

Connecting with Partners for Transformational Change in the Pacific





Annual Report 2010

UNDP Pacific Centre

Connecting with Partners for Transformational Change in the Pacific



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ADB Asian Development Bank

AusAID Australian Agency for International Development BCPR Bureau for Conflict Prevention and Recovery

BDP Bureau for Development Policy

CEDAW Convention on the Elimination of All Forms of Discrimination Against Women

CO Country Office

CPR Conflict Prevention and Recovery

CROP Council of Regional Organisations in the Pacific

CSO Civil Society Organization
DRM Disaster Risk Management

FRSC Forum Regional Security Committee FSM Federated States of Micronesia

HIES Household Income and Expenditure Survey

LDCs Least Developed Countries
MCO UNDP Multi-Country Office
MDG Millennium Development Goal

OHCHR Office of the High Commission for Human Rights
PACER Pacific Agreement on Closer Economic Relations

PFIP Pacific Financial Inclusion Programme

PICs Pacific Island Countries

PIFS Pacific Islands Forum Secretariat

PIPSO Pacific Islands Private Sector Organization

PNG Papua New Guinea

PRNGOs Pacific Regional Non-government Organisations

RCB Regional Centre Bangkok
RMI Republic of the Marshall Islands

SOPAC South Pacific Applied Geosciences Commission

SPC Secretariat of the Pacific Community

SPREP South Pacific Regional Environment Programme
UNAIDS United Nations Joint Programme on HIV/AIDS
UNCAC United Nations Convention Against Corruption
UNDP United Nations Development Programme
UNIFEM United Nations Development Fund for Women

UNFPA United Nations Population Fund USP University of the South Pacific

Message from the Pacific Centre Manager

This is our fifth official annual report from the UNDP Pacific Centre. I hope that you will find it informative, but most of all I trust you will recognize that none of our work has been possible without the commitment and support of a range of partners. They include those who have provided us with funding as well as those with whom we have worked closely to implement our work programme in 2010. In line with UNDP's global strategy, the Pacific Centre continues to strive to connect with partners for transformational change in the Pacific.

The Centre, which is based in Suva, Fiji, has dual responsibilities: (i) to provide technical and advisory support to the UNDP Country Offices of the Pacific; as well (ii) to deliver a range of initiatives designed to support the region's Pacific Plan objectives of inter-country cooperation and integration. The four key pillars of the Centre's work continue to be MDG Achievement and Poverty Reduction that include HIV and AIDS and Environment and Energy; Democratic Governance; Crisis Prevention and Recovery; and Financial Inclusion.

A key challenge for us always is to show results and to ensure what we do has an impact on the lives of the people in the Pacific. We continue to try and improve in this area and to find ways to report effectively on our contribution to bringing about change and advancement while reflecting on the need to build capacity and local ownership.

In 2010 there emerged significant support for financial inclusion in the Pacific that will see this joint UNCDF and UNDP programme expand its reach and scope of work in areas such as mobile money, promoting savings and financial literacy. It will also be the largest of the four pillars in terms of resource use. A key aspect of the work of the Pacific Financial Inclusion programme is its work with Central Banks to develop policies and regulations that enable a broad range of financial service providers to reach low income clients. It has also helped build public-private partnerships with government, central banks, commercial banks and mobile network operators to broaden the reach of financial services offered in the region. It is well on target to see an additional 250,000 people – of whom most are among the poorest in the region – become participants in the finance sector.

Crisis prevention and recovery, a pillar that combines support for the prevention of conflict as well as ways to reduce the risks of disasters. This was the second biggest programme area for the Centre in 2010. Under this pillar a community of practice has been established to address regional and national issues of peace and development and for building the capacity in a number of countries of governance institutions to oversee and manage security institutions. Both these initiatives required careful planning and coordination with a diverse range of partners and considerable patience as such issues are sensitive and often difficult to confront. In the area of disaster risk reduction, the Centre led the establishment of an innovative South-South project that has seen exchanges and knowledge sharing between the Caribbean and the Pacific. This work, as well as support for specific initiatives on climate change, has attracted international attention.

In the area of Democratic Governance the Centre, in partnership with UNODC, held an information exchange among Pacific Island countries on the value of UNCAC. While this exchange occurred only in July 2010, there already positive signs that at least three countries will move towards ratification in 2011 – if this happens these countries will join PNG, Palau and Fiji, which have already ratified UNCAC. Support to Pacific Parliaments has steadily borne fruit and demonstrates the strength of UNDP's work at

both national and regional levels with a network of national projects and a regional platform of support. Working with the Commonwealth Parliamentary Association – Australia Region, the Centre helped mobilize financial support and a twinning arrangement to more sustainably assist the Parliaments of Kiribati, Tonga and Tuvalu. The Centre has also played a strong and visible role in advancing the role of women through the development of tools and knowledge products to facilitate law reform (e.g. CEDAW indicators, drafting instructions for human rights-based legislative reform); support for Pacific CSOs' engagement with international human rights mechanisms; and to advocate for the adoption of temporary special measures to promote gender equality in Pacific parliaments.

For the MDG and Poverty pillar, support was provided to countries in the Pacific as they seek to make progress under the MDG's; in addressing poverty and increasing disparities and marginalization in the community; the more efficient use of energy and better environmental outcomes; and ways to prevent the further spread of HIV and AIDS in the Pacific. Much of the work under this pillar demands a multi-sectoral approach that has most impact when tailored for specific country needs. The Centre supported the UNDP country offices and UN agencies in the staging of the Pacific Conference on the Human Face of the Global Economic Crisis that was held in Vanuatu in February 2010. The outcomes of this conference were considered by Pacific Leaders at the 39th Forum Leaders meeting and were captured in Pacific positions expressed during the global Summit in September 2010. Environment and Energy issues have taken on even greater importance in the Pacific with the spike in fuel prices in 2009 and increased focus on climate change. Ground breaking research has been undertaken to strengthen Fiji's response to HIV and AIDS.

For the Centre, 2010 has also been a year of review and reflection. The Centre's work was reviewed as part of the mid-term review of the Asia Pacific Regional Programme. There has also been a follow up to a 2009 review of the Asia Pacific regional centre architecture that included amongst its recommendations that there was a need for the operations of the Fiji Multi-Country Office and the Pacific Centre to be better integrated. The contractual arrangements for more than half the international staff in the Centre also changed and this required an adjustment and complete re-recruitment exercise for 10 posts.

The Pacific Centre is now one of two in Asia Pacific. The Colombo Centre closed in 2010 through an amalgamation with the large Centre in Bangkok. While the Bangkok Centre team is expected to support activities for all of the Asia and Pacific region, the Pacific Centre has a specific mandate to support UNDP's work in the Pacific island countries. The regional network together with access to global knowledge and experience ensures that UNDP, through its country offices, is able to provide well considered advice and support.

In conclusion I would like to express my appreciation to the Centre's many partners and supporters, to our colleagues in New York, Bangkok and the UNDP Pacific country offices and especially to the team in the Pacific Centre who worked tirelessly throughout 2010.

Enabling Environment for Change

Economic Trends in the Pacific

Pacific economies continued to suffer from the impact of the global economic crises, with little or no signs of recovery. Actual growth rates of GDP in 2009 and updated estimates for 2010 fell below last year's forecasts in most Pacific countries, with very modest exceptions for Samoa, Palau and Tuvalu. Growth in Solomon Islands, on the other hand, has significantly exceeded 2009 forecasts due to a rise in commodity prices, and consequently, a significant increase in exports.

The average growth rates for the region as a whole (3.7% and 4.3%) were higher than forecast (2.8% and 3.7%) for both 2009 and 2010 respectively, due to positive growth in PNG, Solomon Islands and Timor Leste. GDP real growth rates in Vanuatu were slightly disappointing, 3.8% for 2009, lower than the forecast 4.0%, and 4.0% for 2010, lower than the forecast 4.6% despite the increase in exports — mainly copra, coconut oil, timber, kava and beef—resulting in improvement in merchandise trade and current accounts balances. ADB's optimistic forecast of 5.5% GDP real growth for 2011 is primarily due to the performance of these same resource-driven economies. According to ADB, 2010 estimated growth rates for Fiji and Tonga are negative (-0.5% and -1.2%, respectively). Meanwhile, Kiribati, RMI, FSM, Palau, Cook Islands and Samoa, all of which have experienced negative growth in 2008 and 2009, are out of negative territory, yet growth remains weak, averaging around 0.5%. The negative growth rates in 2009 were not exclusive to the Pacific. The global economic crises pushed the growth rate of many developing countries and LDCs in Asia into negative in 2009, including Armenia (-14.2%), Georgia (-3.9%), Hong Kong (-2.8%), Maldives (-3.1%), Cambodia (-2.0%), Malaysia (-1.7%), Singapore (-1.3%) and Thailand (-2.2%). All these countries showed some signs of recovery in 2010, recording positive estimated growth rates.

