



BACKGROUND NOTE

PACIFIC AGRICULTURE POLICY PLANNERS WORKSHOP

Holiday Inn, SUVA

22 – 24 September 2015

Q. What is the goal of the workshop?

The main objective is to introduce public expenditure reviews (PERs) for the agriculture sector into the Pacific. This important exercise, which will be attended by senior finance and agriculture ministry officials from Pacific Island Countries and Territories (PICTs), is aimed at achieving better planning and targeting of public spending on agriculture and to increase value for money for public funds.

PER is a key diagnostics instrument used to evaluate the effectiveness of public finances. A PER typically analyses government expenditures over a period of years to assess their consistency with policy priorities, and what results were achieved.

Agriculture sector Public Expenditure Reviews (AgPERs) can be used to identify trends in the level and distribution of public investment in agriculture, with the ultimate goal of promoting a stronger link between expenditure and desired sector outcomes.

AgPERs can vary in scope and depth of coverage as follows:

- **Comprehensive:** a detailed sector-wide AgPER that is usually undertaken periodically with detailed analysis, often including an expenditure and institutional assessment. This type of AgPER is both in depth and has a wide breadth in its coverage.
- **Rapid:** a quick review that is designed to inform and motivate further policy discussions, frame strategic action plans, guide agricultural project preparations, and contribute to broader multi-sector reviews, or as part of a more frequent review process in support of a country's annual budget cycle.
- **Thematic:** focussed on a specific issue, sub-sector or program. It can take the form of either a comprehensive or rapid review of a particular thematic area.

Choice across the spectrum of possible AgPERs will depend on need, data availability, and time frame for analysis, the intended frequency of AgPERs, and the available budget. The World Bank encourages more inclusive, broader AgPERs, which allow for an overview of all spending, given the fungible nature of public expenditure.

While the first half of this workshop is focussed on PERs, the second half will discuss key regional policy initiatives that are currently being developed through Secretariat of the Pacific Community (SPC), the Food and Agriculture Organization of the United Nations (FAO), and other partners.

This workshop will lay the groundwork for the World Bank to provide further technical assistance to the governments and administrations of PICTs through a programme for conducting agriculture sector PERs in the region.

The European Union supported Pacific Agriculture Policy Project, implemented by SPC in collaboration with the World Bank is organising this workshop. Experts from the FAO and the Pacific Financial



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Technical Assistance Centre (PFTAC) of the International Monetary Fund (IMF) will also be speaking on a regional framework for agriculture and budgeting for sustainable growth.

Q. What activities are planned?

The workshop will consist of capacity building and learning sessions focussed on AgPERs. Specifically, the World Bank team will be leading sessions on:

- Introduction to agriculture sector public expenditure reviews, outlining the role of well targeted government expenditure in strengthening growth and reducing poverty through the agriculture sector, the World Bank's framework and approach, and the types of analysis that can be done.
- Agriculture sector public expenditure reviews: experiences around the world, which will focus on case studies and examples of AgPERs around the world, particularly the World Bank's experiences in conducting AgPERs in Africa, and its relevance to the Pacific Islands region.
- Agriculture Public Expenditure Reviews in the Pacific, which involves a discussion of how to determine the needs for technical assistance on AgPERs in the region, and a look at the tools of AgPERs.

A series of bilateral meetings between the World Bank and SPC team as well as delegations from each country to help determine the World Bank's future work programme on AgPERs in the region.

Other sessions include:

- Budgeting for sustainable growth, which focuses on aligning economic and budgetary policy to sustainable economic growth and development objectives, to be delivered by PFTAC.
- A regional framework for agriculture, to be delivered by the FAO.
- Regional agriculture policy, and regional extension policy to be delivered by SPC.
- Regional policy for organic markets, to be delivered by the Pacific Organic and Ethical Trade Community (POETCom).

Q. Why is this week important?

In 2011-12, the agriculture sector made up between 3 and 24 per cent of Pacific Island economies, and employed between 20 and over 50 per cent of workers in the larger Pacific Island countries. Over the same period, the agriculture sector received between 1 to 3 % of public spending by Pacific Island governments and administrations.

The agriculture sector has great potential as an engine of growth and poverty reduction in the Pacific Islands region. Governments have a key role to play in enabling the sector to achieve its potential, including through the setting of an appropriate policy framework, and through well targeted public expenditure.

Q. What happens after?

In addition to the training and information delivered to participating Pacific Island government officials at the workshop, the consultations between the World Bank and SPC, and the representatives of regional countries and territories will lay the groundwork for a programme to conduct AgPERs in the region. This AgPER programme, to be conducted in partnership between the World Bank and Pacific Island governments and administrations with support from the SPC, will enable better targeted public expenditure on the agriculture sector in the region.



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AgPERs, in conjunction with the continued development of a regional framework for agriculture to be coordinated by the FAO, and the development of regional policies on agriculture and organic markets to be implemented by the SPC, will contribute to an improved policy framework to support the agriculture sector at the national and regional level, enabling the sector to fulfil its potential as an engine of economic growth and poverty alleviation in the Pacific Islands.

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For more information on SPC Pacific Agriculture Policy Project, please click on the following link:
www.spc.int/pafpnet