



WORLD BANK GROUP

# Summary Report for the Pacific Agriculture Policy Planners Workshop

**Three day workshop**

22-24 September 2015

Suva, FIJI

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**Pacific Agriculture Policy Planners Workshop coordinated by:**

*European Union (EU) supported Pacific Agriculture Policy Project (PAPP), implemented by the Land Resources Division (LRD) of the Secretariat of the Pacific Community (SPC), in partnership with the World Bank.*

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**Workshop Summary Report**

**September 2015**

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# 1.0 INTRODUCTION

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## 1.1 Overview

The Pacific Agriculture Policy Planners workshop was a three day event, held at the Holiday Inn in Suva on 22-24 September, 2015. The workshop was a collaborative initiative between the European Union (EU) supported Pacific Agriculture Policy Project (PAPP), implemented by the Secretariat of the Pacific Community (SPC), and the World Bank.

The workshop was attended by senior agriculture, forestry, finance and treasury officials from the governments of the Cook Islands, Fiji, Samoa, Solomon Islands, Timor-Leste, Tonga and Vanuatu.

### Schedule of events:

- Workshop Opening, 22 September (Day 1)
- Agriculture Public Expenditure Review, 22 September (Day 1)
- Agriculture Public Expenditure Review – Country Consultations, 23 September (Day 2)
- Policy, Extension and Markets, 24 September (Day 3).

The first day of the workshop started off with registration of workshop participants. Following the arrival of Chief Guests, the media, project partners and regional participants, the formal agenda was preceded by an official opening.

Workshop facilitator: Matthew Ho, Resource Economist, SPC. Email contact: [MatthewH@spc.int](mailto:MatthewH@spc.int)

### Workshop presenters:

- Mr Vili Caniogo, PAPP Team Leader, SPC. Email contact: [ViliC@spc.int](mailto:ViliC@spc.int)
- Mr Kofi Nouve, Senior Rural Development Specialist, World Bank. Email contact: [knouve@worldbank.org](mailto:knouve@worldbank.org)
- Mr Ron Hackett, Public Finance Management Advisor, Pacific Financial Technical Assistance Centre (PFTAC), International Monetary Fund (IMF). Email contact: [RHackett@imf.org](mailto:RHackett@imf.org)
- Mr Peter Goodman, Senior Agricultural Specialist, World Bank. Email contact: [pgoodman@worldbank.org](mailto:pgoodman@worldbank.org)
- Ms Brenna Moore, Consultant Economist, World Bank. Email contact: [bmoore@worldbank.org](mailto:bmoore@worldbank.org)
- Mr Gibson Susumu, Participatory Extension Specialist, Land Resources Division (LRD), SPC. Email: [GibsonS@spc.int](mailto:GibsonS@spc.int)
- Ms Karen Mapusua, Pacific Organic and Ethical Trade Community POETCom Coordinator, SPC. Email contact: [KarenM@spc.int](mailto:KarenM@spc.int)
- Mr Bruce Chapman, Consultant. Email contact: [marineandpacific@gmail.com](mailto:marineandpacific@gmail.com)
- Ms Anna Fink, Agricultural Statistician, PAPP, SPC. Email contact: [AnnaF@spc.int](mailto:AnnaF@spc.int)
- Mr Tim Martyn, Policy Officer, Food and Agriculture Organization of the United Nations (FAO). Email contact: [tim.martyn@fao.org](mailto:tim.martyn@fao.org)

Objectives of the workshop:

- Introduce public expenditure reviews (PERs) for the agriculture sector across the Pacific region (KEY OBJECTIVE).
- Sharing of regional policy initiatives currently being developed through SPC, FAO and other partners.
- Development of groundwork for further technical assistance by the World Bank to governments and administrations of PICTs through a program for conducting agriculture sector PERs in the region.

Expected outcome of the workshop:

- Development of a work program to conduct agriculture sector public expenditure reviews in participating countries that will be delivered by SPC and the World Bank, in partnership with national governments.

## **1.2 Workshop Opening**

The workshop was officially opened following welcome addresses on behalf of the Secretariat of the Pacific Community, the European Union and the Government of Fiji. Welcoming remarks were delivered in the following order:

- a) Mr Vili Caniogo on behalf of the Secretariat of the Pacific Community;
- b) His Excellency, Ambassador Andrew Jacobs, Head of the Delegation of the European Union for the Pacific;
- c) Mr Shaheen Ali, Permanent Secretary (PS) for Industry and Trade, Government of Fiji.

### ***a) Welcome on behalf of the Secretariat of the Pacific Community***

Mr Vili Caniogo acknowledged the presence of both the EU Ambassador and the Permanent Secretary and noted the significance of the partnership between the SPC PAPP and the World Bank. In drawing the important link between agriculture and poverty alleviation, he highlighted the reality that the agriculture sector across the Pacific region operates with very limited resources.

