



An independent  
evaluation of the  
Pacific Horticultural  
and Agricultural  
Market Access  
Program  
(PHAMA)

June 2016



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## Executive Summary

### Findings

1. The focus of PHAMA has changed over time in response to needs. Changes include a shifting from focusing on bio-security and gaining new market access to a wider range of issues along the value chain and maintaining market access. The program has also evolved from a regional to a multi-country approach. In Phase two, component four designed as a discrete set of activities to be implemented by SPC's LRD and involved core quarantine and biosecurity support services was discontinued and PHAMA focused on the six largest Pacific Island Countries (PICs).<sup>1</sup>
2. While PHAMA predates Australia's "New Aid Paradigm" announced in June 2014, it nevertheless, aligns well with its key objectives.<sup>2</sup> At the very highest level, PHAMA is relevant to the New Aid Paradigm's goal of sustainable economic growth and poverty reduction. The new Paradigm also emphasises working with the private sector as does PHAMA. At the sectoral level, the PHAMA program aligns closely and contributes to two of the six investment areas identified as priorities. PHAMA is relevant to Australia's aid investment priorities of agriculture, trade facilitation and international competitiveness.
3. PHAMA has achieved good results, initially on gaining market access but later much more on maintaining market access. Examples, include fresh ginger in Fiji, cocoa, timber and coconuts in Solomon Islands, beef in Vanuatu and breadfruit in Samoa.
4. PHAMA has in a number of cases been able to build the capacity of relevant government counterpart agencies to deliver services necessary to maintain export pathways. In the Solomon Islands, for examples, PHAMA has enabled the government to carry out more comprehensive cocoa testing and provided support for timber certification. In all cases PHAMA helped with maintaining the export pathways and thereby improving the livelihood of poor households and safeguarding the jobs of low-income groups.
5. A significant success in its own right has been the Public Private Dialogue (PPD) created through the Market Access Working Groups (MAWGs) and Industry Working Groups (IWGs. A mechanism bringing the private and public sectors together on market access requirements did not exist before in these countries.). These have been successful in identifying, prioritising and implementing activities. PHAMA has supported these PPDs through timely facilitation and high quality technical advice and project implementation support.
6. As a result of PHAMA's success, rural incomes and jobs have either been created or maintained and led to improved livelihoods. A series of case studies, reports and anecdotal evidence provide evidence for this.

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<sup>1</sup> Fiji, Samoa, Solomon Islands, Papua New Guinea, Tonga, Vanuatu

<sup>2</sup> <http://dfat.gov.au/about-us/publications/Documents/aid-policy-summary-doc.pdf>.

7. All stakeholders, across a wide range of actors, conveyed that the program was effective and had achieved results, provided timely response to needs and remained relevant.
8. The program's current (February 2016) logic model does not provide an adequate theory of change (or a logical framework) for tying together activities to outcomes and to higher level objectives and the goal of the program in a comprehensive way.
9. The communication material and reports produced by PHAMA, while good in themselves do not meet the needs of results management and/or map well against higher level objectives.
10. The MAWGs/IWGs are a strong and unique mechanism for bringing together public and private interests, and for identifying and resolving issues. They are appreciated by all stakeholders, including government, exporters, other donor-supported programs, and the private sector.
11. Both public and private sectors have remained engaged in the MAWGs/IWGs as they have proved to be effective because of the timely provision of solutions and related resources to address issues. Whereas, the private sector, has often not remained engaged in other industry umbrella organisations that have not achieved results.
12. Across the six PICs the MAWGs/IWGs are developing at a different paces and along country-specific paths. However, they all still require technical and project management support as well as facilitation to function effectively.
13. The Project Management Office (PMO) has taken a multi-country approach with a regional hub providing a range of services (technical, management, coordination, strategic and financial). The PMO has also demonstrated strong links back into markets and good links working with a range of other programs.
14. PHAMA's focus on technical support for the public sector is more appropriate than capacity building given the long term issues faced related to staffing and resourcing. Within, such a model, limited and targeted capacity building initiatives may be appropriate to complement and help implement technical support. This is the approach that appears to be taken by the current PHAMA model. Under such circumstances, PHAMA is not the appropriate vehicle for enabling SPC to improve its service delivery function.
15. PHAMA has had an impact on social inclusion. All the value chains that the program is working in consist of smallholder farmers. Even when the main players have been large exporters/farmers, these source a significant share of their produce from smallholders.
16. Regarding gender, PHAMA has had some successes in Phase two, but gender has not been addressed in a systematic way. There is a lack of comprehensive and sex-disaggregated data covering all six PICs and analysis and reporting of how the program has improved the livelihoods of participating women and men.
17. Sustainability is difficult to achieve in any donor program. Given the PICs context, it should be recognised that sustainability will be very difficult to achieve.

18. National capacity for developing new and maintaining market access pathways is not sustainable without ongoing strategic, planned and responsive support to the MAWGs/IWGs. It is unlikely that in the foreseeable future any of the relevant national government agencies/authorities could replace PHAMA in providing the support needed to sustain the MAWGs/IWGs. The MAWGs Sustainability Road Maps are unlikely to succeed without ongoing external support.

## Recommendations for Remainder of the Program

19. It is recommended that at the end of the current program, a new follow on program is implemented and that preparation work for this begins as soon as possible. In regards to Department of Foreign Affairs and Trade (DFAT)/ Ministry of Foreign Affairs and Trade (MFAT) it is recommended that it:
- a. Mobilise as quickly as is practical, a design mission for a new follow-up program;
  - b. Commission initial background work for a new program that may include work on the program logic and monitoring that links activities to goals.
  - c. Inform stakeholders at least by the PCC meeting in Vanuatu that there will be a follow-up phase to enable PHAMA to undertake activities to support a design mission; and
20. In regards to PHAMA, it should commence activities that can inform the design and implementation of a follow- up program. The PMO should include in its' Annual Work Plan or encourage the IWG/MAWG to carry out the following activities to be implemented during the last year:
- a. Continuation of the gender analyses of commodities/industries that are considered economically viable for export development and pathway maintenance with a potential for women's economic empowerment;
  - b. Commit resources to organise existing data, including data on women and smallholder farmers, in a comprehensive and systematic way that will enable a correlation to be made between PHAMA activities and higher-level development results;
  - c. Review existing studies that examine the potential for trade in agriculture, forestry and fisheries commodities among the PICs, and as necessary add value to these by taking a broader regional look;
  - d. For PNG, given the late start and large budget, activities should focus on laying the foundation for the follow-up program rather than on trying to achieve short-lived results.
21. In regards to the MAWGs/IWGs and to maintain the momentum in each country, the ongoing public private dialogues should continue to address constraints in the target industry value chains. Specifically, the MAWGs/IWGs should:
- a. Finalise and endorse their respective sustainability road maps and schedules; and

- b. Begin implementing practical steps in the sustainability road maps, facilitated by the National Coordinators and supported by the PMO.

## Road Map for a Future Program

22. A new program should have a broader scope than the current program. Consider expanding the scope to focus on export market development in agricultural value chains (including forestry and fisheries) that have shown potential for being commercially viable. Within such an objective, the program should maintain flexibility to address issues along the value chain that constrain agriculture export development.
23. Such a program should continue to focus on maintaining and developing new pathways in the six main PICs. It should take a multi-country approach with a regional PMO hub supporting the country programs. The regional hub should provide resources, technical skills, results-based M&E, coordination, strategy and facilitate exchange of information among the six countries.
24. Major constraints to be addressed in maintaining market export pathways include: a) responding to changing standards and requirements of the importing country and b) helping exporters to meet the necessary standards and regulations; and c) maintain a reliable volume and consistency in production that meets the quality demanded by the target market.
25. The PMO should be strengthened with additional resources to mainstream M&E, gender and social inclusion. Furthermore, consideration should be given to changing the composition of the PMO to include more program management and private sector marketing skills.
26. Outside of a range of core functions, the new program should seek to deliver services through strategic partners. To enable this, consideration should be given to allocating resources to manage and develop collaborative approaches and/or strategic partnerships and coordinate with other partners in the delivery of solutions along the value chain.
27. The public-private working groups (MAWGs and IWGs) should continue to play the central role in identifying and prioritising activities. While the public-private working groups are developing at different speeds and have characteristics unique to their country and industry sector, they should nevertheless be encouraged to transform into independent bodies that have a separate identity to the program. A new PHAMA program should continue to support the public-private working groups over the life of the program and encourage other sources and mechanisms of support to be developed (including other donors, government and industry support).
28. Gender and social inclusion should be integrated into the design and adequately resourced. Selection of value chains should be primarily based on their commercial potential. Within this parameter, consideration should be given to social inclusion and gender. Consideration should be given to initial training in gender mainstreaming for PMO staff, the national MA coordinators and MAWG/IWG members. Secondly disaggregated data should be collected, gender and social inclusion analysis should be carried out of the value chains or aspects of them. Appropriate recommendations can be made and activities designed and implemented to address gender and social inclusion aspects.

29. DFATs regional program should continue to encourage DFAT bilateral funding in target countries. Consideration should also be given to higher level dialogue and coordination of several DFAT funded programs that include Pacific Business Investment Facility (BIF), Market Development Facility (MDF) and PHAMA, as well as other funding through multi-donor trust funds, that all occupy the private sector – rural/agricultural development space. The DFAT/MFAT partnership should be encouraged to continue and consider moving to a multi donor Trust Fund arrangement, allowing the potential for other donors to come in.
30. In addition to targeting markets in New Zealand and Australia, the scope should allow other countries to be considered where potential export pathways exist. For example, the US, China, Japan and South Korea. In addition, consideration should also be given to exploring opportunities for inter-island trade.
31. Capacity building of SPC for service delivery should be a completely separate program and not part of any future design for PHAMA. However, co-location of the PMO with SPC and regular communication between the two agencies should be encouraged. As the capacity of SPC improves, the links between the two agencies should be revised.
32. Include as an integral part of the new design a robust results-based monitoring system that is fit for purpose. Such a system should not be overly complex but at the same time provide a management tool for decision making and reporting. An appropriate results-based monitoring system will have a clear theory of change and mapped against this a data collection and reporting system that allows measuring and reporting against higher level objectives. Such a system will require adequate resourcing, baseline and systematic data collection.



# 1 Introduction

1. DFAT has commissioned an Independent Evaluation Review of the Pacific Horticultural and Agricultural Market Access Program (PHAMA).<sup>3</sup> The Evaluation Team was required, as set out in their Terms of Reference, to provide an independent evaluation of the second phase of PHAMA (2010 to 2016). The evaluation is aimed at the Australian Department of Foreign Affairs and Trade (DFAT) and the New Zealand Ministry of Foreign Affairs and Trade (MFAT) as the donors funding PHAMA and AECOM as the managing contractor.
2. As defined in the Terms of Reference (ToR) (See Annex A), the overarching objective of this Evaluation is to:

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*The objective of the Independent Evaluation is to assess the relevance of PHAMA and whether it has achieved the expected results, to identify lessons learned and recommend improvements to inform decisions about the scope and focus of future assistance*

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3. The ToR also identified four specific objectives, and these, as well as the overarching objective above, form the basis for this evaluation. The four specific objectives are:
  - a. **Analysing the effectiveness and efficiency** of the program in achieving its objectives to date and how successful the program has been in gaining and/or maintaining market access pathways for Pacific exports of primary products (fresh and processed), particularly agricultural and horticultural products but also fish and forestry products and the impact on producers, livelihoods and production with relevant constituencies, including gender and social inclusion results;
  - b. **Evaluating the relevance of the program** to understand whether the program is still meaningful and “wanted” by key stakeholders and to identify what needs to be done to ensure that the program remains relevant, including the relevance of integrating gender and social inclusion into the approach;
  - c. **Assessing whether the program will be sustainable** at the end of the program life and where possible drawing lessons that might be useful to inform programming decisions;
  - d. **Prepare a Roadmap** that will support DFAT and other donors to make decisions on prioritising resources for future regional trade and market access programs.

## 1.1 Approach and Methodology

4. The approach and methodology drew on available secondary data and was supported by primary data collected during fieldwork. A theory based analytical approach was taken to the Evaluation, framed around key questions exploring the themes of effectiveness, efficiency,

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<sup>3</sup> The Independent Review Team consisted of Peter van Diermen/Team Leader/Economist, Ted A’Bear/Agriculture and Value Chain Specialist and Minoli de Bresser/Gender and Social Inclusion Specialist.

relevance and sustainability. The initial phase focused on familiarisation of background material made available through PHAMA, the managing contractor and DFAT. Based on the reading and understanding of the secondary material the questions and approach were refined and set out in an Evaluation Plan that was developed as part of the reporting requirement and provided to AECOM, DFAT and MFAT for their inputs. The purpose of the Evaluation Plan was to define the scope of the evaluation and how it would be implemented. This included details of the approach, methodology, and how it would be applied during fieldwork.<sup>4</sup>

5. From the 2<sup>nd</sup> to 17<sup>th</sup> April 2016 the team carried out fieldwork and visited three of the six PHAMA partner countries. The PICs visited included: Fiji (where the Project Management Office (PMO) is located), and Tonga and Solomon Islands. The evaluation was also informed by recent PHAMA stakeholder interviews carried out in late 2015 by the Team Leader. These interviews were part of an Aid for Trade Evaluation and covered Fiji, Samoa and Vanuatu. Stakeholders were also contacted by skype or telephone in:
  - a. Other PHAMA countries not visited, namely Samoa, Vanuatu and Papua New Guinea (PNG); and
  - b. Australia and New Zealand related to biosecurity aspects and timber imports.
6. Approximately 100 stakeholders have been interviewed through individual interviews, focus group discussions and through skype telephone calls. These stakeholders represented DFAT, MFAT, the PHAMA PMO and country teams. Market Access Working Groups (MAWGS)/Industry Working Groups (IWGs), the private sector, the government and other related partner programs e.g. Rural Development Program (RDP), Market Development Facility (MDF), Pacific Trade and Invest Offices (of the Pacific Islands Forum) (PT&I) and Australian Centre for International Agricultural Research (ACIAR).<sup>5</sup>
7. The team visited several PHAMA supported activities, including the cocoa testing laboratory in Honiara and the following business enterprises: Ben's Trading in Fiji, Nishi Trading in Tonga, Hatanga Timber yard, Kokonut Pacific and a Cocoa farmer in the Solomon Islands. Summary field notes have been kept of all meetings.<sup>6</sup> Information and data from these field notes have been used to triangulate with the team's extensive review of numerous project reports, program documents, technical and feasibility studies, annual strategic plans, commodity fact sheets and the Working Groups' sustainability road maps.
8. The primary objective of the meetings with various stakeholders was to solicit their views and gather evidence of the impact of PHAMA in relation to who it had affected, how changes came about and how sustainable these changes are and the processes that support them. Emphasis was given to how PHAMA incorporates gender and social inclusion considerations and monitors and reports progress.

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<sup>4</sup> The Evaluation Plan sets out the methodology and details of how the information collected was analysed. The Evaluation Plan has been provided to key stakeholders and can be provided on request.

<sup>5</sup> NZ's Ministry of Primary Industry and Australia's Department of Agriculture and Water Resources were not interviewed for this IER but were interviewed just prior to the start of the review by the Team Leader in regards to PHAMA and market access as part of an MFAT design for supporting SMEs in several of the larger PICs and an evaluation for DFAT on Aid for Trade.

<sup>6</sup> Summary Field notes have been provided to DFAT and MFAT in earlier drafts of this report and are available on request.

## 1.2 Contribution

9. The theory of change for PHAMA is assumed to be progressing from a situation where the PICs are finding it difficult and experiencing very slow process to open or maintain market access pathways to where there have been a few opened up and several pathways maintained. This has resulted in increases in export trade and improved livelihoods for smallholders. There is ad hoc evidence that PHAMA has made contributions to improving the livelihoods of smallholder farmers. Unfortunately, PHAMA has not collected or aggregated this type of data to assess overall contribution to achieving the higher level objectives. However, there is evidence in each country that there are good examples that can be attributed to PHAMA in making significant contribution to opening or maintaining export pathways.