Weak performance of tourism, a traditional source of growth in the Pacific, persists during 2010, as modest increases in tourist arrivals in some Pacific countries were offset by substantial price discounts, as in the cases of Fiji and Vanuatu. According to the national bureau of statistics in Samoa, the contribution of the hotel and restaurant sector to GDP experienced negative growth of -23.4 % and -20.2% (in real terms) in the first and second quarters of 2010 respectively. The slight improvement in the estimated real growth rate of GDP for 2010, 0.5 %, in comparison with -0.8 % in 2009, was due to post-tsunami reconstruction and, surprisingly, a considerable boost in manufacturing output, particularly food and beverages, during the first two quarters of 2010. Furthermore, remittances, development assistance and agricultural exports failed to show any major signs of recovery sizable enough to reverse the worsening trends of economic growth.

Meanwhile, inflationary pressure due to international high energy and commodity prices continues threatening to increase poverty levels, as real incomes decline throughout the region. The estimated average inflation rate for the region as a whole, according to ADB ADO 2010, is estimated at 9.5%, 5.4%, 5.9% and 5.4% in 2008, 2009, 2010 and 2011, respectively. ADB (ADO 2010) reports that in Fiji, the removal of some price controls pushed inflation up to 10.5% (year on year) in April 2010. According to ADB current account projections for 2010, akin to 2009, all Pacific economies including PNG and Solomon Islands record large current account deficits with the exception of Cook Islands, which had a very modest surplus, and a surplus for Timor Leste that is sizable enough to influence the current account position for the region as a whole. The economic trends continue to remind us of the vulnerability and fragility of the economic structure in most Pacific Islands.

Poverty and Vulnerability Trends

The incidence of extreme poverty, those living below the food poverty line is relatively low, averaging around 7% of households and 10% of the population for the region as whole. For Palau, the incidence of food poverty is estimated at zero, in Kiribati, Samoa, Tuvalu, Vanuatu and Tonga, the level of incidence is estimated at approximately 5-7% and it is estimated at between 10-12% in FSM, Fiji and Solomon Islands. Only in PNG and Fiji is the level of extreme or food poverty becoming a serious concern. Evidence suggests that serious hardship, hunger and malnutrition, although not widespread not only exist, but are increasing. This conclusion is supported by an analysis of household income using the World Bank's estimates of PPP for non-ICP countries in the Pacific, which also suggests that the incidence of extreme poverty (less than US\$1.25 per capita per day) is low.

Meanwhile, the proportion of the population under the basic need poverty line as well as different forms of hardship are quite high and rising throughout the Pacific. The results from Fiji's 2008-09 Household Income/Expenditure Survey (HEIS) are not yet available. Narayan (2009), however, estimates poverty in Fiji in 2008 to be around 40%. Samoa's 2008 HIES reveals that around 37% of total household expenditure is on food. It also shows that lowest income percentile receives only 1.9% of total income, while the highest income percentile receives nearly 40% of total income.

All Pacific countries, with the exception of Vanuatu, are net food importers. Furthermore, large segments of the population in the Pacific are net food buyers, not only in urban areas, but also in many parts of the rural areas. The most vulnerable populations in urban areas are generally those who live in squatter settlements surrounding capitals. The impact of the financial crisis on nutrition and hunger, particularly among children, are increasing concerns for the urban poor. Meanwhile, in rural areas, the thin line of support that subsistence farmers or fishermen had in order to obtain cash, was seriously diminished. Atoll countries are exceedingly vulnerable to food insecurity. They are affected by the impacts of volatile international food and energy prices due to inherent resource limitations, particularly productive land resources, in addition to geographic remoteness and isolation that increase transaction costs, such as cost of shipping and communications. Recent Household Income/Expenditure Surveys currently underway in several PICs may demonstrate that the presumption that hunger is not a pressing issue in the Pacific is no longer valid. Higher expenditures on food and fuel have reduced expenditure on health and education and have squeezed expenditure that might otherwise have been used for agricultural inputs, such as better seeds, fertilizers and tools, to expand food production.

It is estimated that at least 6.44 million people in the Pacific are potentially vulnerable to the impacts of the global economic crisis – defined here as women, children under 15 years of age, and people over 60 years of age – or 67 per cent of the current total Pacific population of 9.68 million. These numbers could be higher if the jobless and those struggling under debt burdens are included. Of those affected, the ADB estimated that 50,000 would join those already living below the poverty line in 2010, because of the crisis.

Expansion and Outreach in the Financial Sector

The increasing monetization of Pacific economies is placing an ever greater burden on Pacific Islanders to earn, manage and save cash resources. Earning money remains a challenge throughout the Pacific. However there has been significant progress in assisting others in managing, moving, and saving cash resources.

The financial sector remains dominated by three banks in the region. Banking remains a profitable enterprise throughout the region and recent studies on fees and interest rates have shed light on the relative high cost of banking here. However, there have been efforts to reduce costs and improve access to communities. It started with the Bank of the South Pacific of PNG finalizing its takeover of Colonial Bank in Fiji as part of its strategy to compete regionally with Westpac and ANZ banks of Australia. In several countries the three banks have introduced interoperable ATM machines. BSP took the World

Bank Group's International Finance Corporation as an investor and created BSP Rural in PNG, a wholly owned subsidiary charged with providing appropriate deposit services in rural PNG using technology and streamlined branches and agencies to be cost effective. Westpac Bank piloted a point-of-sale (POS) based deposit and withdrawal service to enable Westpac account holders to deposit or withdraw funds with any Westpac POS merchant. This is part of a new Westpac regional strategy to move from primarily a corporate bank to a full service retail bank. Its efforts have included a large investment in financial literacy training of new clients. ANZ continues its Rural Banking programme in three countries and is developing a regional microfinance strategy.

In June and July 2010, two mobile network operators (MNOs) in Fiji launched mobile money services to facilitate domestic person-to-person payments at a far lower cost than existing services. In the first six months of the services, Vodafone and Digicel have registered over 300,000 customers – a third of the population of Fiji. Both are beginning to pilot new services including utility payments and have begun expanding their agent networks into more rural areas of Fiji. Digicel has announced its intentions to launch in several other countries in early 2011.

Microfinance institutions play a minor role in the region except for PNG and Timor-Leste, where the MFIs are fairly large deposit-takers. In Timor-Leste, PNG and Fiji, central banks have begun developing regulations to enable them to better oversee the work of MFIs. Samoa's South Pacific Business Development (SPBD) expanded operations into Tonga, rolling out in dozens of villages and reaching thousands of women with small loans, then opened its doors in Fiji in late 2010. Each of these efforts marks a significant shift from the past, and the beginning of a "Pacific solution" to financial services for the poor is emerging through the efforts of these regional companies.

Political Developments

Elections were held in four Pacific Island countries in 2010. In Solomon Islands, Tuvalu and Cook Islands, the elections resulted in the installation of new Governments. In Solomon Islands a new coalition government with a narrow majority came to power. Tonga witnessed historic elections in November 2010, when the first parliament was elected following major constitutional reforms. For the first time, seventeen members of the Legislative Assembly were elected by ordinary people or commoners, while nine members continued to be elected by Nobles. Two additional Members of Parliament were subsequently appointed by the King as Ministers.

In Vanuatu, a series of no confidence motions and the subsequent shift in the Government's coalition partners resulted in the election of a new Speaker in the January 2010 session of Parliament. In November 2010, a no confidence motion was again flagged and a subsequent change in coalition partners resulted in the formation of a new Government. In Nauru, a referendum was held in February 2010 proposing a range of governance reforms. The referendum was unsuccessful. Following the long political impasse in which the Government twice called elections to resolve the resulting stalemate and declared a state of emergency, a Government was finally formed. A number of priority parliamentary reforms have since been flagged by the Government.

In Papua New Guinea, after eight years, the Supreme Court struck down key sections of the Organic Law on the Integrity of Political Parties and Candidates (OLIPPAC) in July 2010. OLIPPAC was seen to be a key factor in the stability of recent PNG governments, as it restricted the ability of individual MPs to cross the floor in no confidence votes. The Government indicated it would review the law and make amendments as necessary. A no confidence motion was immediately flagged by the Opposition, but Parliament was subsequently adjourned. The Opposition has since taken the Speaker of Parliament to Court on the basis of his ruling on their motion. In November 2010, another no confidence motion was flagged, but it was not tabled. In December 2010, in advance of an expected referral to a Leadership Tribunal under the Leadership Code, Prime Minister Somare stepped aside and his deputy, Hon Sam Abal, became Acting Prime Minister.

In December 2010, President Tong of Kiribati and his Government survived a motion of no confidence lodged by the Opposition on the last day of the sitting of Parliament. As the year came to a close, on 22 December Tuvalu's Parliament was dissolved after a successful no-confidence motion against Prime Minister Maatia Toafa. It is not known when Parliament will meet again, or who will form the new Government.