Mr Caniogo noted that PERs for the agriculture sector are an important tool in reviewing current expenditures and achieving value for money.

### ***b) Welcome on behalf of the European Union***

Ambassador Jacobs, on behalf of the European Union, recognised the significant regional representation at the workshop. He acknowledged the EU's support to the Pacific region in agriculture and public finance management, through both its bilateral and regional programs notably the PAPP at SPC and through EU support provided to the IMF Pacific Technical Assistance Centre (PTAC) on public finance management matters.

The Ambassador reiterated the reality of public budgets for agriculture being relatively small, and therefore an emphasis needs to be placed on efficient allocation and execution in order to promote inclusive and sustainable development. Public Expenditure Reviews seek to contribute to achieving this objective.

The workshop focus on Public Expenditure Reviews in the agriculture sector is particularly relevant for the EU given several of its important initiatives in Vanuatu (€25m) and the Solomon Islands (€10m) on rural development and agriculture, set to start in 2016. This is in addition to its current engagement with the Government of Fiji on a €20m program in support of the agriculture and sugar sector from 2016 to 2020. For all of these initiatives, the EU will be looking to implement budget support programs – a move away “from a project approach to initiatives that put the entire management responsibility, operational and financial, on the governments and Ministries of Agriculture”.

***c) Welcome on behalf of the Government of Fiji***

On behalf of the Government of Fiji, PS Ali stated that it is “important to have a shared regional objective for the Pacific towards the growth of the agriculture sector to create sustainable livelihoods, increase growth, and reduce poverty”. Echoing the sentiments previously noted, the Government believes that the agriculture sector “has a key role to play in contributing to achieving these objectives” given the high population in most Pacific countries living in rural and farming communities.

PS Ali acknowledged the relevance and timeliness of the workshop’s key objective of introducing PERs for the agriculture sector in the Pacific. He noted that this is “directly related to our responsibilities as policy planners to deliver development gains to our people in the most effective and efficient manner”.

The Permanent Secretary stated that a key factor contributing to the delayed increase in budget contribution to the agriculture sector has been a lack of success of public projects. According to PS Ali, “these projects were not put through rigorous tests of relevance, lacked accountability and most importantly, did not have measurable and quality targets to achieve”.

## **2.0 SUMMARY OF PRESENTATIONS/DISCUSSIONS – WORKSHOP AGENDA ITEMS**

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The following is a summary of presentations and discussions which formed the formal aspects of the workshop agenda.

### **2.1 Agriculture Public Expenditure Reviews – DAY ONE PRESENTATIONS**

#### ***2.1.1 Overview and objectives (Vili Caniogo, Team Leader SPC-PAPP)***

Mr Caniogo highlighted the largely agri-based economies of the Pacific region, also noting that the percentage of government budgets allocated to agriculture are all well below 5%.

The PAPP Team Leader also provided an overview of the project and some of its expected outputs which included at minimum, an awareness workshop for each Pacific Island country (15 in total including five least developed countries). Workshops have started off with Vanuatu and one of the key outcomes of those workshops was the translation of policy summary documents into English, Bislama and French.

In line with the EU support alluded to by Ambassador Jacobs, Mr Caniogo explained that support at the macro level includes the establishment of the Vanuatu Agricultural Policy Bank with similar policy banks to be rolled out for the rest of the region. Support at the micro level includes initiatives such as building farmer capacity through National Farmers' Organisations (NFOs).

Supporting PS Ali's mention of linkages and associations between agriculture sector policies, Mr Caniogo outlined the effectiveness of the multi-level Vanuatu Sector Policy Map.

### **2.1.2 Introduction to Agriculture Public Expenditure Analyses (Kofi Nouve, Senior Rural Development Specialist – World Bank)**

As an overview to his presentation, Mr Nouve outlined the importance of determining what Agriculture Public Expenditure (AgPE) analyses are, why they are necessary and how they are conducted. His presentation built on the framework and approaches to AgPE analyses with a brief mention of the types of AgPE analyses that exist.

Mr Nouve noted that there has been a renewed global sense of commitment to the agriculture sector with public expenditure being an avenue to contribute to the improved performance of that sector. He added that the World Bank has recognized an increase in rural development and overall development in the Pacific with evident linkages to other sectors including emerging tourism sectors and the nutritional agenda. He noted this in relation to what he observed as a positive representation from Budget and Finance ministries from across the region.

#### ***Why AgPE analysis?***

Budget efficiency is important. Policy and finance discussions should be around efficient allocation and not just the level of allocation. Adequate allocation combined with well-targeted government expenditure has the potential to strengthen the agriculture sector in the Pacific, contributing to the following:

- Increased growth;
- Reduced poverty/hardship;
- Shared prosperity across the region.