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10. Although progress based on PHAMA's Theory of Change could be considered difficult to measure, it is nevertheless possible to measure PHAMA's contribution to higher-level development goals. Quantitatively there are ways it can be assessed without the need to undertake large detailed surveys. A strong story line can be compiled by collecting sample data from exporters and traders regarding their suppliers and undertaking interviews with a cross section of producers. PHAMA is already collecting data to revise their Commodity and Activity Updates for the main crops/products that the Program is working on. However, in addition PHAMA could draw on data available from Government statistics and other sources. For example, a December 2015 FAO/IFAD survey for Tonga, could be used to complement PHAMA's own data collection to provide evidence of improved income and livelihoods. In addition, links should be made between activities that have been achieved in each country. For example, data collected in each country can be aggregated to show how PHAMA has contributed to the achievement of the higher level objectives in each country and for the overall program.

## 2 Program Description

11. PHAMA is a multi-country program that was designed in 2009 as a trade facilitation program to assist PICs to achieve increased market access for agricultural and horticultural products. The overall aim of PHAMA was to assist PICs in understanding the requirements for market access (MA) and in managing the regulatory aspects associated with exporting primary products, including fresh and processed plant and animal products. This would lead to an increase in the exports of high value primary products, thereby contributing to the higher-level development goals of increased economic development, employment growth and improved rural livelihoods in these predominantly agricultural-based, small island economies.

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*PHAMA is a multi-country program that was designed in 2009 as a trade facilitation program to assist Pacific Island Countries (PICs) to achieve increased market access for agricultural and horticultural products.*

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12. The program was originally designed as an eight-year regional program to be implemented in two phases of four years each. The program supports Fiji, Samoa, the Solomon Islands, Tonga, Vanuatu and since November 2015, PNG. Phase 1 was implemented from early 2011 to 2013, at the end of which a mid-term assessment was undertaken, which recommended that all four components of the program be continued into a phase 2.<sup>7</sup> Phase 2 of the PHAMA program began in July 2013 and adopted a multi-country approach for MA that is due to end in June 2017.
13. Phase 1 focussed on gaining market access by identifying those export products that were commercially viable and by supporting the participating PICs to meet the requirements for access. Phase 2 focusses on maintaining those markets and identifying new ones; it also aims at strengthening the linkages between the market access successes achieved in Phase 1 and the impact on stakeholders, particularly exporters, poor and disadvantaged small farm holders, including women and national entities. Strategies to achieve this have included:
  - a. Strengthening the linkages with other programs that support the development of export-oriented supply chains;
  - b. Improving the linkages with country constituents through information, research and other means to demonstrate how successful market access might impact producers at the country level;
  - c. Supporting the learning and knowledge sharing events including south-south cooperation that promote the goals of PHAMA; and
  - d. Adopting a flexible, programmatic approach that was able to mobilise high-quality technical and specialist services and other resources to address specific MA issues as they are identified on a case-by-case basis in the individual PICs.

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<sup>7</sup> Independent Review of the PHAMA Program, Annalize Stuwig/Peter Woods, IOD, May 2013.

14. The PHAMA program comprises two main components that are summarised in Table 1 below. The program addresses the regulatory aspects of biosecurity, quarantine and R&D-related market access for high value and other fresh and processed primary products, mainly agricultural and horticultural products, and also fish and forestry products, where warranted. In this way PHAMA has a clear focus and boundaries for the program which is generally understood by various program stakeholders. At the start, the program focussed on Australia and New Zealand as the traditional markets and priorities for the MAWGs for their export. Later new market opportunities have been identified and are being pursued, e.g. the EU, Japan, USA, China and Canada, as well as Intra-Pacific trade.

Table 1: PHAMA Components' Objective, Description and Implementing Parties

Objective	Description	Implementing Party
<b>Component 1 to 3</b>		
<b>To support participating PICs to self-manage MA issues and therefore have a national and selected multi-country approach</b>	Focuses on Fiji, Samoa, Solomon Islands, Tonga, Vanuatu, PNG: -Technical assistance for preparing and processing MA submissions -TA to implement biosecurity and SPS requirements related to MA -MA-related R&D e.g. feasibility studies, gender analyses	Managing Contractor (MC)/ the Project Management Office (PMO):  URS (in 2015 changed to AECOM) in association with Kalang Consultancy services
<b>Component 4</b>		
<b>To support regional activities in the provision of MA support and services to all PIC governments</b>	Provide effective and efficient regional MA support; engage PICs in international and evolving regional MA issues; regional surveillance and reporting	Land Resources Division/ Biosecurity and Trade Services (BATS) within the Secretariat for the Pacific Community (SPC)

Source: PHAMA Design Document 2010.

15. As mentioned above PHAMA has focussed in both phases on the six largest PICs- Fiji, Samoa, the Solomon Islands, Tonga, Vanuatu and since November 2015 PNG. PHAMA achieved two new MA pathways, reopened three and maintained access for eight pathways. The following provides a brief summary of PHAMA's activities in each of the six PICs.
16. In **Fiji** support is being provided to: (i) opening a new export pathway and later maintaining it for fresh ginger to Australia; (ii) maintaining the MA to EU by improving the quality of kava for export through analysing their chemical properties and documenting production practices; (iii) accreditation of two of the largest fresh produce processors and exporters in Hazard Analysis and Critical Control Point (HACCP) for food safety and working towards accreditation of a further five exporters of root vegetables; (iv) businesses and the University of the South Pacific to develop new value-added food products (spice pastes and chilled sea urchin roe); (v) feasibility studies into the export of kava and coconut products to China; and (iv) developing a biosecurity plan for taro to enable the government and industry to protect Fiji from biosecurity risks and respond effectively should a pest or disease outbreak occur.

17. In **Samoa** support has been or is being provided to: (i) installing a purpose built fumigation chamber and training in its effective and safe operations; (ii) a survey and laboratory testing of bee health combined with capacity building to commercial and government representatives; (iii) introductory training in HACCP systems and accreditation for members of the Samoa Association of Manufacturers and Exporters; (iv) developing a new frozen taro product including identification of key food processing steps to ensure the product tastes good and is well packaged; (v) maintaining the MA pathway to Australia for copra meal as stockfeed; (vi) new MA pathway for cooked breadfruit to New Zealand and Australia; and (vii) marketing frozen taro through the Buy Samoa Made trade fairs in New Zealand (Auckland) and Australia (Sydney).
18. In the **Solomon Islands** support has been or is being provided to: (i) establishing a new cocoa quality testing facility with the Commodities Export Marketing Authority (CEMA); (ii) maintaining a MA pathway with compliance of sawn timber exports with legality and chain of custody (COC) requirements (iii) strengthening the market access position for sawn timber to Australia and New Zealand and a clear understanding of potential for quality improvements and product diversification; (iv) the fisheries industry to maintain its access for tuna to the EU market; (v) establishing a Horticulture IWG and associated plan to capture potential new market access and value adding opportunities for smaller agricultural export or export capable businesses; (vi) maintaining the MA pathway to Australia for copra meal as stockfeed.
19. In **Tonga** support has been or is being provided to (i) reopening MA to New Zealand by improving the Government's export facility in Nuku'alofa, to increase the capacity for the pre-export fumigation of watermelons and inspection of handicrafts and promote better flow through of exports to the nearby port area; (ii) by upgrading of the HTFA treatment facility and development of its business and operational processes to treat products including breadfruit, eggplant and chillies; (iii) on hold and pending to gain new access for zucchinis to New Zealand and implementing the pathway; and (iv) at protocol signing stage for new MA to China for squash.
20. In **Vanuatu** support has been or is being provided to: (i) compiling and disseminating quarantine awareness materials relating to handicrafts and training to vendors; (ii) disseminating materials to farmers on the export quality of kava to maintain a MA pathway to EU; (iii) a country evaluation of veterinary services and animal health capacity by the World Organisation for Animal Health (OIE); and (iv) refurbishing the plant and animal health laboratories housed in the Department of Livestock and building government capacity to enable them to perform analytical work that underpins market access for a range of export products.
21. In **Papua New Guinea (PNG)**, the DFAT bilateral program provided in late 2015 additional funding of AUD 5 million to expand the program to include PNG. Activities have commenced to support: (i) the Melanesian Spearhead Group (MSG) Customs and Quarantine Subcommittee (and member countries) to progress regional market access requests; (ii) the National Fisheries Authority (NFA) on EU tuna export issues and new market access in selected countries; (iii) market access and risk assessment capacity building to the National Agriculture Quarantine and Inspection Authority (NAQIA); (iv) several businesses to further develop spice and chocolate products for export; (iv) developing sector plans related to development needs and export; (v) improving cocoa and coffee quality standards; (vi) handicrafts quarantine compliance awareness; and (vii) scoping studies to determine if there might be more local export opportunities for Bougainville and Manus Island.

## 2.1 Previous PHAMA evaluations

22. In its lifetime, the program has undergone two evaluations. First, in 2013 a mid-term review of Phase 1 was carried out. The findings and recommendations from this review informed the design and implementation of Phase 2. More recently, in early 2016, an Aid for Trade evaluation by DFAT's Office of Development Effectiveness (ODE) was completed which included PHAMA. This evaluation focussed on the 'trade policy and regulation' element only and its impact on trade facilitation programs. The following major challenges were identified in these evaluations:

- a. The need for PHAMA to improve its monitoring and evaluation approach using a clearly defined program logic model and results based framework to link progress at activity level to higher-level development outcomes; and
- b. The need to explicitly mainstream gender and social inclusion aspects to raise awareness amongst stakeholders whilst developing practical approaches to addressing constraints.

## Ben Trading Ltd – Improving Women’s Livelihood &amp; Exporting



Maria Lailai Moi and her husband Ben were farmers in their village, growing mostly kava and other root crops, as their source of income. In 1996, with the family’s accumulated savings she bought the land where their current pack-house is located in Navua, about 40 kilometres west of Suva.

In 2002, Ben’s Trading was established as a small-scale business in root crop production, with a focus on taro. Maria left her government job and joined her husband to run the company together. The company started with only six employees and has since grown to more than two hundred workers.

The collection centre for the taro is located in Taveuni, where Ben’s Trading employs 20 to 30 workers, and some 10,000 smallholder farmers supply the company. They export both fresh and frozen root crops (taro and cassava) to supermarkets in Australia (Woolworths) and New Zealand (Countdown) and more recently to the US.

Ben and Maria have established a significantly upgraded to the pack-house in Navua which now has concrete floors, running water and good drainage. In 2014, Ben’s Trading export value reached AUD 6 million. As a result of the outstanding success of the company in 2012 Maria was awarded “Business Woman of the Year

Since 2012 PHAMA has supported Ben’s Trading in the provision of training in food safety principles and food safety management, in auditing practices and procedures and in the safety and hygiene requirements for the pack-house. As a result of PHAMA’s support, Ben’s Trading achieved HACCP (Hazard Analysis and Critical Control Points) certification for their operations in 2014.

Workers are mostly women and many are in their ‘60s, widowed or abandoned. They earn wages ranging from AUD 15 to 20 a day. Ben’s Trading has given these women a unique opportunity to earn their own money and contribute to improving their livelihoods.

Two comments by women interviewed reflect the impact of women’s economic participation, which is a step towards their empowerment. Some women noted that they now have enough money for more food items, to keep their children in school and to help extended family members who are in need. One woman, whose husband works in a nearby timber yard, noted that every week she and her husband pool their earnings and prioritise on how this money should be spent within the household.



### 3 Findings: Effectiveness

23. PHAMA has largely achieved its primary objective by facilitating the PICs to gain increased or new market access for their agricultural and horticultural exports. The original design document dated 6 July 2010 (page 18) had as its objective; *“PICT government and industry organisations working collaboratively to gain, maintain and improve access into key markets for selected high priority products”*.
24. The initial focus on helping countries gain new market access gave way to focussing on helping with maintaining market access. As the low hanging fruits of gaining new market access were achieved, the need and focus shifted to maintaining existing market access. A number of pathways were under threat of being closed as biosecurity protocols in several of the PICs were either not applied properly or experienced lapses in applying protocols.

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*PHAMA has achieved good results, initially on gaining market access but later much more on maintaining market access*

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25. Examples of either new or maintained export pathways include fresh ginger in Fiji, Cocoa, Timber and Coconuts in Solomon Islands, Beef in Vanuatu and Breadfruit in Samoa. Table 2 below provides a full list of new and maintained pathways within the six PICs in which PHAMA operates. While PHAMA has taken a multi-country approach to implementing access to markets, several agricultural crops are common across a number of PICs: these include, Cocoa, Kava and Coconuts. Notwithstanding that each PIC has its own dynamics, shared experience and learning has been possible in these agricultural products.

Table 2: New and Maintained Pathways in the Six Target Countries

FIJI
<p><b>Ginger:</b> PHAMA supported finalisation of a new MA to Australia granted in 2013 and trial shipments began in 2014. Strong Australian domestic resistance made it difficult to export and recent artificial low prices have also discouraged exporters. Ginger is grown on over 550 farms. Exports doubled between 2010 and 2013 due to processed ginger (AUD 6.5 million).</p>
<p><b>Yaqona (Kava):</b> Exports were AUD 4.5 million in 2013 to mainly U.S.A, Kiribati and New Zealand. PHAMA assisted through the Yaqona Task Force with identification and description of kava varieties grown in Fiji and developed guidelines to improve export quality. Supporting renewal of pathways to Europe as an ingredient for dietary supplements and nutraceutical products. Supported the development of a new market to China.</p>
<p><b>Root crops:</b> PHAMA supported companies to achieving accreditation representing the bulk of the fresh and frozen root crops (e.g. taro) that is exported from Fiji. Achieving HACCP accreditation is important for gaining and maintaining commercial contracts with medium and larger buyers in Australia and New Zealand, as well as for potentially getting higher prices. Exports were AUD 12.8 million.</p>
<p><b>Sea urchins:</b> Work commenced during 2014/15 to develop a post-harvest procedure for a chilled, ready to-eat product from wild harvested sea urchins. This could be a new pathway as there is demand in Australia and hundreds of harvesters along Vitu Levu southern coast stand to benefit</p>
Solomon Islands
<p><b>Fisheries:</b> PHAMA through the IWG is supporting the maintenance of the annual exports of around AUD45 million of processed tuna to the EU. The industry employs about 1800 people, many of them working in the</p>

processing factories in Western Province. Supporting along with other donors, private actors and Government to ensure that processed tuna exports continue to meet the EU food safety and catch certification requirements.

**Timber:** PHAMA supported the IWG to maintain annual exports of about AUD14 million of sawn timber which employs more than 1,500 people directly in sawmills and timber businesses. In addition, many more smallholder producers are engaged directly and indirectly in harvesting, shipping and transport, and associated businesses. A number of importing countries, notably Australia and New Zealand (the two largest markets) now require evidence that imported timber has been sourced from legally licensed sources.<sup>8</sup> A full-time PHAMA Forestry Industry Adviser has now been appointed, based in Honiara, to assist the Timber IWG in progression of its broader work plan and priorities of verification of legal origin, quality improvement (grading and processing).

**Cocoa:** Cocoa is one of the biggest agricultural export earners, generating around USD15 million in exports per year and involving 20–25,000 households in production. PHAMA through the IWG is assisting to improve quality standards by improving drying techniques by farmers and providing a testing laboratory at the Commodities Export Marketing Authority. A full time International Adviser is identifying niche markets and buyers interested in buying SI cocoa.

**Coconuts:** PHAMA is working with the IWG to improve industry standards and to increase export values and returns for example value added products at village level through Kokonut Pacific and copra meal as stock feed to Australia.