In Fiji, the Interim Government which came to power following the December 2006 coup continues in control. Fiji's diplomatic relations with a number of countries in the region remains strained. The country's Public Emergency Regulations remain in place. In June 2010 the Government passed a Media Industry Development Decree, which has been criticized by media freedom advocates. The Decree, which requires national ownership of all media outlets, resulted in the forced sale of the Fiji Times. In July 2010, the Fiji Government organized an "Engaging Fiji Meeting" attended by leaders and senior officials from 10 Pacific island countries. The meeting was convened following a decision by the Melanesian Spearhead Group (MSG) to postpone its own meeting in Fiji due to concerns raised by the Vanuatu Prime Minister over Fiji chairing the MSG. The impasse over Fiji's chairing has only recently been resolved.

Governance matters continue to be a major challenge in the region. In March 2010, concerns were raised by anti-corruption advocates about proposed changes to the PNG Constitution to limit the powers of the PNG Ombudsman Commission, a strong national anti-corruption body. It was reported that more than 5,000 Papua New Guineans rallied in Port Moresby to protest against the proposed amendments after they were tabled in Parliament, and submitted a petition of 20,000 signatures against the amendments. The amendments were not passed. In November 2010, the Vanuatu Parliament passed a Bill approving the ratification of the UN Convention Against Corruption (UNCAC). If and when the Executive ratifies UNCAC, Vanuatu will become the fourth Pacific Island country todo so. Significantly, the new UNCAC Review Mechanism commenced in July 2010, and both Fiji and PNG were chosen to be in the first group of countries to complete a self-assessment of their compliance.

Internal tension within the media industry in the Pacific resulted in the split of the Pacific Island News Association (PINA) with the formation of a new regional media association called Pasifica Media Association (PasiMA) based in Apia, Samoa and chaired by the Samoa Observer newspaper publisher.

Energy and Environment

During the Forty-first Pacific Islands Forum in Vanuatu Leaders endorsed the new Framework for Action on Energy Security in the Pacific and reaffirmed their commitment to renewable energy and an energy efficient future based on achievable, practical and voluntary targets. From 1 January 2010 SPC took over from SOPAC as the lead coordinating CROP agency on energy. This includes being the focal point for development partner interaction and coordinating resource mobilisation and allocation for the delivery of regional energy services. The Forum Leaders reiterated that '...climate change remains the greatest threat to the livelihoods, security and well-being of the peoples of the Pacific' and called for a meaningful legally binding agreement on emissions reduction to be reached urgently and without delay. Furthermore the leaders recognized the importance of effective coordination and implementation of climate change adaptation and mitigation efforts at all levels, and particularly at national level.

Building Resilience, Addressing Vulnerabilities and Catalyzing Change

Key Highlights from the Crisis Prevention and Recovery Team

Strengthening Capacities for Peace and Development (CPAD)

The Strengthening Capacities for Peace and Development (CPAD) project has had a highly successful year in opening up and sustaining a dialogue process in Fiji, and supporting a wide range of Pacific civil society organizations to engage more effectively in peacebuilding. The project has gained recognition as a community of peace practitioners. As much of the energy of CPAD has been focused on Fiji, in 2011 it will focus on getting the same level of traction and support in the wider Pacific region.

In May this year, over 50 participants from regional CROP agencies, Bougainville, Fiji, Papua New Guinea, Solomon Islands and Tonga representing governments, non government organizations, private sector and development partners, attended the 10-day CPAD induction workshop. The Pacific Peace Community of Practice was launched as the main workshop outcome.

In Fiji, a workshop on resource-based conflicts was organized by the Prime Minister's Office and the UNDP Pacific Centre. The policy recommendations drawn up by participants from the workshop were presented to the Deputy Secretary Prime Minister's Office for consideration. Also in Fiji, UNDP convened a meeting between Government and the CSOs that were participants at CPAD regional workshop. This was the first time since the events of December 2006 that senior Government officials and CSOs had met to discuss how best to collaborate on development issues. The workshop provided a neutral space for deep and honest discussion on the current political, economic and security environment.

Under CPAD, a total of 12 small grants have so far been awarded to CSOs in the region.

Two short films were produced to begin to capture the approach and types of peacebuilding activities that CSOs are undertaking, as the first volume of a planned series of films entitled Pacific Stories on Strengthening Capacities for Peace and Development.

Project on Engaging Marginalised Youth

The Regional Initiative on Engaging Marginalized Youth was developed by PIFS and the UNDP Pacific Centre in collaboration with UNFPA, UNICEF, ILO, UNESCO, SPC, and PYC following from the recommendations of the 2009 Forum Regional Security Committee (FRSC) meeting. The research phase of the youth initiative began in June this year entailing country case studies in Tonga, Samoa, Papua New Guinea, Solomon Islands, Federated States of Micronesia and Republic of Marshall Islands that are nearing completion. The final publication will be presented to the FRSC in June 2011.



Building Momentum for Peace and Development in the Pacific

What does a nun from Bougainville, a former Malaitan rebel, a senior Fiji government official and a Tongan CSO representative have in common? They all are now engaged in various peace building activities at the community or national level and have been brought together in a regional project, CPAD. Strengthening Capacities for Peace and Development, or CPAD is a regional project supported by the UNDP Pacific Centre. Its objectives are to strengthen the cadre of peace practitioners from the Pacific through skills building interventions, up-scaled policy interventions, the regional sharing of good practices and effective conflict prevention and peace building mechanisms suited to the Pacific.

Some 50 government, civil society representatives and members of the academia from Bougainville, Fiji, Papua New Guinea, Solomon Islands and Tonga discussed the root causes of conflict and designed responses to address conflict and strengthen peace during a regional CPAD induction workshop in May 2010, when the project was implemented. Solomon Islander Simon Mannie, a former civil servant turned rebel and now working for a local CSO, Sycamore Foundation, which works on reconciliation, was part of the CPAD workshop.

"One of the key things I learnt through this workshop is the way in which a consultative policy development process can help address the contributing factors of conflict. As highlighted during this workshop, it is important also that the individual, the community and the institutions link together and work for peace building," said Simon.

During the induction workshop, regional and national priority activities were identified, most of which are being implemented. One such example is a workshop addressing resource based conflicts in Fiji that took place in September. The workshop discussed the management and mitigation of resource based conflict and after four days of reviewing the existing challenges, participants made up of government officials, CSO members and the private sector developed a set of policy recommendations. These focused on strengthening the mechanism for implementing the rural integrated framework, empowering Divisional Commissioners to develop development plans and the use of traditional and local knowledge, building the capacity of resource owners to grow their investments and advocating for an enabling environment that will recognize women's legal inheritance rights.

Deputy Secretary Prime Minister's Office Filimone Kau who has been involved in CPAD since its inception, said at the closing of the workshop that the government looked forward to "creating stronger partnerships with civil society organisations and private sector to ensure an integrated approach to development".

Associated with CPAD is a small grants mechanism through which CSOs which are part of CPAD are given grants to implement peace building activities. One activity to benefit from such funding is the Sycamore Tree Project which organized a dialogue symposium in Honiara in October 2010 in partnership with the Prison Fellowship Solomon Island and with the support from RAMSI, UNDP and Solomon Islands Government through the Ministry of Peace Unity and Reconciliation. The three day conference, attended by 70 people, raised awareness about the reconciliation processes being carried out by Sycamore Program; reconciling victims and offenders within prisons and community. Several high level government officials participated including the Deputy Prime Minister Hon Manasseh Lelanga, the Attorney General Billiy Titiulu, Commissioner of Police Peter Marshall, Commissioner of Correctional Services of Solomon Islands, Francis Haisoma and the Commandant of Rove Central Prison Ian Brough. CPAD members together form the Pacific Peace Community, a vibrant virtual space on which they share their experiences and consult each other on the peace building challenges they face.

Security Sector Governance

Since the FRSC in June 2010, UNDP and PIFS have initiated consultations to develop a set of Pacific SSG principles that will be presented to the 2011 FRSC and possibly PIF Leaders meeting.

The Pacific Centre worked with FemLINKPACIFIC, Secretariat of Pacific Community (SPC), PIFS and UNDP PNG to secure regional and global mandates to further implementation of UN Security Council Resolution 1325: Women, Peace and Security in the Pacific region. In June the Forum Regional Security Committee called on UNDP to take the lead on this Security Council Resolution and convene a regional process, with high level backing of the UNDP Administrator. This proposal was also supported in the outcome statement of the 11th Pacific Women's Triennial Conference convened by SPC in August 2010.

In Papua New Guinea the Government, with technical assistance from UNDP and PIFS, organized a planning workshop to consider options for a national security policy.

Addressing Gender-Based Violence in Conflict Situations

The CPR team developed a partnership with UNDP Papua New Guinea and UN Partners for Prevention: Working With Boys and Men to Prevent Gender-Based Violence to undertake research on engaging men and boys in post-conflict Bougainville to help prevent gender-based violence. Buy-in was secured through a consultative process, and qualitative research protocols developed.