In prioritizing investments (drawing on lessons learned from the African AgPE experience), simply increasing resources is not sufficient. Allocations must set priorities and spending must be efficient and well targeted. Relevant questions for the Pacific include ***What are the priorities for Pacific countries?*** and ***Can AgPE analyses help?*** Mr Nouve went on to add that relevant questions for ministries and particularly for participants in the room are – ***How effective is prioritization?*** and ***Are we caving in to personal interests when prioritizing resource allocation?***

The classification of agriculture based economies varies across the Pacific region, with GDP and agriculture's contribution to GDP (AgGDP) also varying across the region. The World Development Report 2008 classifies countries as agriculture based, pre-transition, urbanising or developed. Some distinct characteristics of *agriculture based* economies include lower income per capita, large rural populations and a larger percentage of GDP attributed to agriculture. An example from the Pacific is Papua New Guinea (PNG) where livelihoods,

despite a boom in the mining industry, remain largely agriculture based. . Other agriculture based economies in the Pacific are the Solomon Islands, Timor Leste and Kiribati.

The characteristics of the other classifications are as follows:

- *Pre-transition countries* have a higher GDP per capita than agriculture based economies, but agriculture is still a key sector due to a large proportion of the population living in rural areas (for example Vanuatu, Tonga and Samoa).
- *Urbanising countries* have a relatively smaller contribution of agriculture to GDP, higher GDP per capita, and a rural population that is less than 50% of the total population (for example Fiji, Tuvalu and the Marshall Islands).
- *Developed countries* (have high per capita GDP, a predominantly urban population, and a very small proportion of GDP generated from agriculture (for example Palau).

### ***Framework for AgPE analyses***

While the framework applies specifically to public expenditure in the agriculture sector, it is also relevant to other sectors. In light of the conceptual framework (public spending and macro/sectoral impact), agriculture expenditure is only a small aspect of government expenditure.

To illustrate the importance of the agriculture sector not operating in isolation, Mr Nove used education expenditure as an example of social spending which ultimately impacts on increased efficiency in other areas of government expenditure including agriculture. Two priorities exist for a public expenditure system – prosperity and ensuring that the economy is delivering robust growth to sustain prosperity.

Two key rationales for government spending on agriculture are addressing market failures and reducing poverty/hardship and inequality (which inform the overall development agenda in each country). Policy goals are significant as planners should ensure linkages between public spending and growth. The impact of public expenditure will depend on the policy mix and investment. Some investment considerations include allocations to outer island programs (high growth areas or marginalized areas) or allocations to reverse adverse environmental impacts or to promote healthier nutritional behaviors.

### ***Types of AgPE analyses***

Mr Nove touched briefly on AgPERs as a tool to be reviewed as one of many that policy planners have to complement evidence based policy planning. The type of AgPE analysis used will also depend on the specific needs of each country.

Three types of AgPE analyses were proposed (comprehensive, rapid and thematic) as well as typical products of AgPE analyses which include basic AgPERs and specialized country AgPE analyses.

Overall, it is important to recognize that individual countries have individual needs and according to Mr Nove, “there is no one-size fits all” approach: AgPE analysis is only one tool among many.

### **2.1.3 Budgeting for Sustainable Growth (Ron Hackett, Public Finance Management Advisor – Pacific Financial Technical Assistance Centre, IMF)**

#### ***Budgeting for Sustainable Growth – Some Basics***

The focus is primarily on budget preparation and legal issues. Some of the problems Mr Hackett had observed over the last four years across the Pacific in relation to sustainable growth are around budgeting.

Many Pacific countries do not have a medium-term or long-term focus. Budgets are established on an annual basis without adequate forward planning. Failure to think during the annual budgeting process about resource requirements in future years to implement policy or project decisions **that have already been made** will hinder countries' ability to achieve goals in some crucial areas.

Another frequent factor affecting sustainable growth is unrealistic resource estimates – governments in the Pacific tend to often base budgets on unrealistic revenue forecasts. Within a few months of budget passage, budgets then require adjustment.

All plans implemented by governments are linked to budget and have to be clearly costed. Decision makers must understand inter-relationships across relevant sectors.

#### ***What can we learn from PEFA Assessments?***

Public Expenditure and Financial Accountability (PEFA) is a key management tool to assess strengths and weaknesses of Public Financial Management (PFM) systems. The PEFA framework encompasses a range of indicators (27-28 in total). The indicators most relevant to medium-term planning and budget integration focus on linkages between investment budgets and forward expenditure estimates as well as multi-year fiscal forecasts and functional allocations.

One of the major problems with PIC budget preparation today is the lack of coordination between planning and budget. This stems from an unrealistic legacy notion that planning and budgeting are separable.

#### ***Establishing and Maintaining Quality of Spending***

Medium-term fiscal planning/budgeting requires being as realistic as possible and always asking if adequate resources (or fiscal space) will be available in future years to implement the policies that have already been adopted, or the projects that have been approved. Cabinets often adopt items without conducting fiscal reviews. Fiscal reviews are imperative before policy implementation.