### Papua New Guinea

The program was formally launched at an inception meeting on 19 November 2015. A number of the areas of work where PHAMA has gained experience can be readily applied to PNG, including handicrafts, cocoa, fisheries and forestry. Progress on activities has been limited as the team goes through a start-up phase. The MSG Customs and Biosecurity Subcommittee plays an important regional role in trade facilitation through tariff reduction and the provision of a forum for quarantine authorities to progress regional market access requests. There is some good opportunity to promote regional trade between the PHAMA countries of Fiji, Vanuatu, Solomon Islands and PNG in collaboration with MSG, although market sizes are (with the exception of PNG) much smaller than those of Australia, New Zealand and other developed countries.

**Handicrafts:** PHAMA is expecting to be able to transpose the type of awareness work on biosecurity standards implemented in Vanuatu to change tourist buyer behaviours and so facilitate increased trade in these items.

**Cocoa:** Feedback at the inception meeting suggested that PHAMA could play a role in improving coordination and planning between the cocoa industry and government.

**Fisheries:** PHAMA is working with the National Fisheries Authority and the private sector through the Fishing Industry Association on preliminary scoping of appropriate activities.

**Forestry:** Although not originally included in the scoping report findings, consultations at inception indicate a potential role for PHAMA in supporting legality assurance systems, particularly for smaller producer groups that wish to export, and in providing assistance in market development for products from some of the established timber products businesses.

### Tonga

**High Temperature Forced Air (HTFA):** In March 2015 HTFA exports were stopped to New Zealand. PHAMA supported restarting them in early 2016. To keep this pathway open is dependent on the capacity of the government and private sector to implement the requirements properly. The availability of appropriate quality produce is also an issue given ongoing drought conditions. Currently (May 2016), the HTFA export pathway is not open, but operating under the supervision of MPI.

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<sup>8</sup> In New Zealand the legal requirement is based on New Zealand's Timber and Wood Products Procurement Policy (TWPP), which requires all public service agencies as listed in the First Schedule to the State Sector Act 1988, plus the New Zealand Defence Force and the New Zealand Police to procure only timber and wood products from legally harvested forests and to maintain records for audit of timber and wood procurement that demonstrate verification of the legality of the harvesting of the forests. New Zealand's private sector timber imports are regulated through the New Zealand Imported Tropical Timber Group of which MAF is a member. The Australian Illegal Logging Prohibition Act 2012 and related Regulation, regulate timber imports to the country.

<p><b>Squash:</b> PHAMA has helped with opening the China market. Have achieved market access, but final bio-security issues to be covered off before exports can start.</p>
<p><b>Coconuts:</b> PHAMA has provided support to maintain the export market to Australia and New Zealand. The coconuts mainly come from villagers. At least 100 small farmers are part of the supply line providing coconuts.</p>
<p><b>Vanuatu</b></p>
<p><b>Handicrafts:</b> Receives about 280,000 cruise ship passengers per year and 110,000 air passengers. PHAMA collaborated with Biosecurity Vanuatu to successfully negotiate improved import conditions for a number of handicraft items from Vanuatu to Australia and New Zealand. PHAMA is collaborating with key stakeholders (including Carnival and IFC) to organise activities that will further promote Vanuatu products and handicrafts, and to evaluate impact including a cruise ship passenger survey on handicrafts purchases.</p>
<p><b>Kava:</b> Grown by around 30,000 households and a further 3,000 households in Port Vila and Luganville are involved in the kava beverage trade, which generates USD25–30 million per year. One of the biggest export earners, generating around AUD10 million per year. PHAMA focus continues to be on improving the quality of kava for export.</p>
<p><b>Cocoa:</b> PHAMA have done a market survey: Stage 1 has identified potential markets in Asia, NZ, Australia, US and Europe. They will send samples to interested chocolate companies and are collaborating with Fairtrade on this. The idea is to develop a niche market based on organic chocolate from the exotic Pacific. One issue is the smoky nature of the beans which needs to be eliminated and PHAMA is supporting trials of improved dryer technology.</p>
<p><b>Livestock:</b> The industry exists of a number of large scale commercial farmers as well as a significant number of new entrants and medium scale farmers. PHAMA is negotiating to improve market conditions and working on getting access for high quality beef to South Korean market.</p>
<p><b>Samoa</b></p>
<p><b>Cocoa:</b> known for its quality cocoa varieties, the Government has a rejuvenation program for the industry. Chocolate companies such as Whittakers in New Zealand also have a strong interest in sourcing Samoan cocoa, which represents a major incentive to drive the rejuvenation. PHAMA is supporting on quality issues and research on markets.</p>
<p><b>Kava:</b> PHAMA supported analysis of a small number of samples confirmed that they were the preferred types of kava, which is a positive starting point for rebuilding the production and export of this product from Samoa.</p>

26. PHAMA has in a number of cases been able to build the capacity of relevant government counterpart agencies to deliver services necessary to maintain export pathways. In the Solomon Islands, for example, PHAMA has enabled the government to carry out more comprehensive cocoa testing, provided support for timber certification and helped the Ministry of Health with food safety certification of fish for the E.U. market. In Fiji, it has worked closely with the Ministry of Agriculture to carry out a survey of Kava production areas and produce a kava quality manual.
27. In Tonga it has worked closely with the Ministry of Agriculture Forestry and Fisheries to build its capacity and improve its facilities and those of Tonga Export Quality Management Ltd (TEQM). However, in the case of TEQM, there were a number of setbacks (see box below on Tonga's HTFA Facility).<sup>9</sup>

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<sup>9</sup> Discussion by the Review Team with various stakeholders, including the manager of the HTFA facility, did not immediately identify why the HTFA facility failed to maintain biosecurity.

### TONGA High Temperature Forced Air Facility

The Tonga HTFA facility at the airport is managed by the Tonga Export Quality Management Ltd (TEQM), a state-owned enterprise. The facility was initially funded by a grant from USAID. But a lack of ongoing maintenance and management of procedures meant it failed to meet the required standards. In 2013/14 a business and operational plan was developed to bring the HTFA facility back up to the required standard. PHAMA and New Zealand MFAT jointly funded the implementation of TEQM plans to improve the facility. Manuals and procedures were developed, equipment purchased and a manager with HTFA experience was hired. Some “teething” problems were experienced during this process, such as the need to redo the Guide on fruit flies. However, by February 2014, A MPI Audit reported:

*There were two critical, three major and one minor, non-compliance identified during the audit which had all been corrected by QQMD and after verifications by MPI, the treatments to complete the audit was given approval to proceed.*

By October/November 2014, the first shipment of eggplants and chillies had gone through the facility and successfully exported to New Zealand. Further shipments, including breadfruit, were expected to use the HTFA facility to gain access to the NZ market. However, by Early 2015, NZ biosecurity had found a fruit fly in a shipment coming through the HTFA facility. As a result, MPI suspended Tonga’s access to the NZ market for all HTFA treated crops. Since then and as of mid-2016, the pathway is conditionally operating under the supervision of MPI.

28. An example of impact is provided from a previous interview with Fiji’s Ministry of Agriculture Chief Economist<sup>10</sup>. When interviewed, he drew on the example of Bens Trading (see also Case Study Box in this Report), which the Ministry became involved in as part of the PHAMA Program, and with significant impact on smallholders. The Chief Economist estimated that around 200,000 people grow Taro in Fiji, mostly smallholders. Bens Trading sources from a significant number of these smallholders. When asked “does PHAMA’s activities reach the poor and disadvantaged?” The Chief Economist replied; “of course yes, finding markets means life for people”.

### 3.1 The MAWGs/IWGs

29. The MAWGs/IWGs are a strong and unique mechanism for bringing together public and private interests, setting priorities and for identifying and resolving issues. They are appreciated by all stakeholders, including government, exporters, other donor-supported programs, and the private sector.
30. In addition to maintaining market access, a significant success in its own right has been the Public Private Dialogue (PPD) created through the MAWGs and IWGs. These have been successful in identifying, prioritising and implementing activities. PHAMA has supported these PPDs through timely facilitation and high quality technical advice and project implementation support. Such support has included coordinators and advisers, budget for activities and procurement.

<sup>10</sup> Fieldwork carried out 15 October 2015 by a member of the Evaluation Team.

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*Fiji's Ministry of Agriculture Chief Economist estimated that around 200,000 people grow Taro in Fiji. And, when asked in relation to this; "does PHAMA's activities reach the poor and disadvantaged"? the Chief Economist replied; "of course yes, finding markets means life for people"*

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31. The MAWGs and IWGs have also benefited from the guidance provided through selected research as to what are feasible MA interventions. PHAMA, through its coordinators and advisers, has played a strategic role in bringing the private sector and public partners together and playing the role of an "honest broker". Through identifying key impediments, actions to be taken and providing funding for the MAWGs/IWGs, PHAMA has successfully enabled the PPDs to be effective agents for change.
32. Across the six PICs the MAWGs/IWGs are developing at different pace and along country-specific paths. However, they all require technical and project management support as well as facilitation to function effectively. The MAWGs and IWGs are in essence a committee that requires, as all such structures do, a secretarial mechanism to support the committee and implement its decisions. Currently, the national coordinators take on this role, supported by the LTAs and the PMO. They keep records, produce reports, action decisions and manage activities on behalf of their IWG or MAWG. None of the IWGs/MAWGs have as yet established secretarial support to replace the functions provided by PHAMA. The closest to come to this are Vanuatu and the Solomon Islands, where PHAMA has supported placing a facilitator with the Chamber of Commerce to support the IWGs. But even then, there is some way to go before this will be able to replace the support provided by the advisers. Moreover, the function of the advisers/coordinators as "honest brokers" or filters through which decisions are passed and receive a reality check, is not easily replaced by a secretariat that is beholden to its IWG/MAWG members.
33. Therefore, as the IWGs/MAWGs achieve greater independence, there will continue to be a requirement for in-country support through a coordinator role and for more technical, advisory support. This role will need to evolve to work with a number of stakeholders and shift from a role where PHAMA is seen as an integral part of the IWGs/MAWGs, to more one of a number of Donors that the PPD can draw on to enable them to achieve MA.
34. It will also be important for the MAWGs and IWGs to continue to find practical solutions to gaining and maintaining market access. The engagement of the private sector as well as motivated government officials and agencies will depend on achieving results. Feedback from all the IWGs/MAWGs, indicated that members continue to be involved because of the practical approach and ability to achieve timely results.
35. As the MAWGs/IWGs grow in confidence and success, the relationship with the coordinators/advisers and the PMO will also need to change. The sustainability road maps, while still in their early phases, and for some MAWGs/IWGs, not yet completed, will lay the directions of how the MAWGs/IWGs will evolve. As this process occurs it is inevitable that there will be some tension between the PMO and the IWGs/MAWGS as boundaries and roles are redefined. Moreover, while PHAMA will need to manage the risk associated which such transfer of ownership, it should also expect and allow for this process.

## 3.2 PHAMA PMO

36. The PMO has worked well as a regional hub and in providing strategic direction to the target countries (MAWGs/IWGs) in identifying commodities, priorities and feasibility of activities and identifying key impediments to be addressed. By having a central PMO for all six countries, it has allowed a lighter touch on the ground and more efficient use of resources in each of the PICs. It has also centralised M&E functions, contracting and procurement, as well as, sharing of experience across the six PICs.
37. The multi-country approach has served PHAMA well. Bearing in mind, the central support and strategic role of the PMO, the program has taken a country-driven approach with a regional hub providing a range of services (technical, management, coordination, strategic and financial). By enabling each of the six PICs' MAWGs/IWGs to develop their own strategies and priorities supported by their advisers/coordinators, it has enabled a country-driven approach that has engendered program ownership in each of the six PICs.
38. The PMO has also demonstrated strong links back into markets and good links working with a range of other programs. In part, this has been dictated by PHAMA's mandate that limits it from moving too far down the value chain, as well as limited resources to spend in each PIC. But it has also been encouraged by the overall approach that the program has taken of searching out and linking with other relevant programs. For example, for market access it has linked with PT&I in Auckland and Sydney, for grant based investment into rural livelihoods projects it has linked with the World Bank's Rural Development Program (RDP), and for agricultural research it has worked with the Australian Centre for International Agricultural Research (ACIAR). These links have been useful for not only sharing information but also in coordinating activities, being able to leverage of other programs and provide a more coherent strategic approach to addressing problems.

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*All stakeholders, across a wide range of actors, conveyed that the program was effective and had achieved results, provided timely response to needs and remained relevant*

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39. PHAMA also has good links with MPI and DAWR. Dedicated resourcing for staff in MPI and DAWR is recognised as being a key part of facilitating the consideration of requests for new or improved access into New Zealand and Australia as providing the capacity for more timely responses to queries and availability for technical interactions. Some level of resourcing has been provided within MPI since the mid-2000's when additional funds were provided via MFAT through the Regional Trade Facilitation Programme associated with PACER. The level of resourcing (e.g. 1 FTE or above) and source of the funding (i.e. MFAT / MPI budgets) has varied since this time but a clear focal point has remained and funding for one full-time position is now provided from within MPI's budget allocation. Additional resourcing for MPI's involvement in specific issues in the Pacific region is also provided from within MPI's budget or via additional MFAT support depending on the situation. Specific resourcing has also been provided within DAWR due to additional funding from DFAT under the overall PHAMA program funding. The funding has continued to be provided by DFAT to DAWR under an inter-agency MOU specifically linked to the PHAMA program. Earlier funding was also provided to DAWR under the (then) AusAID Pacific Governance Support Program during 2006/07 to

progress technical market access requests for agricultural plant commodities through provision of a dedicated specialist.

40. PHAMA's focus on technical support for the public sector is more appropriate than a dedicated capacity building program, given the long term issues faced related to public sector staffing and resourcing. Linking the objective of market access to the approach of regional or public sector capacity building is likely to be a mismatch. With a focus on opening and maintaining export pathways PHAMA is best suited to identifying and bring to bear specific technical expertise to achieve the desired outcomes. Within, such a framework, limited and targeted capacity building initiatives may be appropriate to complement and help implement technical support. This is the approach that appears to be taken by the current PHAMA model.
41. PHAMA is not the appropriate vehicle for enabling SPC to improve its service delivery function. To do so would be to restrict PHAMA to a specific approach for achieving the desired outcome (MA). Previous attempts to include SPC in the design as envisaged in the PHAMA original design document were not very successful. Furthermore, while SPC continues to be primarily funded by donor funded projects it will be difficult to link it to any existing or new PHAMA program.<sup>11</sup>
42. As a result of PHAMA's achievements, rural incomes and jobs have either been created or maintained and led to increased incomes and improved livelihoods. A series of case studies, reports and anecdotal evidence provide evidence for this.<sup>12</sup> While initially PHAMA reports focused more on technical aspects of their achievements, more recent work has begun to include measuring the impact on poor smallholder farmers and women.

### 3.3 Gender and Social Inclusion

43. The original main objective of the PHAMA program was to promote economic growth in the participating PICs by assisting them to gain increased market access, especially in the Region, for high-value agricultural and horticultural products. Within this scenario, a secondary objective was to consider the distributional impacts of the program on marginalised households and women. The selection of export products was therefore based on three criteria: commercial viability, difficulty of the market access issue to be resolved and whether there was likely to be a successful result; and distributional impact on marginalised households and women. If a certain export product was found to be commercially viable, the program would take steps to consider how poor and marginalised farmers – men and women - could participate and benefit from the intervention. This approach was endorsed by AUSAID.<sup>13</sup>
44. Since then, the Australian government has given renewed importance and priority to the mainstreaming of gender equality and empowerment aspects into aid for-trade programs, including PHAMA.<sup>14</sup>

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<sup>11</sup> The issue of addressing SPC service delivery and how to best deliver DFAT's ongoing support is beyond the scope of this Evaluation and is likely to require a separate review or design process.

<sup>12</sup> See for example: AECOM, March 2016 Gender Analysis of the Cocoa Value Chain in Samoa; PHAMA June 2015 Case Study of Ben's Trading in Fiji; Anna Laven (KIT), November 2015, Cocoa and Coconut in the Solomon Islands: A Family Affair.