South-South Project

An inter-regional south-south project was launched in 2010 to share southern solutions in the area of disaster risk management and climate change adaptation among SIDS countries in the Pacific and the Caribbean regions. Full funding for the project was secured from the UNDP's Special Unit for South-South Cooperation and from the UNDP-Japan Partnership Fund. Highlights to date include an exchange visit by a group of Pacific Islanders and one Maldives representative to four Caribbean countries to view best practices and technologies suited to SIDS, such as a flood early warning system in Jamaica, tsunami modeling undertaken by Barbados' coastal zone management unit, and a seismic monitoring station in St. Lucia.

Gender and DRM

An introductory training package on gender, disasters and climate change was developed by a CPR programme specialist and delivered on request in Fiji, Tonga, Samoa and Solomon Islands. This was done in partnership with other UN agencies and national stakeholders, with substantial positive feedback gathered through evaluations. For 2011, follow-up training will be targeted in these same countries, based on aspects identified that require more in-depth focus in each country. Capacity for gender analysis and mainstreaming in disaster risk management at the country level was also strengthened by bringing an expert from the Caribbean for a closed training session with disaster managers from all Pacific islands.

Mainstreaming Disaster Risk Management

Under the auspices of the Pacific Disaster Risk Management Partnership Network, UNDP continued in 2010 to provide support to SOPAC to mainstream disaster risk management into planning and budgetary processes.

The Government of Fiji approved the first DRM Agriculture Strategy for Fiji, and UNDP is currently developing a three year programme to implement the strategy.

In partnership with SOPAC and UNDP PNG CO, the programme for mainstreaming DRM at provincial level was developed and approved by the Government of PNG. The programme includes the development of a DRM action plan with a pilot province. Morobe province was selected.



Pacific and Caribbean Team Up to Exchange Knowledge on Climate Change Adaptation and Disaster Risk Management

The vast Pacific Ocean, with island countries dotted across it, has many similarities with the Caribbean, where comparable small island countries populate the Caribbean Seas. Their geographical similarity also brings with them similar challenges, especially when it comes to adapting to climate change and preparing to better face natural disasters such as floods, cyclones, earthquakes, and tsunamis. Pacific Islanders and people from the Caribbean have developed their own coping and adaptation methods, but these two regions have had limited exchanges of common experiences. In the past most ideas were exchanged through chance meetings or as a result of someone stumbling across the information.

Exchanges between the two regions have started now through the project: "South-South Cooperation between Pacific and Caribbean Small Islands Developing States (SIDS) on Climate Change Adaptation and Disaster Risk Management". Put simply the project aims to encourage a systematic sharing of knowledge and experiences to strengthen community safety and resilience to a range of natural disasters in both

As part of this exchange project, a Caribbean delegation made up of five specialists was in Fiji in August to attend the Pacific Disaster Risk Management Partnership Network meeting from August 12 - 13, 2010. The Caribbean delegation's visit to Fiji had been preceded by an Asia-Pacific delegation's visit to the Caribbean. Six Pacific participants and one participant from the Maldives toured the Caribbean in July, meeting their counterparts and exchanging ideas and expertise during a visit that spanned four Caribbean countries: Jamaica, Cuba, Barbados and St Lucia. The two exchanges have been captured in the film "Looking South Across the Oceans: Promoting Cooperation Among Small Island Developing States" which was launched at the 5th Comprehensive Disaster Management Meeting held in Jamaica in December.

More inter regional exchanges will be facilitated through the project. The south-south project is coordinated by UNDP Pacific Centre, with extensive support from the regional UNDP programme Caribbean Risk Management Initiative (CRMI) and UNDP's sub-regional Centre in Trinidad and Tobago. Regional partners who are involved in the project's governance structure and who lead the implementation of various activities include the Caribbean Disaster and Emergency Management Agency (CDEMA), CARICOM Climate Change Centre (CCCCC) and University of the West Indies (UWI) from the Caribbean region. Key partners from the Pacific region include the Pacific Islands Applied Geo-Science Commission (SOPAC), South Pacific Regional Environmental Programme (SPREP), Secretariat of the Pacific Community (SPC) and University of the South Pacific (USP). The project is funded by UNDP's Special Unit for South-South Cooperation and by the UNDP-Japan Partnership Fund, with in-kind contributions from UNDP Pacific Centre from where it is coordinated.

Key Highlights from the Democratic Governance Team

Strengthening Transparency and Accountability

Building on the key achievement in 2009 when the Pacific Centre was able to help PNG develop its National Anti-Corruption Strategy, the Centre facilitated the participation of Palau, PNG and Solomon Islands in a UNDP Asia-Pacific Anti-Corruption Community of Practice Meeting. It was designed to build a better understanding of the new UNCAC Review Mechanism endorsed by States Parties in November 2010, and the usefulness of gap analysis and self assessments to the process. Since the meeting, Palau has begun an initial gap analysis and has requested technical support from the Centre with its self

In July 2010, the Pacific Centre, with the United Nations Office of Drugs and Crime and PIFS, and with the support of AusAID, organized a Pacific Meeting on Ratification and Implementation of the UN Convention against Corruption (UNCAC). The meeting was attended by senior officials from 10 Pacific Island countries and offered an opportunity for South-South exchange, with officials from Fiji, PNG and Palau - the only three countries which have already ratified UNCAC. A number of PICs have since taken concrete steps towards UNCAC ratification:

- The Vanuatu Parliament approved a Bill on accession to UNCAC in November 2010;
- The Tuvalu Government's Departmental Coordinating Committee has endorsed a proposal for ratification with a Cabinet paper now needed to be endorsed before accession;
- Cook Islands re-established its National Anti-Corruption Committee and revised its TORs to focus on UNCAC ratification.

The Centre has also supported work at country level to build capacity for social accountability. Using the on-going UNDP/UNCDF project on provincial government strengthening in Solomon Islands as an entry point, the Centre trained provincial officials and civil society representatives on participatory planning and social accountability tools to prepare them for the establishment of Provincial Development Councils (PDCs). PDCs will be established in all nine provinces to serve as the link between the Provincial Governments and local communities. They will be the mechanism for community participation in the identification and implementation of provincial development priorities. A similar approach is being pursued to mainstream social accountability in existing initiatives of UNDP and development partners at country level to strengthen demand for accountability from the ground up.

The Centre also continued to work with various development partners in the region to advance freedom of information (FOI) and freedom of expression (FOE) as a human rights issue through a number of initiatives. These include participation in the 2010 Global World Press Freedom Day, celebration of International Right to Know Day with the Media Association of Vanuatu, and technical support for a regional workshop on media freedom and human rights organised by the International Federation of Journalists (Pacific office) in Samoa. These initiatives continued to build awareness with policy-makers, civil society and the media of the value of the right to information, and the need to progress FOI legislation as a priority.



Putting Gender back on the Agenda

Gender was high on the agenda in 2010 in areas ranging from gender capacity building to the inclusion of gender specific elements in national legislations.

The year started with the UNDP Pacific Centre partnering with the Fiji Ministry of Social Welfare, Women and Poverty Alleviation to train civil servants in the area of gender, disaster risk management, and climate change adaptation. Fiji Red Cross Society, SOPAC and OCHA helped to design and deliver the training. All participants had experience in working in disaster risk management or with vulnerable communities. The training included practical exercises, such as those relating to Vulnerability Capacity Assessments (VCAs). VCAs are conducted by a community to identify and assess the potential hazards it faces. They also lead to better disaster preparedness.

Later in the year, UNDP staff members in the Samoa Multi Country Office and Solomon Islands Sub Office were separately trained on gender equality concepts and their application to UNDP's work. The gender workshops were led by the UNDP Pacific Centre Gender Focal Point Karen Bernard, and in the case of Solomon Islands in collaboration with the National Disaster Management Office, local partners, OCHA

They were conducted in a participatory manner and included role-playing exercises, participatory dynamics and quizzes with token prizes for for the winners . This approach was used to empower and motivate all staff to make constructive contributions to improving gender equality and addressing sources of potential resistance.

Speaking about the training in Samoa, Ms. Bernard said: "One of the workshop's main objectives was to explore strategies for achieving progress on gender issues in the Samoan context. While strong national cultures as found in Samoa must be treasured, at the same time UNDP's global Gender Equality Strategy notes that it is of immense importance that UNDP staffare sufficiently aware and self-critical to be able to embrace new values, attitudes, and practices."

The staff trained at these workshop discussed and brainstormed ideas about how to ensure greater gender equality in UNDP's projects, as well as in the office and in their daily lives.

"One of the insights they gained is the critical role that men can play in breaking with stereotypes and leading the way to a full recognition of women's contributions to social and economic life. They suggested there should be male facilitators for such workshops in future," said Ms Bernard.

