on fraud risk and maintain its adherence to a zero tolerance fraud policy.

Commitment risks. The absence of a contemporary formal partnership for development agreement between Australia and Fiji brings risks in terms of policy commitments from Fiji authorities. It may be difficult to secure hard commitments for reforms or counterpart resourcing. Where project-level commitments are secured, budget and personnel constraints within Fiji's interim government are likely to detract from the ability of authorities to meet obligations.

Value-for-money risks. These risks bring potentially higher costs through increased management attention and supervision resources. Value for money will be upheld through: benchmarking initiative management and country office costs; balancing and effectively using technical personnel in line with the 2010 review of advisors⁹; and targeting local procurement, where this meets Australian Government procurement guidelines.

Operational risks. Risks for AusAID's operations in Fiji include the potential for delays in visa approval for Australian officials working in Fiji, and uncertainty with approval of subsidiary arrangements to carry out aid activities. These risks will be addressed by factoring in lengthy wait periods for staff and project approval in planning. Close cooperation with Australia's Department of Foreign Affairs and Trade will ensure active engagement with Fiji authorities on clearance processes.

⁹ AusAID, Joint Adviser Review Report, February 2011

Improved food production systems can help to build resilient livelihoods.

Photo by Rob Maccoll



6. References

An analysis of poverty in Fiji, Kidd S, June 2011.

AusAID, *AusAID Access to Quality Education Program, Fiji – Framework for Delivery*, October 2010.

AusAID, *Australia – Fiji Health Sector Support Program 2011–2015, final design document*, 23 November 2010.

AusAID, *Joint Adviser Review Report*, February 2011.

Fiji Islands Bureau of Statistics, *Report on the 2008–09 Household Income and Expenditure Survey for Fiji*, Narsey W, July 2011, Suva

Fiji Islands Bureau of Statistics and World Bank, *Poverty trends, profiles and small area estimation (poverty maps) in Republic of Fiji (2003–2009)*, 15 July 2011.

Fiji Ministry of National Planning, *Millennium Development Goals, 2nd Report 1990-2009, Report for the Fiji Islands*, September 2010.

Fiji Ministry of Health, *Annual Report 1990*, and annual reports 2001 to 2008.

Fiji Ministry of Health, *Non-communicable diseases prevention and control, National Strategic Plan 2010–2014*.

Pacific Island Forum Secretariat, *2010 Pacific Regional MDG tracking report*, July 2010.

United Nations Development Program, *Human Development Report 2011, Sustainability and Equity: A Better Future for All*, UNDP New York 2011

United Nations University, Institute for Environment and Human Security, *World Risk Report 2011*, Bündnis Entwicklung Hilft (Alliance Development Works), Berlin 2011.

World Bank, *Doing Business 2012: Doing Business in a more Transparent World*, 20 October 2011.

7. Annexes

7.1 Progress against the Millennium Development Goals

Fiji's Human Development Index rose steadily from 0.678 in 2005 to 0.688 in 2011. It is now ranked 100 out of 187 countries from 86 out of 169 countries in 2010. Fiji is placed above the Pacific regional Human Development Index average of 0.671 and the world average of 0.682.¹⁰

Fiji is off track to meet MDG 1 (Eradicate extreme hunger and poverty) and achieved mixed results for MDG 3 (Promote gender equality and empower women) and MDG 6 (Combat HIV/AIDS, malaria and other diseases).

While other MDGs are reportedly largely on track, the pace of progress of MDGs 2 (Achieve universal primary education), 4 (Reduce child mortality) and 5 (Improve maternal health) will need to increase dramatically if Fiji is to reach its targets by 2015. For example, maternal mortality ratios were 28 per 100,000 births¹¹ in 2009, a decrease of about 53 per cent over 1995. This would need to decrease by another 63 per cent to reach the 2015 MDG target of 10.3. Infant mortality rates have barely improved since 1990.¹² Non-communicable diseases are an increasingly prevalent cause of illness and death and responsible for around 82 per cent of deaths in Fiji.¹³ Diabetes now affects more than 18 per cent of the population and 33.9 per cent of diabetes patients require amputations.¹⁴

¹⁰ UNDP, Human Development Report 2011, Sustainability and Equity: A Better Future for All, Statistical Annex. Fiji, HDI values and rank changes in the 2011 Human Development Report,

¹¹ 2011 Pacific Regional MDGs Tracking Report, p. 34–60 per 100 000 live births in 1995.

¹² 2011 Pacific Regional MDGs Tracking Report, P. 32–17 per 1000 live births in 1990; 15 per 1000 live births in 2009. Similarly the under 5 mortality was 28 in 1990 and 23 in 2009.

¹³ Fiji Ministry of Health, Non-communicable diseases prevention and control National Strategic Plan 2010–2014.

¹⁴ Fiji Ministry of Health annual reports 2001 to 2008; AusAID's Fiji Health Sector Support Program 2011–15 (program design document).

Around 6000, or 4 per cent, of children aged 6 to 14 years do not attend school each year.¹⁵ Educational expenditure in Fiji has dropped by 12 per cent since 2007, and as a proportion of total expenditure dropped from 19.2 per cent in 2007 to 14.6 per cent in 2010.¹⁶ Fiji's Ministry of Education has reported increasing drop-out rates at primary and secondary levels. The maintenance of education infrastructure is severely under-resourced, with many schools falling into disrepair.

15 Access to Quality Education Program, Review of poverty and social protection in the Republic of Fiji, January 2012, data sourced from Fiji Islands Bureau of Statistics, Household and Income Expenditure Survey 2008–09.

16 AusAID's Access to Quality Education Program, Fiji, Framework for Delivery, October 2010.



Women from Naviyago Village in Fiji learn how to build and cultivate garden beds, rotate crops and plant vegetables as part of an Australian-funded gardening project.

Photo: AusAID

7.2 Performance assessment overview

Fiji country strategy 2012–2014—performance assessment overview