<sup>13</sup> The reference is from page 48 of PHAMA Mid-Term Review, May 2013.

<sup>14</sup> Strategy for Australia's Aid for Trade Investments, June 2015. See: <http://dfat.gov.au/about-us/publications/Pages/strategy-for-australias-aid-for-trade-investments.aspx>.

Regarding gender equality, women's empowerment (GEWE) and social inclusion, Phase 2 of the PHAMA program continues to focus on the economic participation of poor smallholder farmers and disadvantaged women e.g. widows, single parents, as the means of moving towards GEWE. Almost all of the agriculture and horticulture production activities in the six PICs are carried out by smallholder farming families where both men and women carry out multiple tasks. These groups are poor and disadvantaged and therefore the program does address social inclusion to a great extent.

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45. Women constitute a large source of workers in these sectors, although they tend to be working and visible at the lower end of the value chain as they are expected to combine their farm work with child and home care.
46. The PHAMA team fully recognises the importance of GEWE and in Phase 2 has been making considerable efforts to pay more attention to gender concerns. Firstly, whenever a commercially viable export product is selected, PHAMA encourages the employment of poor and disadvantaged women in the production, processing and packaging processes. Secondly, PHAMA has been stimulating the participation of women in the MAWGs and IWGs. Thirdly, PHAMA is contracting out gender diagnostics of exportable products to identify entry points for the program. Finally, PHAMA has been placing more attention on its Monitoring and Evaluation process to collect and document information about the gender dimensions and results of the program by country e.g. the Commodity and Activity Updates and the Factsheets.
47. In its design phase gender was not given top priority and was not mainstreamed systematically into the program. Under previous PMO leadership, gender was not considered a priority and therefore the necessary funding and specialist staff resources were not allocated. Following DFAT's renewed emphasis on gender, Phase 2 has made increased efforts to address gender and social inclusion aspects and to document results.
48. Several positive results and individual success stories were collected during the Evaluation Team's country visits and stakeholder interviews. The highlights are listed as follows:
  - a. Women are well represented in the PMO team at both management and senior professional levels. Two of the six national MA coordinators are women.
  - b. Women representatives from government departments and the private sector/export business participate in the MAWGs and the IWGs though there is still a preponderance of men in these groups, which is not uncommon for this sector.
  - c. In Fiji, PHAMA supported Ben's Trading to obtain HACCP accreditation and it is now a successful taro producing business employing some 200 workers, mostly women, and sources raw produce from about 10,000 smallholder farmers (see details in case study).



- d. In the Solomon Islands, PHAMA has been assisting its national partners to build the capacity of the “Competent Authority” for Health, responsible for ensuring that exports of tuna products meeting the EU’s stringent food safety requirements. This will enable Soltuna Ltd., the largest tuna processor and exporter that employs some 1800 workers, 60% of whom are women, to maintain exports and safeguard employment.
  - e. In Tonga PHAMA is partnering with community groups and the business sector to support women farmers to grow and supply fruit and vegetables (eggplant, chilli, papaya) to meet export opportunities.
  - f. In Vanuatu, PHAMA is assisting the country to improve the quality of cocoa beans, which is the main constraint for export by introducing improved solar drier technology. Since women are involved in cocoa bean production, they are included in the solar drier trials.
  - g. In Samoa, PHAMA is supporting country partners to gain market access into New Zealand for cut flowers and ornamental foliage which will significantly benefit women who are predominant in this business sector.
49. In conclusion, in Phase 2 more concerted attention has been given to gender and social inclusion aspects and there are individual success stories and foundations being laid for further positive results. However, this effort is largely ad hoc (“incidental”) and there is no comprehensive, systematic gender mainstreaming strategy, with gender-specific indicators and sex-disaggregated data, being applied yet. The recent gender analysis of the cocoa value chain in the Solomon Islands also recommend actions that are beyond the capacities, resources and influence of the PHAMA program. Given that the program covers six countries and its wide scope and technical emphasis, it will not be possible to mainstream gender considerations at all levels without substantial additional and long-term resources. However, within the existing parameter of the commercial viability of export products and with additional limited resources, it should be possible to deepen gender and social inclusion aspects along the export value chain.

## KoKonut Pacific – Helping with Rural Livelihoods and Exporting



Kokonut Pacific started 12 years ago as a business and also as a not for profit organisation helping rural people with securing their livelihood. Kokonut Pacific manages two facilities next to each other. On one side is the commercial operation and the other is the training, not for profit, setup. When it started, Kokonut Pacific partnered with an academic from ANU who developed the technology to extract coconut oil from the nuts. Currently there are 60 “Koconut units” operating, each cost around AUD 24,000 and are owned by families in villages spread across the main island. There are another 30 units in the pipeline being setup and villagers undergoing training.

Usually, a family buys the unit and is trained in using it. A normal operation requires around 10 to 20 people to make it work. Some families have bought more than one unit. The coconut oil produced is bought at a fixed price by Kokonut Pacific, no matter where located on the island. The oil is made into soap and other virgin oil products. Some of it is shipped as raw material to Europe, USA and Australia. A good Koconut unit operation can produce about 60 litres a day and sold at AUD 4.20 a kilo/litre. Of the 60 units around 60 per cent are operating at that level. At that rate it takes about 2 years to return the cost of the investment.

PHAMA has supported Kokonut Pacific through the Coconut Industry Working Group (IWG), of which the managing director of Kokonut Pacific is a member. The Coconut IWG support has included development of quality testing capacity for coconut products and developing copra meal export standards. PHAMA also helped with HACCP accreditation and organic accreditation.

The 60 “Koconut units” make a direct contribution to the welfare of the family owning the units but more importantly, also to other families collecting the coconuts and working in the unit. Mostly families collecting coconuts are poor rural families. A well run unit injects into the local community about AUD 2,500 per month. Around 11,000 farmers, of which approximately half are women, are supplying the coconuts to the 60 units.

## 4 Findings: Efficiency

50. For the purpose of this evaluation, efficiency is measured by whether the resources allocated by DFAT and MFAT were appropriate for the objectives and context of PHAMA, and are achieving the intended outputs. The Evaluation takes a narrow as well as broader view of efficiency. In the narrow sense, it considers issues such as management processes, staffing and disbursement. However, it also considers the wider implications, of PHAMA achieving value for money and whether different outputs could have been produced that would have had a greater impact in achieving PHAMA's goals.<sup>15</sup>

### 4.1 Management Processes, Staffing and Disbursement

51. Generally, the program management process appears to be well organised and run efficiently. Management processes can be divided into several inter-related components. These include AECOMs role as the managing contractor, PMO as the central unit managing PHAMA, each of the country offices staffed by the coordinator and/or adviser and relationships with DFAT and MFAT. Relationship and communication between the PMO and DFAT appeared to be good, and no obvious nor major issues were raised or found during the consultation process.
52. The PMO has worked well as a regional hub and in providing strategic direction for the target countries (MAWGs/IWGs) in identifying commodities, priorities and feasibility of activities and identifying key impediments to MA. Staffing in each of the countries visited, while minimal, appeared to work well and country staff had good relationships with the PMO. Staffing related to monitoring and evaluation had been increased through the recruitment of a volunteer worker in the PMO.
53. Despite these overall findings, there were some minor issues that impacted on the efficient operation of PHAMA. These included:
- a. The recent merger of URS and AECOM resulted in changing management and procedures that was taking some time to bed down and run efficiently. This included different accounting and management systems and changes in staffing.
  - b. Payments were being made by AECOM for in-country activities through the use of local staff personal accounts. This then required local staff to provide access to their personal accounts to PHAMA so that they could audit and track expenditure. The flow of AECOM/PHAMA funds through personal accounts also has tax implications for local staff. The rationale for this arrangement was that PHAMA was not a legal entity and therefore it could not setup its own accounts. However, there are a number of workarounds and the practice of using local staff personal accounts should be discontinued.
  - c. The internal accounting procedures in DFAT make it difficult for recording bilateral funding commitments against regional programs (see Table 3 for funding from other sources). This, in turn, acts as a disincentive for DFAT bilateral programs to fund the

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<sup>15</sup> See DFAT Value for Money principles that were used for this evaluation: <http://dfat.gov.au/aid/who-we-work-with/value-for-money-principles/Pages/value-for-money-principles.aspx>.

regional program, despite, for example, the DFAT Bilateral program in Solomon Islands having an excellent relationship with the PHAMA Program.

- d. MFAT also provides funding for PHAMA of around A\$4 million, and from interviews with them, indicated that they were keen to continue the relationship and be more involved in the design of an eventual new program. The funding arrangement is managed out from Wellington, making it a little more difficult managing relationships when DFAT manages PHAMA from Suva. However, it is important to make sure that the relationship is given the necessary priority.

Table 3: PHAMA Funding from MFAT and DFAT Regional and Bilateral Programs (in AUD)

	2013/14	2014/15	2015/16	2016/17
Regional Suva Program	2,771,028	3,568,100	3,400,000	5,388,044
DFAT Solomon Islands Post	573,951	501,591	574,456	500,000
DFAT PNG Post	-	-	1,680,000	3,320,000
MFAT	-	432,576	1,865,000	1,306,000

**Note: Note:** The first tranche of MFAT funding was ear-marked for specific activities. The second tranche of funding of A\$3.1 million funds the overall program (except PNG) across years 3 and 4 of phase 2.

**Source:** DFAT.

54. Related to efficiency, has been the possible under-spending of the program in 2015-16. Table 4 below shows the utilisation rate of allocated funding. The snapshot was taken from 27<sup>th</sup> April 2016 and shows expenditure as a percentage of total budget for the 2013-14 and 2014-15 financial years and the first 10 months of the financial year 2015-16. For the current financial year, the figures reflect what has been billed to DFAT and do not take account of contractual commitments made with milestones due for payment in the current financial year (2015-16).
55. Using the figures provided by the contract manager AECOM, overall utilisation has to date been reasonable. For 2013-2014, it was 85 percent, declining the following year (2014-2015) to 81 percent. For the current financial year (2015-2016) keeping in mind contractual commitments, as previously mentioned, the utilisation rate is currently around 37 percent with two months to go before the end of the financial year. At the end of the financial year 2015-16, utilisation was at 77%.
56. Based on the PMO's estimates of contractual commitments, activity expenditure by the end of the financial year (2015-2016) is expected to be around 70 to 80 percent for each country, except for PNG where it likely to be no more than 50 percent, due to the late start up. Currently, only Vanuatu expenditure on administrative, equipment and operational costs, and M&E regional program costs are on target for the year.

Table 4: Utilisation Rate of Budget, 2013 - 2016

BUDGET CATEGORY	Expenditure as % of Budget		
	Jul 2013 to Jun 2014	Jul 2014 to Jun 2015	Jul 15 to Apr 27 2016
ADMIN, EQUIP & OPS COSTS			
- FIJI (PMO)			52
- SAMOA			113

- SOLOMON ISLANDS			38
- TONGA			52
- VANUATU			74
- PNG	-	-	22
<b>ADMIN, EQUIP &amp; OPS COSTS TOTAL</b>	70	150	41
<b>ACTIVITY COSTS - COUNTRY ACTIVITY COSTS</b>			
- Fiji Activity Costs	69	49	19
- Samoa Activity Costs	82	58	23
- Solomon's Activity Costs	57	99	25
- Tonga Activity Costs	46	90	31
- Vanuatu Activity Costs	13	80	16
- PNG			9
<b>COUNTRY ACTIVITY COSTS TOTAL</b>			19
<b>ACTIVITY COSTS - REGIONAL PROGRAM COSTS</b>			
- PCC and Program Meetings			1
- Team Travel (International)			47
- M&E			68
-M&E Activities			0
- Communications			1
- Technical Director			22
- End-of-Program Evaluation			0
<b>REGIONAL PROGRAM COSTS TOTAL</b>	54	38	27
<b>TOTAL</b>	<b>85</b>	<b>81</b>	<b>37</b>

Source: AECOM.

## 4.2 Value for Money

57. In terms of value for money, PHAMA has performed reasonably well. DFAT measures achieving value for money by the use of eight principles across four thematic areas.<sup>16</sup> Applying these principles to PHAMA's operations leads to the conclusion that across many of the eight principles, PHAMA scored well as illustrated by:

- a. Evidence based decision-making through reports and studies that identified the feasibility of market access for different agricultural products in different countries. In a number of cases such studies have been used to identify opportunities and in others, to argue against investment in value chains that were unlikely to lead to market access. These studies have also been used to feed into the decision-making by the MAWGs and IWGs, providing a well-grounded analytical basis for making decisions.
- b. PHAMA has done very well to leverage the facilities off other programs. For example, it has worked with PT&I in terms of marketing and with ACIAR in terms of agricultural sectoral studies. PHAMA advisers have also utilised their networks with biosecurity agencies in Australia and New Zealand to help with market access. Within the six countries, it has worked well and cooperatively with other donors, for example in

<sup>16</sup> DFAT's eight value for money principles are separated into four thematic areas: Economy Theme: Principle 1: Cost consciousness; Principle 2: Encouraging competition; Efficiency Theme: Principle 3: Evidence based decision making; Principle 4: Proportionality; Effectiveness Theme: Principle 5 Performance and risk management; Principle 6: Results focus; Principle 7 Experimentation and innovation; and Ethics Theme: Principle 8 Accountability and transparency.

- Solomon Islands, it has worked cooperatively with the World Bank's Rural Development Program, to the benefit of both programs.
- c. Competition of ideas has been promoted through the use of the IWGs and MAWGs which bring together private sector and government interest groups to decide on a work program of activities. The further scrutinising of these programs and activities by the PMO provides an additional layer to ensure cost conscious decisions are made.
  - d. PHAMA has also been results focused, shifting its emphasis from new market access to maintaining market access, as well as, in some countries, for example, in the Solomon Islands, expanding the agricultural value chains to cover new areas such as sawn timber. In other countries and sectors, it has shifted or reduced investments based on its analysis of potential outcomes.
  - e. While the use of public private dialogue is not a new mode of operation, PHAMA has been innovative in applying it to agricultural export markets. Moreover, by identifying impediments to exporting up and down the value chain of different agricultural produce and export pathways, it has experimented with different approaches to solving problems.
58. Overall, while the Evaluation Team made a cursory assessment of value for money, the model of a regional hub with individual country programs developed by the MAWGs and IWGs, assisted by the in-country PHAMA coordinators/advisers, appears to be a good fit for purpose and a model that is efficient in delivering results. The alternative of a regional approach across the six countries would be less efficient and less capable of providing results. The alternative of 6 separate programs would only possible deliver value for money for PNG, and even then lose the advantage of cross fertilisation of ideas and networks.

## Nishi Trading – Improving Production and Livelihoods



Nishi Trading is a family owned Tongan business operating for more than 20 years. It recently expanded into processing and built Tonga's first international food processing and manufacturing facility in partnership with the European Union who provided a grant of 25% of the cost. The other 75% was financed through a long term loan from a commercial bank. The facility has since achieved Hazard Analysis and Critical Points (HACCP) accreditation which has opened up lucrative opportunities to supply supermarkets like Countdown in New Zealand. Other exporters have also used Nishi's facilities to enable them to supply into this market.

To maintain access to highly regulated export markets, Nishi Trading needs to address the quality of produce being supplied by smallholder farmers. In partnership with the DFAT funded Interim Skills Development Facility, Nishi Trading has taken a Farmer Field School approach and developed it into the first national certificate module for horticulture and food safety. Farmers need to be educated on the optimum way to grow quality produce in order to have a quality product to export and certify. Investment in smallholder farmers and their education is fundamental to the first step in the value added chain of production to processing, marketing and consumption.

PHAMA has supported Nishi Trading through the MAWG of which Nishi Trading is a member. The MAWG has been instrumental in addressing a number of export issues, including providing heat treatment facilities and maintaining market access into NZ and Australia. Nishi Trading has also received support from PHAMA in obtaining its HACCP accreditation.