In August, experiences from the Haiti earthquake were shared by UN ECLAC's Dr Asha Kambon. She was part of a Caribbean delegation visiting Fiji for the project "South-South Cooperation between Pacific and Caribbean Small Islands Developing States (SIDS) on Climate Change Adaptation and Disaster Risk



Management". Dr Kambon, an expert on integrating gender in disaster responses described the situation in Haiti in the aftermath of the earthquake when many women's small businesses and other livelihoods were destroyed. A significant number of young families were left without females caregivers, shifting the responsibilities to men.

In the area of gender equality in political governance, the Pacific Centre was active in supporting national and regional partners. The Pacific has the lowest number of women representatives in national parliaments in the world. Currently, Tuvalu, FSM, Solomon Islands and Nauru have no women at all in their national parliaments, while Vanuatu, PNG and Tonga have only one women MP each. (Tonga's was appointed to the legislature by the King.) The Pacific Centre has been working with the Pacific Islands Forum Secretariat (PIFS), in collaboration with UNIFEM, to assist countries develop and implement ways of promoting more women candidates and elected representatives.

In Papua New Guinea, the Centre continued to provide technical assistance in support of efforts to reserve 22 seats in the national parliament for women. However, this initiative was stalled by political developments there. In 2010, the Centre also supported PIFS to help Smaller Islands States (SIS) develop options for addressing the lack of gender balance in their legislatures. Technical assistance and advice was given for national workshops on promoting women in political governance. The Centre's Legislative Strengthening Specialist facilitated Tuvalu's national consultation. At its conclusion, Ms Saini Simona, Director of the Tuvalu Department of Women, indicated that the priorities identified would be progressed by the Department, in collaboration with other government and non-government partners.

"We strongly support introducing reserved seats for women as a short term, temporary measure so that women's voices are included in national decision-making forums. We are also focused on longterm strategies to ensure that women have the confidence and capacity to successfully run for open parliamentary seats in the future. We will work with the men and women of our communities to build support for women in decision-making," Ms Simona said.

In November 2010, delegations from seven Smaller Island States in the Pacific region came together in Nadi, Fiji at a sub-regional consultation organized by PIFS, with support from the Centre and UNIFEM. Delegations each shared their national priorities and agreed on a Regional Action Plan for Smaller Islands States to Promote Gender Equality in Political Governance. In 2011, PIFS will table the Regional Action Plan at the annual Smaller Islands States Meeting and will work with the Centre and UNIFEM to support countries to advance their priorities. PIFS will monitor implementation of the Regional Action Plan annually.



Pathways to Enhancing Accountability

Two Pacific Island countries are taking significant steps towards ratifying the United Nations Convention Against Corruption (UNCAC). This development occurred after the Pacific Meeting on the Ratification and Implementation of UNCAC, organised in July 2010 by UNDP Pacific Centre and the UN Office of Drugs and Crime (UNODC). It was attended by senior government officials from fourteen Pacific Island countries, as well as officials from the World Bank Stolen Assets Recovery Initiative, Pacific Islands Forum Secretariat, Commonwealth Pacific Governance Facility, European Union and UNDP Country Offices.

Since the meeting, Vanuatu has advised that its Council of Ministers has approved accession to UNCAC, and the Convention will shortly be tabled in the National Parliament for ratification. Following the meeting, Cook Islands has also re-convened the National Anti-Corruption Committee and intends to revise its Terms of Reference to focus on progressing ratification and implementation of UNCAC. The objective of the Meeting was to raise awareness with senior Pacific officials on the usefulness of UNCAC as a guiding framework for strengthening Pacific Island Countries' national anti-corruption efforts and in so doing, to encourage more PIC's to sign on to the Convention. To date, only three PIC's have ratified UNCAC - PNG in July 2007, Fiji in May 2008 and Palau in March 2009. Samoa's Prime Minister, Hon. Tuilaepa Lupesoliai Sailele Malielegaoi, who officially opened the meeting said "Resources lost to corruption are resources lost to the poor. This in turn slows the progress towards the achievement of the Millennium Development Goals.

"Tackling corruption, at all levels of government, is key towards meeting the national development goals that Samoa has set for itself," he said. The Prime Minister specifically noted that UNCAC is a useful tool that can assist Pacific Island countries to ensure that they comprehensively tackle corruption, in all its forms, in a coordinated way.

During the meeting, participants were given an overview of the newly endorsed UNCAC Review Mechanism. This requires approximately 35 States Parties to UNCAC to undertake an UNCAC Self-Assessment each year, using a new computer-based UNCAC Self-Assessment Checklist. Designed by UNODC, the Checklist tracks compliance (eg. legislative gaps, successes and technical assistance requirements). Under this new Review Mechanism, States Parties will then have their UNCAC Self-Assessment reviewed by two Peer Reviewers (ie. randomly selected States Parties). The new Mechanism was finalised in July 2010, so that Pacific participants were the first in the world to receive training from UNODC on the process. The UNCAC Review commenced in August 2010 with a random selection of countries. In 2010/11, both Papua New Guinea and Fiji were selected. UNODC and UNDP will provide support to complete the Review.

Notably, UNCAC is a particularly useful Convention for PICs because of its international cooperation provisions. These call on States Parties to share information relating to corruption investigations, as well as allowing for extradition and prosecution of criminals without the need for additional bilateral agreements between countries. UNCAC's asset recovery provisions are also particularly noteworthy, as they require States Parties not only to confiscate or seize assets resulting from the proceeds of crime, but also to return them to the originating country once reasonable proof of the corrupt money trail is shown. This is a huge benefit for PICs with limited resources. Tim Steele from the Stolen Assets Recovery (STAR) Initiative (a partnership between the World Bank and UNODC) said STAR works with developing countries to investigate complex money laundering cases and can help facilitate the systematic return of stolen assets. STAR also provides training and facilitates information exchange between ratifying states to UNCAC. At the conclusion of the meeting, countries identified their priorities for action. For most countries, this included making an initial assessment of their own accountability framework and awareness-raising with key stakeholders on the benefits of accession to UNCAC. UNDP and UNODC will continue to collaborate and help PICs to pursue their national anti-corruption priorities.

Parliamentary Development

UNDP's years of support to Pacific parliaments, in collaboration with a range of other partners, has steadily strengthened the capacity of parliaments as a key governance institution. In Solomon Islands, UNDP has, through its national parliamentary support project, helped reinforce the internal governance, committee processes and procedures and corporate support services of the SI national Parliament. Promoting South-South cooperation, the Pacific Centre facilitated and sponsored an exchange between staff of the Vanuatu and Solomon Islands parliaments to enable staff from Vanuatu to learn from the experience of the Solomon Islands in strengthening the capacity of the parliament. The Pacific Centre also led the development of a partnership arrangement with the Commonwealth Parliamentary Association - Australia Region, to more sustainably support the Parliaments of Kiribati, Tonga and Tuvalu. Over the next 3 years, UNDP and CPA Australia will work together more closely, through an AusAID funding grant, to streamline technical assistance for more sustainable impact in the three Pacific parliaments. This will include strengthening the twinning partnerships between the three Pacific parliaments and the sub-national parliaments of the Australian Capital Territory, South Australia and Victoria. Technical support from the Centre was also provided for the development of the Parliament of Vanuatu Corporate Plan (2011-13) and for the Mid-Term Evaluation of Phase 2 of the Solomon Islands Parliamentary Support Project.

The Centre supported a Meeting of Pacific Parliaments organised by the Australian and New Zealand Parliaments and attended by Pacific parliamentary Speakers, staff and Members of Parliament. Participants endorsed the New Zealand Parliament as the parliamentary hub for Pacific Parliaments, and mandated the Australian Parliament and UNDP to work with them to develop a pilot for providing parliamentary information and research services from a regional platform. The new service, called the Pacific Parliaments Information Network is due to be launched in early 2011.

Advancing Women's Role in the Pacific

Recognizing the negative development impact of ongoing discrimination against women in the Pacific, the Centre has played a strong and visible role in advancing the role of women through the development of tools and knowledge products to facilitate law reform (e.g. CEDAW indicators, Drafting Instructions for Human Rights-based Legislative Reform), support for Pacific CSOs engagement with international human rights mechanisms, and advocacy in the adoption of temporary special measures for women in the Pacific (e.g. Utilizing TSM to Promote Gender Balance in Pacific Legislature).

Building on ongoing initiatives, the Centre, with PIFS and UNIFEM, supported a meeting in November 2010 on Promoting Women in Decision Making in Smaller Island States (SIS). The meeting brought together officials from the seven SIS in the region. A Regional Action Plan was agreed, based on national Action Plans developed during the year, which will be presented to PIFS SIS members for endorsement in 2011. The Centre will provide technical assistance in support of the Regional and National Action Plan over the coming years.

In what may well be a leading initiative in response to the request of the Cook Islands Government, the Centre facilitated the formulation of a CEDAW-compliant draft Family Law Bill for Cook Islands that is scheduled to be submitted to the Cook Island Parliament in early 2011. This Bill, which integrates best practice experiences in family law reform highlighted in the Pacific Centre publication on 'Advancing the Implementation of CEDAW in the Cook islands: Good Practice Approaches to a Civil Family Law', is expected to have long-term impact in advancing women's rights in the Cook Islands and serve as resource for PICs that are planning to introduce amendments in their family law.

Key Highlights from the Poverty Alleviation and Achievement of the MDGs Team

MDGs and poverty reduction: A Pacific Conference on the Human Face of the Global Economic Crisis was held in Port Vila, Vanuatu from 10 to 12 February 2010. The Conference was an outcome of the 40th Pacific Islands Forum held in Cairns, Australia, 5-6 August 2009, where leaders endorsed a proposal by the Government of Vanuatu for a conference to develop effective policy measures and practical responses to support Pacific countries in alleviating the adverse effects of the global economic crisis, with the objective of reducing vulnerability and building sustained resilience. The Chair of the United Nations Development Group (UNDG) and Administrator of United Nations Development Programme, Helen Clark delivered the keynote address at the conference.

In preparation for the 2010 MDGs summit, the Pacific Centre provided technical support to Pacific Island delegations through updating MDGs scorecards, preparing technical documents, briefs, snapshots and roundtable discussion papers on poverty, employment and gender in collaboration with UN agencies.

The Pacific Centre also undertook pro-poor macro policy analyses in countries covered by the Samoa UNDP MCO and supported Samoa in developing its pro-poor policies and accelerating MDGs achievement.

Energy and Environment: Technical assistance was provided for the implementation of a regional renewable energy programme covering 11 PICs and a national renewable energy project in Palau. Technical assistance was provided for the development of a planned UNDP/GEF renewable energy project in Fiji, a planned major solar photovoltaic (PV) project in Tokelau and a planned hybrid power system project in one of the small northern atolls in Cook Islands. As part of joint Government of Vanuatu, SPC, PPA, and UNDP evaluation study of a bio-fuel project in Port\ Olry, Santo Island was responsible for organizing a social-economic household survey including preparing a detailed survey report.

HIV/AIDS: Capacity was developed and strategic information gathered in support of the national response in Fiji and PNG. The first regional assessment of HIV risk vulnerability related to migration and mobility (jointly with SPC) was completed with substantiated policy recommendations. Technical assistance to country-coordinating mechanism on governance issues (Fiji) and technical backstopping on gender, human rights, sexual diversity and socio-economic determinants of HIV risk region wide were also provided. Technical and financial partnership with CSOs addressing most at risk populations (MSM, trans-gender, sex workers) was strengthened. Partnership with religious leaders was strengthened and resources and material for pastoral training institutions developed in partnership with UNAIDS and South Pacific Association of Theological Schools.



UN Family Working with Pacific Media for MDGs Achievement

What are the MDGs? Why are they important? How can journalists help achieve these development goals? These are some questions that were answered during a week-long workshop on development

Twenty journalists from the Pacific region were trained to become strong agents of change for achievement of the development agenda. They included journalists from Cook Islands, Fiji, Kiribati, Marshall Islands, Niue, Palau, Samoa, Tonga, Vanuatu and final year journalism students from the University of the South Pacific and Fiji National University.

The workshop organized by the UN Communications and Partnership Group was delivered in partnership with the Secretariat of the Pacific Community (SPC) with support from the Pacific Islands News Association, Pacific Islands Forum Secretariat, Pacific Disability Forum and Pacific Islands Applied Geoscience Commission. It took place in Suva from 23-27 August, 2010.

It was intended to equip journalists with the skills to find human interest angles on how governments, CSOs, private organizations and communities are working together in trying to achieve the MDGs.

The workshop involved hands-on work, with participants developing and presenting stories. The best radio, print and television story entries were awarded prizes. A special prize was made available for the best student story.

The workshop was much appreciated by the journalists. Many said that the workshop helped put a human face to MDGs, something which journalists often viewed as just more UN jargon. A follow-up training is planned for 2011.



Innovative Research for Better HIV Response in Fiji

Training community members to use qualitative research methods and then conducting research with them on HIV and AIDS, gender and sexuality, is life-affirming. 'Positive Research for Positive People: strengthening HIV social research capacity in Fiji' was a fiveweek, part-training workshop, part-research project that was held in Suva, Fiji from June 23 to August 30, 2010 as part of a United Nations Development Program (Pacific Centre) pilot project. The project is supported by the Programme Acceleration Fund coordinated by UNAIDS and the Fiji Ministry of Health and was cleared by the Fiji Research Ethics Committee. Tura Lewai, Sesenieli Bui, Elenani Sotia, Rachana Kumari, Verenaisi Turagaiviu, Tuberi Cati, Jone Gucake and Vilisi Gadolo were trained by Lawrence J. Hammar.

The project has the following goals:

- to strengthen Fiji's response to HIV and AIDS by developing local research capacity;
- to collect qualitative data about Fijian perceptions of risk of HIV and STD transmission;
- to foster a more collaborative atmosphere that valorizes qualitative research.

Each co-researcher was provided with stationary and electronic equipment and four notebooks filled with articles, book chapters and reports about HIV, AIDS and STDs in the Pacific; about Pacific islander sexual norms and forms; and about qualitative research methods and perspectives. Each day was broken into morning and afternoon sessions during which participants read, discussed and wrote about the research of anthropologists, clinicians and activists. Afternoon sessions were devoted to learning research methods that co-researchers then put into practice, for example, conceptual mapping of their own HIV risk perceptions or taxi-cab driver facilitation of sexual encounters. In addition, the project team led by Lawrence Hammar systematically reviewed articles from the Fiji Times and compiled an impressive database (2000-2009) on sexuality, prostitution, domestic violence, sexual violence, and HIV and AIDS in Fiji that indicated the prevalence of incest and rape, lenient punishment, and the number of cases involving religious leaders.

Rachana, Jone, Sesenieli, Vere, Vilisi and Lawrence worked with members of six 'target groups': people in sex work; gay and lesbian people; Christian pastors; university students; taxi-cab drivers; and healthcare workers; and their Intimate partners. The team conducted 14 audiotaped, focus group interviews and 71 in-depth, one-on-one interviews. They collected 142 drawings by research participants that addressed 'Me, My Intimate Partner, and HIV' and 'How I Try to Prevent HIV Transmission'. The team interviewed 20 expatriate, Indo-Fijian, and indigenous Fijian 'key informants' also.

This project, like others focusing on intimate partner transmission, signals a considerable change in public health and epidemiology. Women in sex work and 'MSM' (Men who have Sex with Men) have been repeatedly studied (and commonly perceived as responsible for HIV transmission). Christian pastors, taxicab drivers and university students, by contrast, have been much less studied (and their HIV transmission risks largely ignored). By focusing on members of these and other target groups and their intimate partners—simultaneously but separately—the aim is to find prevention methods that will work and to uncover cognitive models of risk that don't. Coding, analyzing and writing the large amount of data from the project is now being undertaken.

Key Highlights from the Pacific Financial **Inclusion Programme Team**

Financial Competency Building

The high level regional advocacy work, led by PFIP, on strengthening the financial competency of all Pacific islanders is now bearing fruit at country level. In the last quarter of 2009, Forum island education ministers, finance and economic ministers and central bank governors committed themselves to achieving the Money Pacific Goals by creating financial systems that serve, protect and empower the majority of low income and rural people by 2020. Significantly, Central Banks

2020 Money Pacific Goals

In each Pacific Island nation by 2020, through the combined actions of public and private sectors, our goals are:

- All schoolchildren to receive financial education through core curricula.
- All adults to have access to financial education.
- Simple and transparent consumer protection to be in place.
- To halve the number of households without access to basic financial services.

are leading the national efforts. PNG, Solomon Islands, Fiji and Samoa have all agreed to conduct a financial literacy survey to support the preparation of a national financial competency building strategy. Work has begun in Solomon Islands and, in partnership with the World Bank, in PNG. This cutting edge work in measuring financial competency baselines in developing economies is drawing global interest.

Twenty two trainers from around the region attended a financial literacy trainers workshop organized by the Central Bank of Samoa with support from the Commonwealth Secretariat and PFIP. The Financial Literacy Working Group in Fiji is actively driving the action plan endorsed at the PFIP-Reserve Bank supported national microfinance conference in November 2009. A major undertaking is the integration of financial education into the school curricula from year 1 to year 13. This will see financial literacy delivered to around 200,000 students at both primary and secondary levels. This project is funded by the Australian Aid Programme through PFIP. Exciting work on financial education through savings-based conditional cash transfer is emerging in Fiji and initial results were well received at the Citi-Financial Times Financial Education Summit held in Sydney in December.