Nishi Trading has had an impact on rural livelihoods through the smallholders that supply it and has the potential to have an even greater impact through its rollout of the field school training. According to the Asian Development Bank Agricultural Census of 2015 there are 9,470 smallholder farmers in Tonga. Nishi Trading has a five-year plan to train 60% of these smallholders through 191 training sessions with 30 farmers in each one. They will if successful receive national certificate level 2. The course includes formal training and practical work on each of their farms through a whole production season. The objective is to facilitate an adequate number of farmers to produce a reliable volume of produce to the standard required for the export market.

## 5 Findings: Relevance

59. In response to the questions raised in the ToR this section presents the Evaluation Team's findings on the relevance of the PHAMA program logic and the relevance of the program to its stakeholders - the Australian and New Zealand government, the country stakeholders-government institutions, private sector exporters and industry and strategic development partners.

### 5.1 Program Logic and Theory of Change

60. Following the mid-term review of the program in 2013, and as the scope of PHAMA changed over time, the PMO revised the original Program Logic in late 2014. The long-term development goal of PHAMA to assist the six PICs to increase exports of high-value primary products, and thereby contribute to increased economic growth, employment and rural incomes is still very relevant. PHAMA has shown commendable flexibility in adjusting the program over time from an emphasis on market access to maintaining market access and providing targeted, demand-driven support along the value chain i.e. increased supply, product quality improvement, wherever necessary to meet export protocols and product quality standards.

61. However, the program's current logic model (see Annex 2 of the ToR and the February 2016 MERI Update document) does not reflect an adequate theory of change where the many complex inter-relationships and risks (e.g. in the enabling environment) are identified and addressed. In the 2016 Update document, the program's development goals are many and include: increased economic growth, increased employment, jobs protected, increased rural incomes, poverty reduction, distributional impact on poor men and women farmers. Furthermore, it does not define what the program's outputs or activities are other than to classify them as examples.

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*The program's current logic model does not reflect an adequate theory of change*

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62. The Evaluation Team agreed that the May 2014 MERI model was overly complex and difficult to implement. The February 2016 MERI Update while a simpler model primarily focuses on the mechanics of collecting information for the purpose of M&E and communication. The two models represent two extremes and the February 2016 model could have done with more details and an explanation of the flow of logic and how the collection of information relates and shows how activities will contribute to the higher level objectives. In the 2016 Update, the PHAMA Program Logic model is provided as Appendix A, but other than mention in the text where it can be found, there is no other explanation of it in the document.

63. While recognising that the program is country-driven, it is nevertheless very difficult to use the current program logic to link the contribution of country-level activities to each of the above-mentioned longer-term results and development impact in a comprehensive and integrated way. Given the previous efforts and the time left in the program cycle, the Evaluation Team recommends not to revise the theory of change again, but rather, focus on



improving the collecting and presentation of evidence to demonstrate more clearly that the higher level objectives are being met.

## 5.2 Monitoring and Evaluation

64. Monitoring seems to be fragmented in a series of technical reports and case studies that are not necessarily tied to the program's goals. The process of monitoring has been largely influenced by the May 2014 MERI model and later by the February 2016 MERI Update. Early on in the PHAMA program the focus on data collection was very technical-focused in terms of what was achieved in various export pathways and agricultural value chains. Moreover, there was under-investment in human resources to carry out monitoring and periodic evaluations. More recently a volunteer has been recruited to the PMO to work on monitoring and evaluation. Also, PHAMA has started to contract out a number of case studies that not only cover the technical aspects but also touch on, or have as their main focus the social inclusion and gender implication. Nevertheless, there seems to be little attempt to bring the various strands together to report on achievements against the higher level goals.

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*What is needed, is to draw on the various communication material, case studies and technical report to bring together an analysis and articulate how activities have led to achieving the objectives of economic growth, poverty alleviation and social and gender inclusion*

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65. More recently, PHAMA has produced a series of case studies and communication material that highlights what PHAMA has achieved to date and where it is working and with whom. The communication material and reports produced by PHAMA, while good in themselves do not meet the needs of results management and/or map well against higher level objectives. The content of the communication material does however significantly overlap with what is needed to inform management (PHAMA and DFAT/MFAT), but is structured differently and aimed at a different audience. Moreover, it does not in any systematic way bring together the evidence of what has been achieved and how it contributes to the goals of the Program.

66. What is needed, is to draw on the various communication material, case studies and technical report and bring together an analysis and articulate how activities have led to achieving the objectives of economic growth, poverty alleviation and social and gender inclusion. This requires not necessarily new studies, but some effort to be spent on drawing the various strands together. For example, a review of the most recently available Six Monthly Progress Report (July–December 2015) provides good details of what has been achieved in terms of activities' technical progress but little indication of how many poor smallholders or women are affected or are potential beneficiaries of the interventions.<sup>17</sup> The report does mention that a study on gender-specific aspects of the cocoa industry in Solomon Islands was completed but provides no details. For this the reader would need to go to the Solomon Islands Cocoa study.

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<sup>17</sup> See: <http://www.phama.com.au/Portals/0/PHAMA%20SMPR%20December%202015%20v1.0.pdf>.

### 5.3 Relevance for PHAMA Stakeholders

67. PHAMA remains highly relevant to Australia and New Zealand's strategic interests. The Government of Australia's new development policy of June 2014 focuses on the Indo-Pacific region and promote national interests by contributing to sustainable economic development and poverty reduction. This will be achieved through promoting private sector development and aid for trade investments, strengthening human development and promoting gender equality and the empowerment of women and girls as a cross-cutting outcome. This overall development policy is complemented by a new performance framework "Making Performance Count: Enhancing Accountability and Effectiveness in Australian Aid", which aims to improve the contribution and attribution of Australian aid programs to long-term development goals and impact.<sup>18</sup>
68. Similarly, the Government of New Zealand has expressed in its International Development Policy Statement, 2011 and Strategic Plan for 2015-2019 that its thematic focus will be on sustainable economic development with a geographical focus on the Pacific region. Gender equality, climate change, environmental protection and human rights are to be integrated as cross-cutting themes.<sup>19</sup> New Zealand also seeks to focus more on delivering measurable development results. In this context the PHAMA program, with its focus on private sector development, exports and market access remains highly relevant to both countries.

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*PHAMA remains highly relevant to Australia and New Zealand strategic interests.*

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69. In regards to the PICs that PHAMA operates in and based on stakeholder interviews at country level, there was unanimous feedback that the PHAMA program is still very relevant to the priorities and needs of the six PICs. These countries continue to be dependent on the agriculture, forestry and fisheries sectors and on export markets to generate economic development. In the selected countries, market access and export development continue to be key strategies for reducing poverty through supporting smallholder farmers and by generating employment opportunities.
70. In terms of a future program, stakeholders generally agreed that the program should continue to focus on maintaining market access and on technical support in biosecurity, sanitary and phytosanitary and regulatory aspects. At the same time, a notable number of stakeholders expressed the view that PHAMA needs to move more flexibly along the value chain to address issues of supply, production, product quality improvement and market access. However, this broader "export development approach" should be implemented in partnership with other strategic development agencies e.g. RDP, the EUs Farmer Extension program, ADBs Trade Finance in Cocoa program, NGOs etc.

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<sup>18</sup> See: <http://dfat.gov.au/about-us/publications/Pages/making-performance-count-enhancing-the-accountability-and-effectiveness-of-australian-aid.aspx>.

<sup>19</sup> See: <https://www.mfat.govt.nz/assets/securedfiles/Aid-Prog-docs/New-Zealand-Aid-Programme-Strategic-Plan-2015-19.pdf>.

71. PHAMA also remains relevant as a multi-country regional program. By their very nature trade facilitation and export promotion are regional development interventions. The PHAMA program takes a regional approach by working on value chains across six PICs and by linking biosecurity agencies in Australia and New Zealand with these PICs.<sup>20</sup> Furthermore, by facilitating market access of various primary products and supporting PICs to achieve certification and quality standards, especially to Australia and New Zealand markets, PHAMA is also enabling other PICs to access these markets.

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<sup>20</sup> Aid for Trade: Making a Difference, ODE, February 2016

## 6 Findings: Sustainability

72. For a number of reasons, sustainability of activities and outputs in the PICs has traditionally been difficult to achieve in donor programs. In relation to PHAMA, the contextual issues that contribute to making sustainability difficult to achieve in the medium term include:
- a. Small populations with limited resources and capacities are making it difficult for exporters to source a regular volume of quality produce to keep export pathways open;
  - b. Vulnerability of smallholders to climate change and natural disasters. Recent cyclones in Vanuatu and Fiji and drought in Tonga have badly interrupted production which results in the exporter not being able to supply adequate produce to maintain the export pathway;
  - c. Many smallholders finance part of their livelihood through receiving remittances and donor funds. This often leads to agricultural production being viewed as a source of extra income for special occasions or school fees, rather than the primary source of income;
  - d. PIC governments have limited resources and capacities to negotiate new market access or maintain pathways. Often, they also lack the capacity to establish and enforce exporters to adhere to regulations and standards required for maintaining export pathways; and
  - e. Remote location makes transport of produce expensive.

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*Sustainability of activities and outputs in the Pacific Island countries has traditionally been difficult to achieve and PHAMA is no exception*

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73. Because attaining sustainability is particularly hard to achieve in the PICs, a follow on program to PHAMA will need to pay special attention to strengthening this part of the design and implementation. In doing so, the focus should be on the specific components that are likely to be sustainable, rather than the sustainability of the program as a whole. Based on the team's observations, interviews and the literature on sustainable donor programs, the likelihood of achieving it relies greatly on embedding change in the institutional structures and the social norms that already exist. By focussing on the PPD as a centre piece of how PHAMA operates, the individual changes and reforms that are initiated and implemented by the MAWGs and IWGs have the greatest chance of surviving beyond the life of the program.
74. Specific interventions initiated by the MAWGs/IWGs having a good chance to outlast the program itself. Nevertheless, the risk is high that in a dynamic environment where private sector operators, government and other institutions have low capacity, as is the case in most developing economies, the changes achieved can and often are reversed as time progresses. Moreover, as conditions change, the solutions implemented may need to be adjusted. Examples of changes that are likely to last beyond the life of the PHAMA program include, changes in regulations, improvement in procedures and protocols for handling fresh produce,

as well as, improved capacity created within existing government bureaucracies across the six PICs. As has been demonstrated over the life of PHAMA, gains made can be reversed and often are without ongoing vigilance and capacity.

75. Effective PPD's such as the MAWGs/IWGs provide an important mechanism for maintaining vigilance and sustaining the improvements made to market access. The MAWGs/IWGs should be the centre piece of trying to achieve sustainable outcomes. That is, achieving sustainable MAWGs/IWGs will to a large degree ensure that individual activities and improvements made to market access will be sustainable, in the face of changing socio-economic conditions.
76. The public private dialogues (PPD) are progressing to becoming independent bodies at varying speeds. In each of the six countries there has been very good progress in the PPD using the mechanism of the working groups to opening and maintaining export pathways. For example, in the Solomon Islands, the MAWG had been struggling to make any progress. However, once they identified that it was more efficient to form specific industry groups to address market export constraints in the value chains of timber, fisheries, cocoa and coconut, the IWGs have advanced much faster, but even then, the IWGs have not all developed at the same pace. Therefore, it is likely that as the MAWGs move to become more sustainable, at least some may evolve into IWGs, allowing more effective focus on market export constraints in their value chains. This approach may in the longer term give more sustainability to maintaining export pathways.
77. Even the most advanced working group, as observed in the Solomon Islands Timber Export Association, will still require support and leadership for at least another four years. PHAMA has supported the ten major exporters in the IWG to work with Government on establishing certified standards and regulations to keep the AUD 7 million export pathways open to Australia and New Zealand. The next step being worked on is implementing a third party system to verify that timber has been legally felled and sourced. Steps after that include improving export quality through kiln drying and developing a recognised system of timber grading. The IWG has enough volume and quality of product to charge levies for funding activities as part of becoming an independent body. However, if support by PHAMA is withdrawn at the end of the current program, this group will be vulnerable, particularly in sourcing expertise to support them with negotiating ongoing issues as they arise with the importing countries or with maintaining the newly established standards and regulations.
78. Other working groups are even less advanced in becoming independent bodies. For example, the MAWG in Fiji compiled its own draft sustainability road map. However, little tangible progress has been made and agreement is still to be reached between the MAWG members on the way forward. The MAWG in Tonga has a sustainability road map which is ready to be implemented. One of the members, a Private Sector Exporter, has identified the constraint of quantity and quality of produce to supply the export pathway recently opened to supermarkets in New Zealand and Australia. He is working with a donor partner to roll out a certified training course to 60 percent of all farmers in Tonga. Over the next five years this is expected to significantly improve the sourcing of adequate quantity and quality of produce. However, other members of the MAWG have identified different priorities, including developing additional infrastructure without addressing the issue of adequate supply to make the initiative viable. The case study illustrates that the group will require ongoing technical and financial support for the foreseeable future.
79. The situation in PNG is different again. PHAMA has only just commenced activities and a discontinuing of support after the end of PHAMA in June 2017, would leave them very

vulnerable to collapse. Although there has been a solid start in PNG using lessons learned from neighbouring countries, the private public dialogue is in its infancy and will need considerable support over the next few years to gain momentum.

80. While sustainability of the program as a whole has not been achieved, PHAMA has made remarkable progress in a relatively short period of time in facilitating public private action to open or maintain export pathways many of which would have closed without this support. It is therefore critical that support continues to avoid the progress made from slipping back.
81. Examining the Program's various activities, it is possible to identify elements that are likely to be sustained over the medium term without ongoing support from PHAMA. While the MAWGs and IWGs will struggle to survive without the support of PHAMA, the concept of PPD as a mechanism for finding solutions to market access for agricultural produce, and more broadly, to address agricultural sectoral issues, has become well established and it is likely that some form of PPD would continue. Other elements that are likely to last beyond the life of the program include:
  - a. Improved market linkages along the value chain of specific agricultural crops. This includes linkages to buyers and improved backward linkages of exporters to small holders.
  - b. Technical solutions applied to address growing crops and processing, particularly where they have been codified into manuals.
  - c. Specific laws, regulations, procedures that PHAMA has helped formulate for PICs to pass into force.

## 7 Going Forward

82. Based on the findings set out in the previous Chapters, this Chapter is focused on the way forward for the current program and a possible road map for a new future PHAMA program. The Chapter begins with identifying several lessons learned that will help inform a future program.

### 7.1 Lesson learned

83. If reducing poverty at scale is a primary objective, then crops that are already widely grown for which there is a strong international demand should be selected for export development. The program logic assumes that increased exports contribute to increased economic growth and improved livelihoods. However not all exports create the same level of impacts on rural poverty. High value commercial crops that can be technically demanding may mean only a small number of farmers are able to supply them and benefit from increased trade. Where improvements to export development are made to crops grown traditionally by many farmers such as cocoa and kava this can have a much larger poverty impact.

84. The scope of a market access program needs to be able to change over time to reflect the changing needs of clients. Changes that PHAMA experienced include a shift from focusing on bio-security and gaining new market access to a wider range of issues along the value chain and maintaining market access. In order to support promising industries going forward the follow-up program will need to go beyond market access and address constraints across the targeted value chains related to export development and pathway maintenance. The scope of PHAMA was clearly on market access and was not designed or implemented as a long-term capacity building project.

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*Gaining new markets for agricultural and horticultural products has proven difficult due to ever higher biosecurity requirements in Australia and New Zealand combined with a strong lobby internally to oppose access to some products*

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85. Less emphasis should be given to new market access for agricultural and horticultural products, especially fresh produce. Gaining new markets for agricultural and horticultural products has proven difficult due to ever higher biosecurity requirements in Australia and New Zealand combined with a strong lobby internally to oppose access, for example, ginger from Fiji. Market access for a range of commodities has been ruled out as non-viable because of: high transport costs; insufficient supply; high levels of competition and complexity of biosecurity requirements. More emphasis should be given to maintaining existing pathways and seeking market access into countries like China, Korea and Japan where standards may be more viable to achieve.