Knowledge Products

PFIP's knowledge management strategy is to provide demand-driven knowledge and data to facilitate action and investment by its partners to more efficiently extend financial services to the unserved and underserved. Several mediums for knowledge transfer and sharing are employed by PFIP including workshops, informal information exchanges, scholarships and publications. Three publications and a DVD were produced in 2010 (In Search of Sustainability: The Provision of Rural Financial Services in Solomon Islands; Financial Capability, Financial Competence and Wellbeing in Rural Fijian Households; Focus Note: Can Fiji Micro Finance Institutions be Sustainable; and DVD on Reducing Risk: Microinsurance in the Pacific). These studies were used to specifically support policy development and advocacy work. In the case of Solomon Islands, the report was the primary reference document for the Solomon islands Mid-term Financial Inclusion Strategy Conference held in December and the results of the Fiji report were used extensively for regional and country advocacy that led to the adoption of the 2020 Money Pacific Goals.

PFIP was also responsible for updating the financial inclusion situation analysis for 6 PICs on behalf of the financial inclusion donor group. These provide a snapshot of the state of pro-poor financial services in each country, including challenges and opportunities. A particularly effective and interactive format being employed by PFIP is the series of IIEs (informal information exchanges) - normally a 2 to 3 hour interactive session for stakeholders to acquire state of the industry knowledge on new and emerging opportunities followed by brainstorming on how to catalyze action in each country. Four successful IIEs were organized on varying topics including microinsurance, m-banking and savings products. To get the information and knowledge generated by PFIP to relevant actors and stakeholders, PFIP have entrusted this to the Microfinance Pasifika Network (MPN). To ensure sustainability of this knowledge management function, PFIP supported MPN to prepare a strategic plan for 2010-2014 to become a premier broker of knowledge and information for the microfinance sector in the Pacific.



Transformational Change in the Financial Sector

The framework for financial systems is created by the regulatory environment in which they operate. This environment dictates everything from how easy it is to open a bank account, to the speed of development of new products, and the level of protection that consumers have when using financial services. It is therefore essential to ensure that a prudently permissive regulatory environment is developed that both allows for the development of appropriate financial products and also ensures that those products are safe for the client.

PFIP has been supporting a myriad of initiatives to accomplish this. Through a partnership with the Alliance for Financial Inclusion (AFI), a working group of representatives from the five Central Banks in the region was formed to discuss and share experiences in relation to financial inclusion. The group has met three times since inception, and each member has created a comprehensive analysis of policy and regulation in their country with regard to financial inclusion, with a focus on areas of improvement. This south-south cooperation works very well, as all of the countries are facing similar issues., especially with the development of banking over mobile phones, which has many different regulatory implications. The product launched in Fiji first, and PFIP ensured that the Governor of the Central Bank was given training on the topic that he then used to issue an e-money directive approving the issue of electronic money. Lessons like these are then shared in this working group as there are plans to expand these products to other member countries.

With the diversity of stakeholders involved in building financially inclusive systems, often it is essential to formulate a vision and action plan for a country that coordinates the roles and responsibilities of those involved. In 2009 PFIP worked with the Reserve Bank of Fiji to do exactly this, and the resulting Task Force on financial inclusion was formulated as a public-private sector partnership that monitors progress toward implementing the action plan. PFIP serves as the secretariat for this group. In Solomon Islands, the Central Bank also requested that PFIP help them organize stakeholders to prioritize initiatives for the next five years. Together with the Central Bank, PFIP held a consultative conference on the topic and developed an action plan for the country that includes forming a special unit in the Central Bank to oversee financial inclusion, and creating a task force like the one in Fiji to help monitor progress.



Creating Knowledge Communities for Development Solutions

Practitioners across the Pacific and abroad now have the opportunity to connect with, share and learn from each other on how to better address development needs. This was made possible through the Pacific Solution Exchange Development Effectiveness Community (PSE_DEC) launched in October.

The PSE_DEC is a facilitated knowledge service initiated by the United Nations Development Programme (UNDP) in partnership with the Pacific Island Forum Secretariat (PIFS), Asian Development Bank (ADB) and the University of the South Pacific (USP).

The PSE_DEC started with a six-month trial phase based on UNDP's proven methodology known as Solution Exchange. Members were engaged in e-discussions via email supported by a team of facilitators. The approach is hoped to initially help members to better share their views and opinions. Based on the feedback from the trial, the Community's services could then be extended to allow members to ask queries and help each other by sharing knowledge and experience around common development challenges.

The first discussion on the PSE_DEC was on "Accelerating MDGs Progress in the Pacific." This was followed by a discussion on "Effective Resourcing to Address Climate Change."

The knowledge service draws together a broad range of stakeholders from government, civil society, private sector, academia, regional organizations and development partners to share experiences and seek their views via a facilitated mail group on development topics specific to the Pacific, like climate change resourcing, addressing the needs of the poor and the vulnerable, and achieving the MDGs. The establishment of the PSE_DEC follows discussions at the Pacific Regional Aid Effectiveness Workshop and the Pacific Partners (PIC Partners) Meeting held in June 2010 in Nadi, Fiji.

Governance, Partnerships and Resources Bringing about Change

Governance Arrangements

The Pacific Centre is part of the regional architecture of Asia Pacific, with the Manager of the Centre reporting directly to the Deputy Regional Director based in the Asia Pacific Regional Centre in Bangkok. The Centre's work is reviewed annually by a Management Committee that is chaired by the Deputy Regional Director and includes the Pacific Resident Representatives and a senior representative from the Bureau for Development Policy. Guidance on the work plan for the Centre is also provided by a Projects Steering Committee that includes country and regional organization representatives. Resources are allocated in the annual work plan for the Centre based on this performance review process and in response to emerging priorities as determined by Pacific Island Forum Leaders. Careful attention is paid to ensuring that the Centre's work is targeted, complements country-based initiatives that are managed by the UNDP Country Offices and reflects the comparative advantage of UNDP.

In 2010 there was a mid-term review of the 2008-2011 Asia Pacific Regional Programme that involved an analysis of programme delivery together with the organizational and institutional arrangements that were established in 2008. The review findings, which have yet to be made public, were generally complementary with respect to the programmes delivered in the Pacific. The Management Committee met in Papua New Guinea on 28-29 June 2010. This is an internal UNDP meeting that provides strategic oversight to the Centre, looking at prioritization and sustainability. The Management Committee and the Projects Steering Committee are due to meet again in early 2011. The Pacific Centre continued to receive strong support from Australia and New Zealand in 2010 under agreements signed in 2008 to provide four year funding for the period 2008-2011. For the first time the two donors sat down with the Centre to jointly review the partnership with the meeting focusing on identifying how the Centre can ensure consistency and a focus on results. With both the Australian and New Zealand agreements coming to an end in June 2011, consultations will be held in early 2011 to try and ensure an extension of their support to the Centre until at least December 2013, the new concluding date for the regional programme.

Partnerships with Regional Stakeholders

Through its support for the Pacific Plan and implementation of its work plan, the Pacific Centre maintains strong partnerships with regional and national stakeholders. The region's intergovernmental organizations such as the Pacific Islands Forum Secretariat (PIFS) and the Secretariat of the Pacific Community (SPC) are key Centre partners, as are regional NGOs, private sector organizations and UN agencies.

Resources

Resource Mobilisation

The Pacific Centre's share of regional programme core resources in 2010 was US\$1.6 million. Together with resource commitments from UNCDF for Financial Inclusion (US\$500,000) and UNDP's BCPR (US\$195,000) for specific activities in Crisis Prevention and Recovery, they continue to provide a strong foundation for the Centre and a platform for resource mobilization.

The Centre continued to enjoy the support of Australia and New Zealand under longer term cost sharing agreements that were signed at the beginning of the current programme cycle and will conclude in mid-2011. Both development partners provide programme resources that are largely untied, allowing the Centre flexibility in annual allocations to implement the agreed work plan. In 2010, AusAID provided

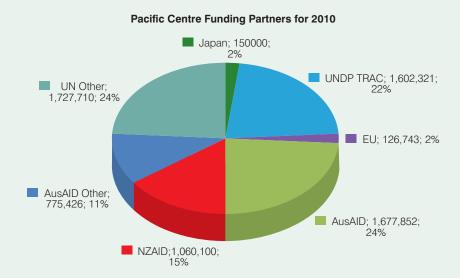
almost US\$2.4 million for both "core" support and specific activity funding in selected areas. New Zealand provided US\$1.06 million as "core" support.

The specific activity funding provided by AusAID included ongoing funding under the multi-year support for Crisis Prevention and Recovery (US\$571,455) and US\$203,970 for the promotion of ratification and implementation of the United Nations Convention Against Corruption (UNCAC) in the Pacific.

US\$69,000 was also received from the UNAID's Acceleration Programme Funds for specific work in HIV and AIDS prevention.

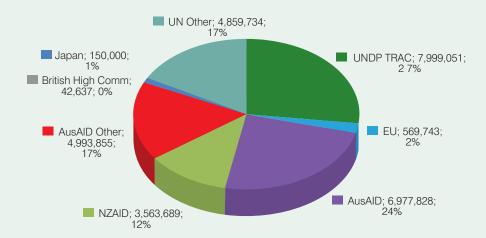
Financial Inclusion also received a further US\$126,743 from the European Union under an agreement reached in 2008 and AusAID made a total of USD1.3 million available to UNCDF for Financial Inclusion work in the Pacific.

The only new partnership in 2010 was secured by the CPR team for work on South-South Cooperation (SSC), with the UNDP South-South Unit (\$150,000) and the Japanese Human Security Fund (\$163,710) approving funding for this project initiative that allows the Pacific and Caribbean to learn from each other how best to address DRR.



Since its establishment, the Pacific Centre resource mobilization strategy has yielded close to US\$21m funding for UNDP implementation with a further US\$1.9 million provided to UNCDF for implementation by the Centre under the joint UNDP-UNCDF programme. This compares with a regional core allocation of \$8m for the period 2008-2011 which means a resource mobilization ratio of close to 1:3 for the Centre. A breakdown of the US\$22.9 million by development partners is shown below, with Australia and New Zealand combined providing 53% of the total with other UNDP and UN funding at 45% and others, namely the Japanese Government at 2%, EU and British Government providing the balance of 2%.

Resource Mobilization 2008-2011

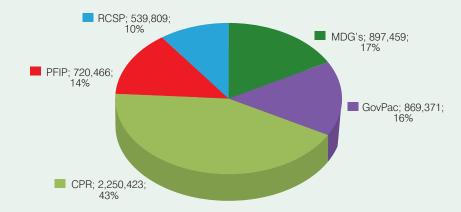


Overall Delivery

The total budget in 2010 for the Pacific Centre was USD \$7,645,887 made up of regional core funding and UNDP Bureau of Crisis Prevention and Recovery resources, as well as third party cost sharing resources from the Governments of Australia and New Zealand and from the European Union and Japanese Human Security Fund.

The total expenditure as at 31 December 2010 stood at USD \$5,277,528. While the delivery rate against budget for each project was different, at year end the overall delivery rate for the Centre was 69% of the total budget. A more detailed breakdown of budget versus expenditure is shown in Annex 4.3.

UNDP Pacific Centre Expenditure Delivery as at 31 December 2010



The Way Forward

The Asia Pacific Regional Programme for 2008-2011, under which the Pacific Centre operates, has been extended to 2013 to be in line with UNDP's global Strategic Plan. As a result, instead of 2011 being the penultimate year for the programme we now have a three year horizon for our work.

Over the next three years, the Centre will continue to work under all four pillars of MDG Achievement and Poverty reduction that also cover environment and energy and HIV and AIDS; Financial Inclusion, Democratic Governance; and Crisis Prevention and Recovery. However, in doing so it will seek to respond to actions that bring results; on emerging issues where UNDP is considered to have a comparative advantage; and where there is considered to be potential for multidimensional impact.

A major aim going forward will be for the Centre to work with UNDP colleagues to strengthen the integration of global, regional and country support available from UNDP and other UN agencies.

Over the next three years, the Centre will provide policy and technical advice to UNDP Pacific Country Offices and support the work of regional organisations and others to:

- Strengthen implementation of regional priorities for improved inter-country cooperation and integration as set down in the Pacific Plan and further elaborated in annual meetings of the Pacific Islands Forum leaders
- Strengthen our analysis and support to address growing human poverty in the Pacific by working with the Country Offices in the Pacific to assist with the development and implementation of countryspecific MDG acceleration frameworks that respond to sub-national and village level demands
- · Continue to work with Governments, regulators, financial service providers, others in the private sector and development partners to expand options for improved efficiency and access to sustainable financial services by low income and rural people
- Address the impacts of climate change and disaster risk reduction by working with a wide range of partners to share knowledge and experience and the promotion of integrated approaches to mitigation, adaptation and livelihood initiatives
- Continue to support measures to promote peace and security, good governance and sustainable human development through more effective democratic institutions that ensure human rights and enhanced service delivery for all in the community
- · Boost the results and policy impact of gender equality and women's empowerment initiatives
- Strengthen opportunities for increased south-south cooperation, knowledge sharing communications

Annexes

Organisational Chart 2010

Garry Wiseman Manager

Democratic Governance Team

Ernesto Bautista

Pacific Regional Governance Advisor and Project Manager

Nurina Widgado

Governance Programme Specialist

Charmaine Rodrigues

Governance Institution & Accountabilty Specialist

Masanobu Yasukawa

UNV-Communications & Support Officer

Isikeli Valemei

Governance Programme Associate

Millennium Development Goals Team

Ahmed Moustafa

Pacific Regional Macre Economic & Poverty Reduction Advisor and Project Manager

Carol Flore-Smereczniak

Pacific Regional MDG Specialist

Thomas Jensen

Environment and Energy Specialist

Ferdinand Strobel

HIV & AIDS Programme Specialist

Mahezabeen Khan

MDG Programme Associate

Pacific Financial Inclusion Team

Tillman Bruett

Pacific Financial Inclusion Advisor

Jeff Liew

Regional Partnership & **Business Development** Manager

Joep Roost

PNG Financial Inclusion Specialist

Michael McCaffrey

PFIP Techinical Specialist

Anne Nacola

PFIP Project Analyst

Mereseini Senikau

Financial Inclusion Programme Associate





Vacant Pacific Regional Crisis Prevention & Recovery Advisor and Project Manager

Karen Bernard

Disaster Risk Reduction & Recovery Specialist

Moortaza Jiwanji

Disaster Risk Management Specialist

Tracy Veinings

Conflict Prevention & Peace Building Specialist

Thomas Shanahan

Conflict Prevention Specialist

Cameron Noble

Programme Specialist Conflict Prevention (PIFS)

Nanise Saune

CPR Programme Associate

Debra Williams

CPR Programme Assistant

Programme Support Team

Sanjeev Lal

Programme Finance Associate

Shobhna Decloitre

Communications Associate

Maryanne Fong

Programme Finance Assistant

Farzeen Khan

ICT Support Associate

Emi Drikibau

Receptionist/Clerk

Jessica Robbins

Knowledge Management Officer (VIDA)

Portia Domonatani

Programme Assistant

Corinne Roberts

Public Information Officer (AYAD)

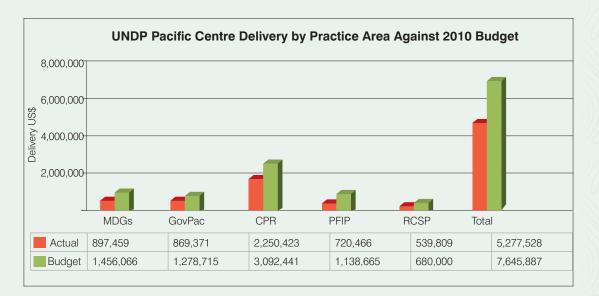
Keleni Bolatagici

Programme Assistant

Financial Report for the Year Ending 31st December 2010

Award ID (US\$)	Project Name	Source of Funds	Total Budget	Total Expenditure	Delivery Rate %	
00036482	Regional Centre Support					
		Core (TRAC)	400,000	400,000	100%	
		XB Funds	280,000	139,809	50%	
	Sub Total		680,000	539,809	79%	
00048491	Governance in	the Pacific				
		Core (TRAC)	297,000	297,000	100%	
		UNOHCHR	10,000	9,400	94%	
		NZAID	284,750	129,610	46%	
		AusAID	686,965	433,361	63%	
	Sub Total		1,278,715	869,371	68%	
00048498	MDGs in the Pa	acific				
		Core (TRAC)	579,809	579,809	100%	
		AusAID	300,403	131,216	44%	
		NZAID	492,549	153,816	31%	
		UNICEF	3,620	2,411	67%	
		UNFPA	10,207	9,722	95%	
		UNDP	69,478	20,486	29%	
	Sub Total		1,456,066	897,459	62%	
48515	Pacific Financial Inclusion					
		Core (TRAC)	121,512	121,512	100%	
		EU	265,835	210,271	79%	
		NZAID	207,000	128,945	62%	
		AusAID	544,318	259,738	48%	
	Sub Total		1,138,665	720,466	63%	
00048493	Crisis Prevention & Recovery					
		Core (TRAC)	204,000	204,000	100%	
		BCPR	205,000	190,764	93%	
		SSR	391,823	144,277	37%	
		South-South	206,347	80,299	39%	
		NZAID	286,964	228,390	80%	
		AusAID	1,798,307	1,402,693	78%	
			3,092,441	2,250,423	73%	
	Grand Total		7,645,887	5,277,528	69%	

Budget Versus Expenditure by Practice Area for 2010







UNDP Pacific Centre

Level 7, Kadavu House, Victoria Parade, Private Mail Bag, Suva, Fiji Tel: (679) 330 0399, Fax: (679) 330 1976 Email: registry.pacificcentre@undp.org www.undppc.org.fj