86. To enable exporters to make greatest use of export pathways and to keep them from closing, targeted assistance is required to educate producers to motivate them to supply regular and adequate quantity and quality. PHAMA has increased its focus on maintaining, regaining or improving existing pathways. Resources are required over the longer term to assist PICs to

ensure that they comply with complex export protocols and focus on improving export quantity, quality and promoting processed products.

87. For the foreseeable future, the MAWGs/IWGs will require support by a facility that can respond promptly and appropriately to requests to resolve export development and pathway maintenance issues. A significant success has been the proactive public private dialogue and actions to address export constraints. Each MAWG and IWG is being supported to develop a sustainability road map to identify steps to further strengthen capacity and become more independent. The MAWGs and IWGs are a means for ensuring ongoing public private collaboration on export development and it is critical that they continue. The importance to participants of this mechanism will be indicated by the amount of funds they are willing to start to put into them to cover their own expenses.
88. An independent entity such as the PMO plays a valuable questioning and quality control role to ensure program funded activities lead to sound development outcomes. The PMO has worked well as a regional hub and in providing strategic direction to the target countries (MAWGs/IWGs) in identifying commodities, priorities and feasibility of activities and identifying key impediments to be addressed. The PMO has also demonstrated strong links back into markets, good links working with a range of other programs. The follow up multi-country program will need an independent regional body like the PMO to continue this role.

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*It is essential that there is no break between the current phase and a new program*

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89. Without an upfront gender mainstreaming strategy, sex-disaggregated baseline indicators and monitoring and evaluation, and relevant training and resources, the program's impact on gender equality and women's empowerment has been ad hoc and incidental. As already mentioned gender was not taken into consideration at the design phase of the program; however, some individual results, where women's economic participation has been increased and their livelihoods improved, have been achieved e.g. Bens Trading in Fiji and Soltuna Ltd in Solomon Islands.
90. The case study of the Tonga HTFA facility, present earlier, holds a number of lessons for a future PHAMA or similar program, this includes:
- a. PHAMA works through the MAWGs and in this case also through the state owned enterprise TEQM. Working through national third parties creates ownership but also increases the risk. Greater "hands on" by PHAMA would be costlier, reduce the risk of failure but also of ownership and suitability. Such trade-offs need to be decided on a case by case bases and based on a risk management assessment.
  - b. The HTFA facility was just beginning operation and was underutilised in late 2014. In most cases, the start of a new operation and/or infrequent use of procedures/facilities, increases the risk of error and often requires additional resources/effort to be asserted early on that can later be reduced.
  - c. Some smallholder farmers using the HTFA facility did not necessarily understand their individual actions' ramification for the wider community. This may require greater



effort on an awareness campaign and educating smallholders on the impact of individual noncompliance on market access for the industry.

- d. Given Tonga's development context, and as PHAMA has noted in their M&E reporting, the closure of the HTFA pathway, leads to questioning the strategy of focusing on high value and high biosecurity risk crops.

91. Drawing on a wide range of projects across six PICs and over 50 activities implemented by PHAMA, some successful, others less so, there are a number of common themes that have been identified throughout this report and can be summarised here in terms of what has worked in the implementation of the program. It should be noted, that the same characteristics that have contributed to success, can also be the basis for failure. For example, in the case of the Tonga HTFA facility, national ownership of the process increased the risk of non-compliance, whereas, this is also a characteristic that has attributed to the success of the program. Nevertheless, characteristics that have provided PHAMA with a measure of success include:

- a. The use of a Public Private Dialogue process centred around the MAWGs and IWGs (in the case of Tonga, it could also be claimed this made success more difficult to achieve in the HTFA facility);
- b. Flexibility to adjust programs and to address key impediments for achieving market access;
- c. High quality and relevant technical analysis of market access issues;
- d. The use of a technically focused PMO that provided overall quality control to what PHAMA would or would not fund, and was able to connect the different components across six PICs. As noted elsewhere in this report, this could also create a point of tension between the MAWGs/IWGs and the PMO, as the former became more independent;
- e. A focused approach that targeted areas where success could be achieved and identified key impediments to market access;
- f. Use of networks, including other agricultural donor programs, networks in recipient countries and national agencies and networks (i.e. Chambers and government agencies); and
- g. The use of well qualified national facilitators that were both technically qualified and understood the local context.

## 7.2 Recommendations for the remainder of the program

92. The Independent Review Team recommends that at the end of the current program, a new follow on program is implemented and that preparation work for this begins as soon as possible. The current program is relevant to Australia's interest in the Pacific and aligns well with Australia's "New Aid Paradigm" by working closely with the private sector to deliver results and focusing on key sectors and themes of agriculture, trade facilitation and international competitiveness.<sup>21</sup> Proof of PHAMA's alignment and relevance to Australia's

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<sup>21</sup> See <http://dfat.gov.au/about-us/publications/Documents/aid-policy-summary-doc.pdf> for Australia's Aid priorities.

priorities is provided by DFAT's Office of Development Effectiveness recent review (May 2016) of Australia's Aid for Trade Investments, in which PHAMA was highlighted as a successfully example.<sup>22</sup> It is expected that a follow on program will continue to align with Australia's interest in the Pacific, work closely with the private sector, seek new and innovative solutions and focus on key investment areas as outlined in Australia's New Aid Paradigm.

93. It is essential that there is no break between the current phase and a new program. The following recommendations are made for DFAT/MFAT, PHAMA/PMO and the MAWGs/IWGs to action prior to the end of this phase of PHAMA. In regards to DFAT/MFAT it is recommended that they:

- a. Mobilise as quickly as practical, a design mission for the follow-up program;
- b. Inform stakeholders at least by the 2016 PCC meeting in Vanuatu that there will be a follow-up phase to enable PHAMA to undertake activities that will lay the foundation for a future design mission and follow up program rather than go into close down mode; and
- c. If it is apparent that the follow up program will not be able to start in July 2017 establish a bridging arrangement.

94. In regards to PHAMA, it should commence activities that can inform the design and implementation of a follow-up program. The PMO should include in its Annual Work Plan or encourage the IWG/MAWG to carry the following activities to be implemented during the last year:

- a. Continuation of the gender analyses of commodities/industries that are considered economically viable for export development and pathway maintenance with a potential for women's economic empowerment and identify a few entry points that can be pursued in the next program;
- b. Commit resources to organise existing data, including data on women and smallholder farmers, in a comprehensive and systematic way that will enable a correlation to be made between PHAMA activities and higher-level development results e.g. livelihoods improvement, jobs protected and increased employment, by the end of the current program. This should be done on a country-by-country basis;
- c. Commission initial background work for a new program that may include work on the program logic and monitoring that links activities to goals.
- d. Carry out a feasibility study to examine the potential for trade in agriculture, forestry and fisheries commodities among the PICs;
- e. Continue the market sector studies, for example in handicrafts; and
- f. For PNG, given the late start and large budget, activities should focus on laying the foundation for the follow-up program rather than on trying to achieve short-lived results.

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<sup>22</sup> See: <http://dfat.gov.au/aid/how-we-measure-performance/ode/odepublications/Pages/gearing-up-for-trade.aspx>.

95. In regards to the MAWGs/IWGs and to maintain the momentum in each country, the ongoing public private dialogues should continue to address constraints in the target industry value chains. Specifically, the MAWGs/IWGs should:
- a. Finalise and endorse their respective sustainability road maps and schedules; and
  - b. Begin implementing practical steps in the sustainability road maps, facilitated by the National Coordinators and supported by the PMO.

### 7.3 Roadmap for a Future Program

96. Based on lessons learned from PHAMA, the following summarises principles to be considered for the design of a follow-up program.
97. A follow on program should have a broader scope than the current program, but should not be so broad that the focus becomes too diluted. Broadening the scope of the program will have budgeting implications and may require reprioritising PHAMA's activities. Nevertheless, consideration should be given to expanding the scope so as to focus on export market development and pathway maintenance in agriculture value chains (including forestry and fisheries) that have shown potential for being commercially viable. Within this modified objective, the program should maintain flexibility to address issues along the value chain that constrain agriculture export development and pathway maintenance. Support should be provided to identify alternative resources and partners to address the constraints identified. For example, in the Solomon Islands' cocoa value chain, the World Bank and DFAT's Rural Development Program is funding and providing resources to address the production constraints identified by the IWG. Similarly, the RDP is scaling up the coconut oil processing units being pilot tested by Kokonut Pacific.
98. The program should continue to focus on maintaining and developing new pathways in the six largest island economies that includes PNG, Fiji, Solomon Islands, Vanuatu, Samoa and Tonga. Major constraints to be addressed in maintaining market export pathways include: a) responding to changing standards and requirements of the importing country; b) helping exporters to meet the necessary standards and regulations; and c) maintain a reliable volume and consistency in production that meets the quality demanded by the target market. In addition to targeting markets in New Zealand and Australia, the scope should allow other countries to be considered where potential export pathways exist. China, Japan and South Korea are markets to explore. Consideration should also be given to exploring opportunities for inter-island trade.

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*A new phase of PHAMA should focus on export market development and pathway maintenance in agriculture value chains (including forestry and fisheries) that have shown potential for being commercially viable*

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99. The program should take a multi-country approach with a regional PMO hub supporting the country programs. The regional hub should provide resources, technical skills, M&E, coordination, strategy and facilitate exchange of information among the six countries. Consideration should also be given to building a single information technology platform of information that might serve useful for a range of stakeholders, including other PICs and the private sector. Location of the regional hub requires consideration, the PMO in Suva remains

high on the list of options because of regional flights and several regional organisations being based there.

100. The PMO should be strengthened with additional resources to mainstream M&E, gender and social inclusion. Furthermore, consideration should be given to changing the composition of the PMO to include more program management and private sector marketing skills to reflect the shift in proposed scope.
101. Outside of a range of core functions, the program should seek to deliver services through strategic partners. To enable this, consideration should be given to allocating resources to manage and develop collaborative approaches and/or strategic partnerships and coordinate with other partners in the delivery of solutions along the value chain. An example of partnering between donor and private sector is provided by Nishi Trading in Tonga, where the private sector firm, with the help of an NGO, is preparing to provide assistance to smallholder farmers to improve the quality and quantity of agriculture supply for the export market. In the Solomon Islands, an example of PHAMA working with other donor funded programs to deliver services is provided by PHAMA's close collaboration with the World Bank's Rural Development Program and the links with the Solomon Islands Chamber of Commerce and Industries.
102. DFAT's regional program should continue to encourage DFAT bilateral funding for PHAMA in target countries. Consideration should also be given to higher level dialogue and coordination of several DFAT funded programs that include BIF, MDF and PHAMA, as well as other funding through multi-donor trust funds, that all occupy the private sector – rural/agricultural development space. The DFAT/MFAT partnership should be encouraged to continue and consider moving to a multi-donor Trust Fund arrangement, allowing the potential for other donors to come in. In the design of a new Phase of PHAMA, MFAT should be consulted and consideration given to a more active partnership, including in the design process.
103. The public-private working groups (MAWGs and IWGs) should continue to play the central role in identifying and prioritising activities. This role should also include consideration of gender and social inclusion aspects. While these working groups are developing at different speeds and have characteristics unique to their country and industry sector, they should nevertheless be encouraged to transform into independent bodies that have a separate identity to the program and a variety of funding sources. The follow-up program should continue to support the public-private working groups over the life of the program and encourage other sources and mechanisms of support to be developed (including other donors, government and industry support). Consideration should also be given to periodic renewal of their membership so as to make sure it reflects a good cross-section of public and private sector stakeholders.
104. Gender and social inclusion should be integrated into the design and adequately resourced. Selection of value chains should be primarily based on their commercial potential. Within this parameter, consideration should be given to social inclusion and gender. Specifically, training in gender mainstreaming should be provided for PMO staff, the national coordinators and the MAWG/IWG members. Secondly, sex-disaggregated data should be collected, gender and social inclusion analysis should be continued of the value chains or aspects of them, and appropriate recommendations and activities designed and implemented to address gender and social inclusion aspects.

105. Include as an integral part of the follow up design a robust results-based monitoring system that is fit for purpose. Such a system should not be overly complex but at the same time provide a management tool for decision-making and reporting. An appropriate results-based monitoring system will have a clear theory of change and mapped against this a data collection and reporting system that allows measuring and reporting against higher level objectives. Such a system will require adequate resourcing, baseline and systematic data collection.
106. It is recommended that capacity building of SPC for service delivery falls outside the scope of a follow-up PHAMA program. Building SPC capacity should be considered as a completely separate program and include high level change management objectives. However, consideration can be given to continuing co-location of the PMO with SPC to encourage regular exchange of information from relevant activities. As SPC service delivery capacity improves, the links between the two agencies can be revised.
107. More detailed design considerations include:
  - a. Development of new and maintenance of export pathways takes a long time, and therefore, based on lessons learned, consideration should be given to making a new program a four plus four-year program;
  - b. To reflect the shift in scope, review the composition, role and frequency of meetings of the Program Coordinating Committee; and
  - c. In each country that PHAMA operates, and reflecting requirements, provide one or more National Coordinators with appropriate administrative resources. The National Coordinators should preferably come from the private sector with a strong marketing value chain background and ability to network.

## 8 Abbreviations & Glossary

ACIAR	Australian Centre for International Agricultural Research
AU	Australia
AUD	Australian Dollar
BATS	Biosecurity and Trade Support
BIF	Pacific Business Investment Facility (ADB Managed, DFAT Funded)
COC	Chain of Custody
DAFF	Department of Agriculture, Fisheries and Forestry, NZ
DFAT	Department of Foreign Affairs and Trade, Australia
EU	European Union
GEWE	Gender Equality and Women's Empowerment
GoA	Government of Australia
GoF	Government of Fiji
HACCP	Hazard Analysis and Critical Control Point
HTFA	High Temperature Forced Air
IWG	Industry Working Group
LRD	Land Resources Division
MA	Market Access
MAWG	Market Access Working Group
MC	Management Contractor
MDF	Market Development Facility
MERI	Monitoring, Evaluation, Reporting and Improvement (Framework)
MFAT	Ministry of Foreign Affairs and Trade, NZ
NZ	New Zealand
ODA	Official Development Assistance
PARDI	Pacific Agribusiness Research for Development Initiative
PDD	Program Design Document
PHAMA	Pacific Horticultural and Agricultural Market Access (Program)
PICs	Pacific Island Countries
PIF	Pacific Islands Forum
PIFS	Pacific Islands Forum Secretariat
PMO	Program Management Office
R&D	Research and Development
RDP	Rural Development Program
SPC	Secretariat of the Pacific Community
SPS	Sanitary and Phyto-Sanitary
TA	Technical Assistance
TEQM	Tonga Export Quality Management Ltd
TL	Team Leader
ToR	Terms of Reference

## 9 List of Annexes

- Annex A: Terms of Reference
- Annex B: People and Agencies Consulted
- Annex C: List of Documents Used

Annex A: Term of Reference

# Terms of Reference

An Independent Evaluation of the Pacific  
Horticultural and Agricultural Market  
Access Program (PHAMA)

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## Purpose

The overarching objective of this Evaluation will be to assess the relevance of this program and whether the program achieved its expected results, to identify lessons learned and recommend improvements to inform decisions about the scope and focus of future assistance.

This TOR establishes the parameters against which the success of this Evaluation can be assessed, outlining the rationale, scope, objectives, proposed methodology and approach, roles and responsibilities, expected delivery timelines and the intended audience of this Evaluation.

## Background

The Pacific Horticultural and Agricultural Market Access (PHAMA) program was a regional-program designed in 2009 as a trade-facilitation program to assist Pacific Island Countries and Territories (PICTs). PHAMA helps PICTs manage the regulatory aspects associated with exporting primary products, including fresh and processed plant and animal products with a goal of increasing exports of high value primary products, thereby contributing to increased economic growth and improved rural livelihoods in these predominantly agricultural-based small country economies.

The program was originally designed to be implemented in two phases of four years each, with the progression to Phase 2 subject following an assessment of progress and performance at the end of Phase 1. Following a successful Phase 1, Phase 2 of the PHAMA program began in July 2013 building on the achievements of the initial phase. Phase 2 looks at establishing stronger linkages between its market access successes and the impact on producers, livelihoods and production with relevant constituencies. This included:

- i. Strengthening the linkages with other programs that support the development of export-oriented supply chains;
- ii. Improving the linkages with country constituents through information, research and other means to demonstrate how successful market access might impact producers at the country level;
- iii. Supporting the learning and knowledge sharing events including south-south cooperation that promoted the goals of PHAMA; and
- iv. Adopting a flexible, programmatic approach that was able to mobilise high quality technical and specialist services and other resources to address specific MA issues as they are identified on a case-by-case basis.

PHAMA continues to focus on Fiji, Samoa, Tonga, Vanuatu, and the Solomon Islands. In 2015, the Papua New Guinea DFAT bilateral program provided an additional funding of \$5,000,000 to expand the program into PNG as well.

### Previous PHAMA Evaluations

In its lifetime, the program has undergone 2 evaluations. A Mid-term evaluation for Phase 1 of PHAMA in 2013 reviewed the progress of the Program and provided recommendations for a Phase 2, and more recently an evaluation by DFAT's Office of Development Effectiveness ODE evaluation. The latter focused on the 'trade policy and regulation' element only and its impact on trade facilitation programs and whether these were compromised by the trade policy and regulations, the outcomes of which are still in draft.

These evaluations recognised the PHAMA program as a strategic regional priority with its market feasibility assessments providing valuable direction. The evaluations acknowledged the effective technical support that the program provided to government, farmers and producers in developing standards and improving quality and that there were external factors affecting the supply chain that limited farmers' ability to service existing and new markets.

The evaluations noted the significant impact that the Market Access Working Groups (MAWGs) that PHAMA had established had in the program. The MAWGs were also seen as a replicable model by government in facilitating private sector engagement. MAWGs have become well institutionalised in all participating countries: Fiji, Samoa, Solomon Islands, Tonga and Vanuatu. In addition, IWGs have been established either under PHAMA or independently to broaden engagement with the private sector in key export industries such as livestock, fisheries, cocoa, coconut and forestry.

Additionally, the evaluation appreciated the contributions PHAMA made to the social and economic goals of PICs by opening up access to new markets, providing critical support to maintaining market access, leading improvements in supply chains to ensure export quality is maintained as well as identifying non-viable market access propositions.

The major challenges identified in these evaluations included:

- (1) the need to improve its monitoring and evaluation approach using a clearly defined program logic model and performance framework to capture progress and outcomes and to further demonstrate the positive outcomes the program is having; and
- (2) explicitly mainstreaming gender and social inclusion to raise awareness amongst stakeholders while developing practical approaches to address gender equality and social inclusion in programming.

Subsequently, the Program made significant investment in improving its approach to M&E, with a simplified approach approved by DFAT in late 2014 and endorsed by one of its Senior M&E Advisers. More recently, PHAMA has been investing in gender analyses to understand where it (and indeed other agricultural or aid for trade programs) can help to empower women.

## 9.1 PHAMA and relations with Regional Organisations

Consistent with the regional institutions framework and mandated role of SPC in providing MA-support services to member countries, it was intended that the contractor–managed activities would be progressively integrated into SPC’s core program, with a phasing out of the Contractor, subject to development of appropriate capacity within SPC-LRD and funding arrangements for SPC. However, significant technical and financial constraints in Phase 1 of the program saw the separation of the management of SPC-implemented (Component 4) activities from other activities implemented under the Program.

## Evaluation Objectives

- 1. Analysing the effectiveness and efficiency** of the program in achieving its objectives to date and how successful the program has been in gaining and/or maintaining market access pathways for Pacific exports of primary products (fresh and processed), particularly agricultural and horticultural products but also fish and forestry products and the impact on producers, livelihoods and production with relevant constituencies, including gender and social inclusion results;
- 2. Evaluating the relevance of the program** to understand whether the program is still meaningful and “wanted” by key stakeholders and to identify what needs to be done to ensure that the program remains relevant, including the relevance of integrating gender and social inclusion into the approach;
- 3. Assessing whether the program will be sustainable** at the end of the program life and where possible drawing lessons that might be useful to inform programming decisions;
- 4. Prepare a Roadmap** that will support DFAT and other donors to make decisions on prioritising resources for future regional trade and market access programs.

## Scope

The Contractor shall complete an **Independent Evaluation Report** (IER) addressing the following key evaluation questions:

### **Effectiveness and Efficiency:**

- Are the activities being implemented helping us to achieve MA for priority products?
- Are we achieving, or likely to achieve, all program results through current and planned activities? Can the program clearly demonstrate, with evidence, that it is achieving or likely to achieve its results?
- If not, what changes need to be made to inputs, activities or results to give the program the best possible chance of success?

- Are we making decisions and implementing them in a timely and cost-effective manner?
- Is the program approach and delivery mechanisms still fit-for-purpose?
  - How cost-effective are the implementing arrangements with AECOM and the PMO?
  - Have the current donor arrangements between DFAT and NZ MFAT been effective?
  - How effective has the engagement been with regional organisations such as PIFS and SPC?
- Are we managing and utilising all program resources (funding, staff, time etc.) optimally?
- Do all implementing partners have the requisite systems and capacity to manage resources optimally?
- Are all implementing partners making optimal use of resources (time, money, human resources) to ensure that program results are achieved?
- How well are the National Market Access Coordinators (NMACs) and MAWGs and IWGs functioning?
- Are capacity development interventions helping the Government-Industry MA body/mechanism to function better and more independently?
- Are there any significant differences in progress between different countries/sub-regions/sectors/industries? Why and how do we deal with this?
- Has the program effectively addressed barriers to social inclusion issues such as Gender and Disability? Has the program demonstrated results that benefit men and women, and promote gender equality and social inclusion?

**Relevance:**

- Is the program Theory of Change still appropriate?
- Does it provide a plausible narrative around PHAMA's contribution to achieving the aid program's intended outcomes, i.e. promoting prosperity, reducing poverty, enhancing stability?
- How relevant has PHAMA seen its work in supporting regional work/approaches in trade facilitation?
- Is the Government-Industry MA Body/mechanism still meaningful and feasible in this country?
- Is the program still "wanted" by country and regional stakeholders, as well as the donors?
- What can be done to ensure that the program remains "wanted" by country and regional stakeholders, as well as the donor(s)?
- Are we learning from our successes and failures and are we sharing our successes and failures with other countries and stakeholders?
- What can we do differently/better, based on this?

- Are we sufficiently encouraging and supporting stakeholders to share their experiences with each other and with relevant audiences outside the program?
- Are there gender gaps in who has access to and benefit from market access and agricultural and horticultural technical information to improve diversity, quality and quantity of production?

#### **Sustainability:**

- Will there be enough capacity and resources in the country to keep MA pathways open, and to open new ones?
- Will the MA dialogue and coordination between government and industry continue beyond 2017?
- Has the program developed the capacity of key stakeholders sufficiently to enable them to carry on the work of the program?
- Are there sufficient resources and political will in the region to sustain the work of the program?
- It would also be useful to identify parts of the programme that will likely not be sustained if DFAT and MFAT were to discontinue funding.
- What is the key legacy the program will leave behind and how can this be “cemented” within the time available?

#### **Recommendations for future Trade and Market Access Programs:**

- What have we learnt from this program that is worth sharing within DFAT, the region, internationally?
- What are the gaps in PHAMA programming that should be addressed in any future programs, particularly in terms of gender equality and social inclusion?
- What can we learn from current literature or similar programs that can help inform our future directions?
- What contribution did the SPC component made to broader PHAMA outcomes and any lessons learnt that could be applied to the new separate arrangement.

## **Methodology**

The total time allocated for the Evaluation is up to 40 working days, summary of which is provided in the following table:

<b>No. of Days</b>	<b>Activity</b>	<b>Output</b>
5 days	Prepare Evaluation Plan	1 Evaluation Plan
5 days	Desk-based preparations	
17 days	In-country field missions	1 Aide Memoir

10 days	Report Writing	Draft Independent Evaluation Report Independent Evaluation Report
3 days	Attend Program Coordinating Committee Meeting	1 Power-point presentation on Findings and Recommendations

The Evaluation will undertake, but not be limited to, the following tasks:

#### **A. Evaluation Plan**

Prepare and reach agreement on an Evaluation Plan in consultation with, AECOM, DFAT, NZ MFAT and the PHAMA Program staff that includes the number of days allocated to each team member:

- This Evaluation plan allow the contractor personnel to work to their strengths and respond to issues they identify following their initial reading and discussion;
- The contractor personnel will work with AECOM to organise logistics and timing for the Evaluation to be outlined on the Evaluation plan which will include developing a list of stakeholders that they will meet with in-country;
- AECOM will be responsible for organising logistics for the Contractor Personnel including domestic and international flights, accommodation, professional indemnity insurance, medical and travel insurance;
- AECOM will submit the Evaluation Plan to DFAT and New Zealand MFAT on behalf of the contractor personnel.

#### **B. Desk based preparations:**

- Evaluation program documents as provided by DFAT and on request;
- Conduct phone meetings with DFAT including to establish the policy and country context, and to clarify the terms of reference and issues raised in documents;
- Conduct phone meetings with the PHAMA team leader, National Market Access Coordinators and key stakeholders to initiate questions and to clarify and follow up issues raised in program documents;

#### **C. Conduct Evaluation missions in Fiji, Solomon Islands and Tonga:**

- Meet with stakeholders;
- Visit field sites-where possible a DFAT personnel from each of those Posts will accompany the Review Team on these field visits;
- Debrief DFAT and PHAMA staff.

#### **D. Write a Final IER (approximately 10 days):**

- Consult stakeholders and informants;
- Write the report in a format agreed with DFAT;
- Attend the PHAMA PCC Meeting to present the Findings and Recommendations of the Evaluation.

**E. Attend the PHAMA Program Coordinating Committee (PCC) Meeting (2 days)**

- Meet with program management staff to ensure that recommendations of the Evaluation are workable within DFAT systems and structures;
- Provide a presentation to the PCC on the findings and recommendations.

### *Management and Governance of the Evaluation:*

DFAT as the Evaluation Manager will provide the day to day management and coordination of the Evaluation. The key responsibilities of the Evaluation Manager and NZ MFAT as a key partner will be to:

- Discuss and provide feedback on the draft ToRs;
- Discuss and provide feedback on the short-list and selection of consultants for the Evaluation within 3 days of receiving the short-list and CVs;
- Discuss and provide feedback on the draft Evaluation Plan within 5 days of receiving the draft document;
- Discuss and provide feedback on the draft Aid Memoire within 5 days of receiving the draft document;
- Discuss and provide Management Response on the Draft PHAMA Evaluation Report of the Evaluation within 10 days of receiving the draft document;
- As and when required, participate in tele-conferences throughout and at the end of the Evaluation.

## Specification of Team

It is anticipated that a team of three will be required to cover this skill set including:

1. Team Leader with expertise in trade-related/trade facilitation and a strong M&E background and a good knowledge of the Australian aid program and the region;
2. Sector specialist with expertise in agriculture and value chain development; and
3. Sector specialist with expertise in gender and women's economic empowerment.

### Responsibilities

The team will be expected to perform (but not limited to) the following roles:



*Team Leader:*

- plan, guide and develop the overall approach and methodology for the evaluation;
- be responsible for managing the directing the evaluation's activities representing the evaluation team and leading consultations with all stakeholders;
- be responsible for managing, compiling and editing inputs from team members to ensure the quality for reporting outputs;
- be responsible for producing any aide memoires, synthesising evaluation material into clear draft and final evaluation reports;
- represent the team at the PCC Meeting;
- represent the team in peer review, if required.

*Sector specialists:*

- assist the Team Leader during the evaluation activities; and
- provide inputs into the draft and final reports as directed by the Team Leader

AECOM will be responsible for organising logistics and itineraries and for providing the Evaluation team with access to country specific PHAMA documentation.

Where possible, a member or members of DFAT Posts will accompany the team during all or part of the field missions. This is likely to include DFAT Activity Managers and advisors to be agreed in consultation with the Contractor Personnel.

## Reporting Requirements

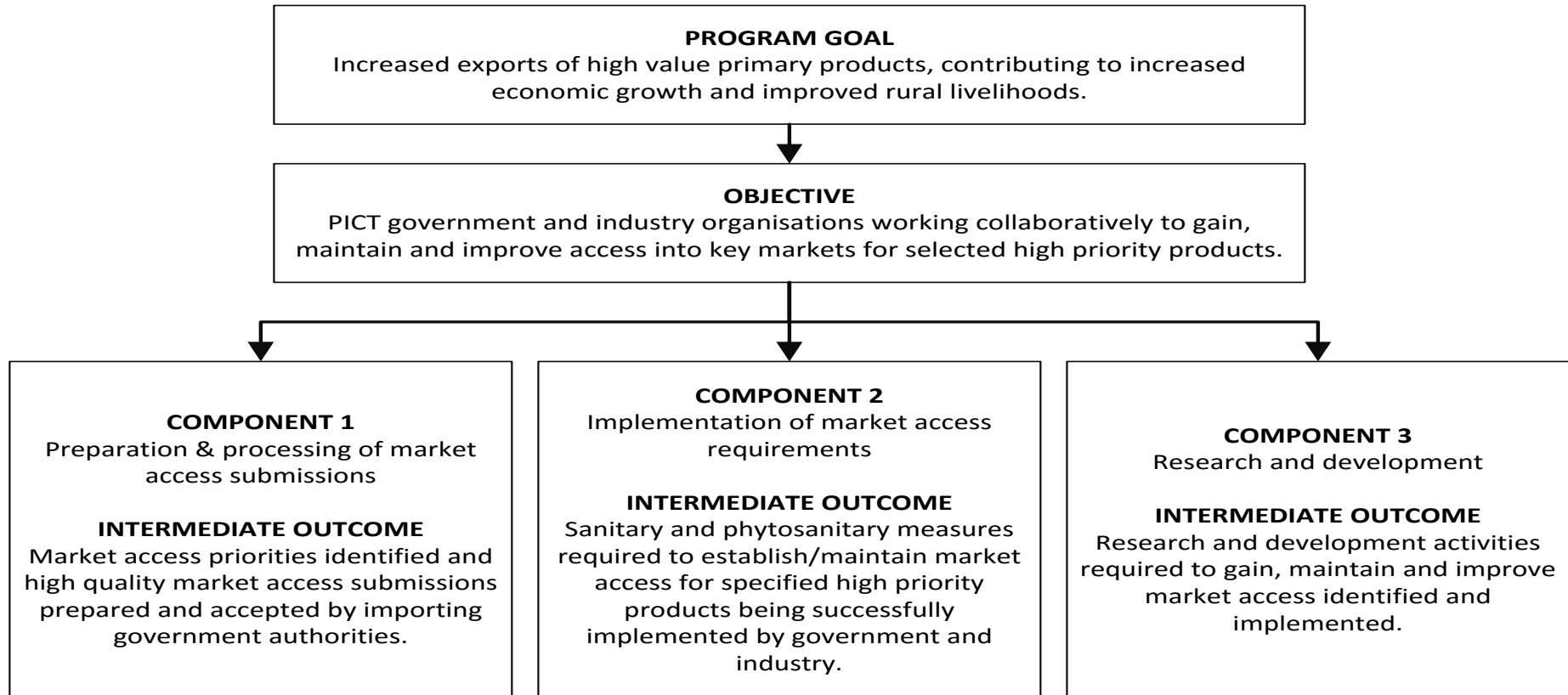
The Contractor will deliver the following reports to DFAT:

	<b>Description</b>	<b>Format</b>	<b>Qty</b>	<b>Due date</b>
(a)	Evaluation Plan	Electronic submission to DFAT  Meeting with DFAT to discuss the plan	1	By 25 March 2015  or  5 days prior to the country visit
(b)	Aide Memoir	Electronic submission to DFAT  Meeting with DFAT to discuss the country visits	1	By 22 April 2015  or 3 days after the completion of the 3 country visits
(c)	Draft IER	Draft by Electronic submission in DFAT template	1	By 13 May 2015  Or

				10 days after the completion of the 3 country visits
(d)	Final IER	Electronic submission to DFAT	1	By 27 May 2015 Or 3 days after the receipt of DFAT Management Response
(e)	Power-point presentation on Findings and Recommendations	Electronic submission to DFAT	1	By 30 May 2015 or 3 days after the completion final IER

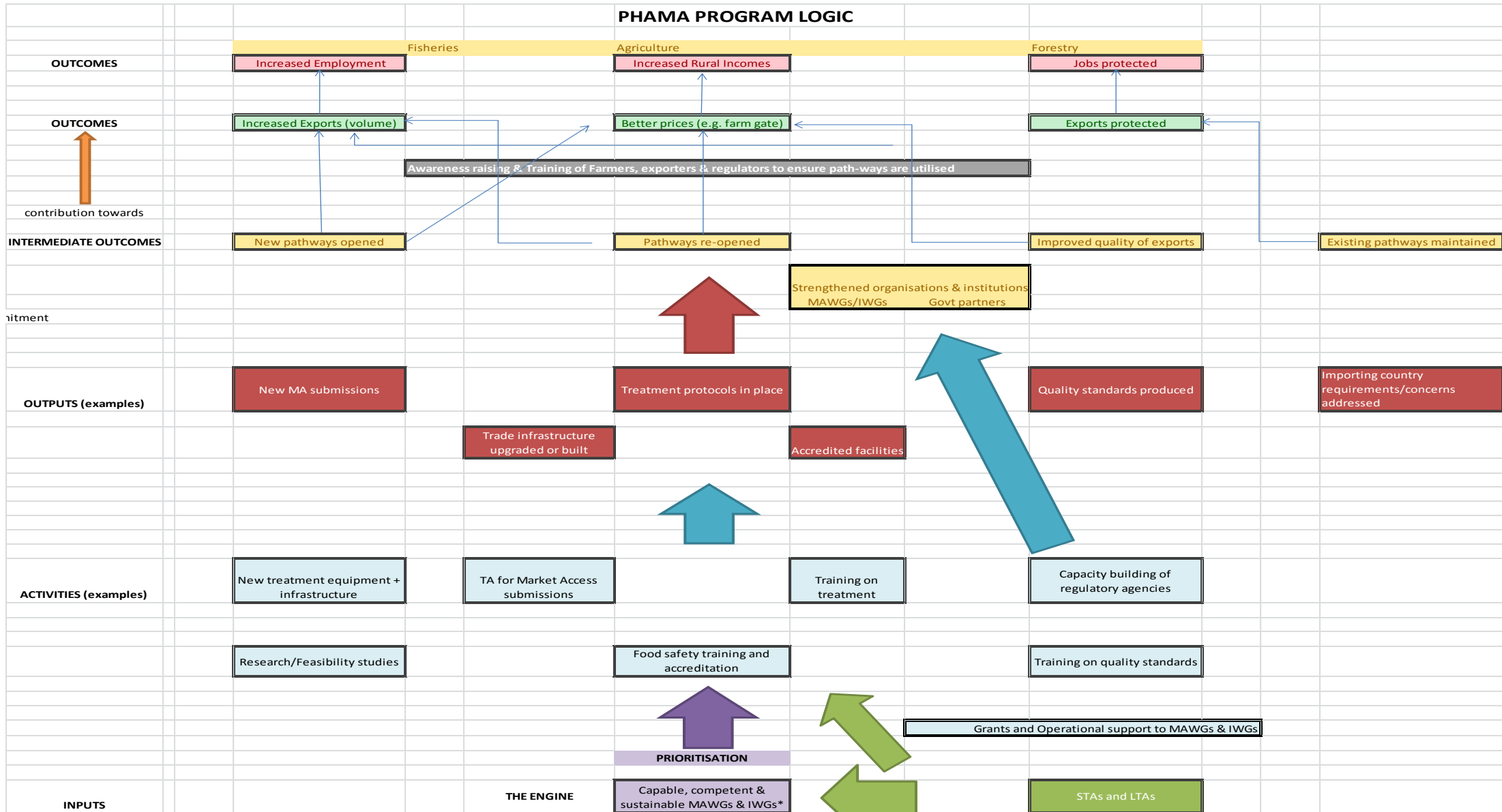
## TOR Annex 1: PHAMA Strategic Framework

From September 2015



## TOR Annex 2: PHAMA Program Logic

## PHAMA PROGRAM LOGIC



## TOR Annex 3: Key Reference Documents

### DFAT:

- A. Policy Documents
  - Aid for Trade Strategy
  - Private Sector Development Strategy
- B. PHAMA Document
  - PHAMA Design Document
  - PHAMA MERI Framework
  - PHAMA Monitoring and Evaluation Plan-February 2016 Update
- C. Quality Reports and M&E
  - Aid Quality Checks (PHAMA -2013/2014/*draft*-2015)
  - Partner Performance Assessments (AECOM and SPC)
  - Draft ODE Evaluation
  - Mid Term Review Report

### Managing Contractor:

- A. DFAT Gender Assessment
- B. Contract Documents
  - Statement of Requirements
  - Pricing Schedules
- C. Management Plans
- D. Annual/ Six Monthly Progress Reports
  - Annual Strategic Plan 2013/14
  - 6-monthly Progress Report 2013
  - Annual Strategic Plan 2014/15
  - 6-monthly Progress Report 2014
  - Annual Strategic Plan 2015/16
  - 6-monthly Progress Report 2015
  - Minutes from PCC Meetings 2013/2014/2015
  - Activity/Commodity Updates
- E. Paper:
  - Lessons Learnt on PHAMA
  - MAWGS and IWGS Sustainability Paper
  - PHAMA LRD Briefing Note (In Confidence)

### SPC:

- A. KALANG Report on BATS
- B. Grant Agreement
- C. 6-monthly progress report (2015)

Annex B: People and Agencies Consulted<sup>23</sup>

Name	Position
<b>FIJI</b>	
Rob Duthie	Technical Director (Kalang)
Guy Redding	PMO Team Leader
Dale Hamilton	PMO Deputy Team Leader (PNG, Solomon Islands, Vanuatu)
Bronwyn Wiseman	PMO Deputy Team Leader (Fiji, Samoa and Tonga)
Fiona Wyborn	PMO M&E and Communications Officer
Geoff Moyle	MC (AECOM) Contractor Representative
Stephanie Symon	Project Manager, international Development, AECOM
Dr Ken Cokanasiga	Acting Deputy Director Land Resources Division (LRD) SPC
Josua Wainiqolo	Biosecurity and Trade Facilitation Coordinator
Lesio Sauvara	MA Coordinator for PHAMA Component 4
Jodie McAlister	DFAT PNG
Jules Laka-Maliaki	DFAT PNG
Inoke Ratukalou	Director Land Resources Division SPC
Lori Banks Dutta	Planning Adviser Monitoring and Evaluation and Learning Strategic Engagement and Planning SPC
Zane Yoshida	Chief of Taki Mai Yaqona Grower
Vili Cariogo	SPC Pacific Agricultural Policy Program (PAPP)
Luke Simmons	DFAT Canberra
Solsitce Middleby	Ex DFAT Counsellor involved with PHAMA
Graeme Thorpe	Managing Director Balthan Western Ltd (MAWG member)
Sam	Exporter (MAWG member)
Maria Lailai Moi	Director, Bens Trading (Awarded Business Woman of the Year in 2013) MAWG Member Exporter
Ronald Titesh Prasad	Team Leader Trade Facilitation and Compliance Biosecurity Authority (MAWG member)
	Ministry of Agriculture Head of Agricultural Trading Unit (MAWG member)
Uraia Wabuta	Deputy Permanent Secretary Ministry of Agriculture
	Director of Extension Ministry of Agriculture
Michael Creesly	Trade Commissioner PT&I Auckland
Joe Fuavao	PT&I Auckland
Jeremy Grenell	Export Services Manager PT&I Sydney
Semy Siakimotu	Marker Access Adviser to PHAMA for Vanuatu and the Solomon Islands PMO
Lennard Powell	Technical Adviser and Office Manager, Kalang Consultancy Services LTD, Suva Office
<b>TONGA</b>	

<sup>23</sup> Summary Field notes have been provided to DFAT and MFAT in earlier drafts of this report and are available on request.

Semisi Fakahau	Tauelangi	Minister Ministry of Agriculture, Food, Forests and Fisheries (MAFFF)
Losaline Maasi		CEO MAFFF
Sintoni Iupo		Quarantine MAFFF
Pousima Afeaki		Chairman MAWG Manager Tinopai Farm Grower and Exporter
		Tonga MAWG Members
Vaimoana Taukolo		CEO Ministry of Commerce and Labour
Viliami kami		Head Quarantine & Quality Management Division (QQMD) MAFFF
Lamipeti Havea		Proprietor A&L Farming Game (Poultry), Vice Chair Tonga Market Corporation, Director TEQM, Director Growers Federation (GroFed) of Tonga, member Agriculture Growth Committee (AGC), Alternate for Establishment Board Eastern District Facility
(Tom) Tsutomu Nakao II		Executive Director Haámo Growers Co.Ltd, Director J.H. Nakao Holdings Ltd, Executive GroCom Ltd, Chairman TEQM (Tonga Export Quality Management Ltd Public Enterprise providing biosecurity compliance services) member Agriculture Growth Committee (AGC) and member GXN Growers Export Network forum.
Minoru Nishi		Managing Director Nishi Trading Co. Ltd. Chairman of GXN, and Vice Chairman of Mainstreaming of Rural Development Innovation (Tonga Trust)
Tevita Lautaha		CEO MAFFF, Chair of Establishment Board E. District Facility
Siutoni Tupou		Senior Export Quality Manager QQMD MAFFF
Jordan Green		(Observer) Second Secretary NZ MFAT
Dr. Pohiva Tutonetoa		Minister of Commerce and Labour, Police, Prisons and Fire Services
Hon Mr Poasi Tei		Minister of Public Enterprises
Sione Ákauóla		CEO of Public Enterprises
Mostyn Coleman		Facility Manager Interim Skills Development Facility (ISDF)
Paula Mosa ati		National Coordinator Tonga
Lilika Fusimaiohi		Senior Program Manager DFAT Tonga
<b>Solomon Islands</b>		
Andrew Sale		National Coordinator PHAMA based in Honiara
Andrew Piper		Timber Industry Adviser PHAMA based in Honiara
Moses Pelomo		Chairman Cocoa IWG, Chairman of KastumGadan, Past Chair of MAWG
Alfred Ramo		Cocoa IWG Chairman CEO CEMA
Patterson Siliota		Chief Produce Inspector CEMA Responsible for Cocoa testing laboratory
Bob Pollard		Managing Director Kokonut Pacific (Chairman Coconut IWG)
Mark Johnston		Implementation Adviser RDP
Gabriel Hiele		Component 2 (Agriculture) Manager
Silke Spier		First Secretary Economic and Governance DFAT SI
Collin Potakana		Senior Program Officer DFAT SI
Peter Creaser		DAWR Australia
Glynn Maynard		DAWR Australia
Nick Nolan		DAWR Australia
Francis Tsatsia		Co-Chair MAWG Director Biosecurity Ministry of Agriculture



Ethel Mapolu	Seafood IWG member Environment and Health unit, Ministry of Public Health
Patricia Soqoilolo	Seafood IWG member Environment and Health unit, Ministry of Public Health
Richard Markham	ACIAR Program Manager
Rodd Dyer	ACIAR Program Manager
Stephen Wong	General Manager Pacific Export Alliance Group Ltd. Vice Chair SITPEA
Julius Horia	Director Timber Utilisation Unit Ministry of Forestry
Stephanie Rikoi	Chief Forest Officer Utilisation Unit Ministry of Forestry
Mathew Carter	Timber Importer President of NZ Imported Tropical Timber Group (ITTG)
Adrian Wickham	Managing Director Soltuna LTd. MAWG member
Samantha Maike	Export Industry Development Officer SI Chamber of Commerce and Industry
Donnalee Vozoto	Director Marketing Unit Ministry of Commerce
Jacob Gala	Deputy Director Industry Unit Ministry of Commerce
David Junior Kebu	Cocoa Farmer (won award in Paris for cocoa beans)

## Annex C: List of Documents Used

### DFAT

- Australian Aid: Promoting Prosperity, Reducing Poverty, Enhancing Stability, June 2014
- Making Performance Count: Enhancing Accountability and Effectiveness of Australian Aid, Nov. 2014
- Strategy for Australia's Aid for Trade Investments, July 2015
- Strategy for Australia's investment in Private Sector Development, October 2015
- Aid for Trade Evaluation, ODE, February 2016
- Annex 5 Gender and DFAT, undated

### MFAT

- New Zealand International Policy Development Statement, March 2011
- New Zealand Aid Program: Annual Strategic Plan, 2015-2019

### Program and Reporting Documents

- PHAMA Design Document and Scope of Services Contract 57777
- Aid Quality Implementation Report, March 2014
- Quality Aid Check for 2014, May 2015
- Partner Performance Assessment for 2014, May 2015
- PHAMA Mid-Term Independent Review, May 2013
- PHAMA MERI Framework Final, May 2014
- PHAMA Monitoring and Evaluation Plan Update, February 2016

### Managing Contractor

- PHAMA Annual Strategic Plan 2014-2015, June 2014
- PHAMA Annual Strategic Plan 2015-2016, June 2015
- Six-Monthly Progress Reports for 2013 and 2015
- Minutes of the PHAMA Program Coordination Committee Meetings 2013/2014/2015
- PHAMA LRD Briefing Note (confidential), undated
- PHAMA Lessons Learnt, March 2106
- Commodity and Activity updates for Fiji, Samoa, Solomon Islands, Tonga, Vanuatu
- PHAMA Fact sheets
- Framework and Sustainability Roadmaps for Tonga (March 2016), Samoa (December 2015)
- Qualitative Impact Case Studies, L. Voight, August 2013

- Qualitative MAWG Case Studies and Summary, August 2013
- Gender Analysis of the Cocoa Value Chain in Samoa, P. Schoeffel and E. Ainuu, March 2016
- Cocoa and Coconut in the Solomon Islands: a Family Affair, A.Laven, KIT, November 2015
- Recommendations for the Cost Effective Delivery of regional Market Access Services to PICTs as Part of the Regional PHAMA Program under SPC, Kalang 19 May 2014.

**Others**

- Trade and Gender: Exploring a Reciprocal Relationship, M. von Hagen, GIZ, 2014
- Gender and Agricultural Markets, World Bank, Module 5, undated
- Pacific Island Nations: How Viable are their Economies? Pacific Island Policy 7, East-West Centre, F.X. Hezel jr., 2012
- Making Markets Work for the Poor, SIDA, October 2013
- Performance review of the Land Resources Division of the Secretariat of the Pacific Community, November 2015
- Land resource Division Annual Report, 2013 and 2014
- Agricultural Value Chain Guide for the Pacific Islands, Koko Siga Pacific, A. McGregor and K. Stice, May 2014
- Fiji Fruits and Vegetables: Indicators of Market Demand and Associated Cultivation Conditions for Varieties of Fruits & Vegetables, International Trade Centre, 2014