Stakeholders regardless of what level they are at (from farmers to lawyers) require information that is easy to interpret and to determine links between policies, strategies, objectives and results.



#### **2.1.4 Agriculture Public Expenditure Review: Experiences around the World (Peter Goodman, Senior Agricultural Specialist, World Bank)**

The scope of issues that AgPERs can cover are much broader than a simple statement of spending. The regional aspect of the workshop, particularly during the second day's bilateral consultations, provides a strong basis for country comparisons and sharing of experiences. The focus should then be on how PICTs should go about institutionalizing AgPERs.

Mr Goodman noted that while the country examples provided were diverse and clearly distinct from the Pacific context, they offered valuable lessons which could be used by PICTs.

##### ***Global Context***

Poverty is a clear driver of global population trends and public expenditure decisions. The global food market will grow by 20% in 2030 and demand in the Pacific region alone will grow by 14%. Yet as demand for food increases, supply will be constrained by various factors, including climate change and land and water stress.

##### ***Public Expenditure Reviews in Africa***

The Comprehensive African Agricultural Development Program (CAADP 2003) was motivated by low budget allocations towards agriculture, economic inefficiency, poorly implemented public expenditure and limited government capacity. This is in contrast to Asian countries where public investment was 11%, achieving 6% growth during the 'green revolution'.

Apart from dedicated AgPERs, broader PERs for countries also normally include a significant agricultural aspect. Mr Goodman recommends participants read through the 'Strengthening National Comprehensive Agricultural Public Expenditure in Sub-Saharan Africa' reports, or at least the executive summaries, to learn more about the African experience with AgPERs. Common findings include a lack of clarity in strategic objectives, a lack of long-term vision and weak linkages between strategic objectives, public expenditure and program outcomes.

Mr Goodman highlighted the fact that many low income countries with high AgGDP (percentage of GDP attributed to agriculture) were spending a very low percentage of their budget on agriculture. Figures for developed countries are much higher. A reason proposed could be a lack of impact analysis (due to weak monitoring and evaluation).

Other findings included very weak economic rationale for some programs as well as subsidizing inputs (an inefficient way to promote growth). Subsidised programs are difficult to dismantle due to dependency.

Another key finding across Sub-Saharan Africa was low expenditure on research and development (R&D), despite high returns to R&D in the agricultural sector as evident in other regions. Where subsidies were high, Mr Goodman concludes that they are not as effective as specific investment in R&D and other spending which impacts on agriculture. Investment decisions are determined by how attractive they are to governments.

Country specific case studies from Ghana, Nigeria and Mexico were provided for comparison.

### **2.1.5 Agriculture Public Expenditure Reviews in the Pacific (Brenna Moore, Consultant Economist on Pacific Islands Agriculture, World Bank)**

#### **What type of AgPER to choose?**

There are three types of Agriculture Public Expenditure Reviews (AgPERs) – Basic Agricultural Public Expenditure Diagnostic Reviews, Expenditure Component Impact Evaluations, and Public Expenditure Tracking Surveys (PETS). These vary in depth and breadth, and the World Bank have developed template Terms of Reference for each approach.

Basic AgPERs are a prerequisite for other types of PER analyses. They are a retrospective exercise which includes analysis of the sector budget (expenditure levels & trends, expenditure composition, financing sources, subsidies & cost recovery) and of budget performance (flow of funds, public financial management, institutional arrangements, outputs & outcomes). They typically lead to a number of recommendations, for example on ways to improve alignment between actual expenditures and national priorities, or identification of areas where revenue generation and cost recovery could be enhanced.

On the source of financing, it is important to note that AgPERs primarily look at public budgets. However, this includes not only expenditure by the Ministry of Agriculture, but also spending by other public institutions that relates to agriculture – for example climate change adaptation programs, or special programs linked to tax exemptions for farm inputs. If the data is available, AgPERs can also consider ‘off-budget’ investments by development partners, NGOs and even the private sector.

Expenditure Component Impact Evaluations are about strengthening the evidence base for policy making. As a prerequisite, the country needs to have sound financial management to track funds; and also a Basic AgPER needs to have been completed. These evaluations assess the impact of specific areas of public expenditure.

Public Expenditure Tracking Surveys (PETS) are about ‘following the money’ to identify bottlenecks, inefficiencies, deviations of funds, the proportion of public resources that reach frontline service providers, etc. Prerequisites include that a Basic AgPER has been completed and, importantly, that there is government willingness to explore sources of inefficiency.

Choosing between these 3 types of AgPERs depends on:

Country’s needs

Data availability and quality

The time & budget available

Steps for conducting each type of review were outlined in the presentation.

#### **The Pacific Context**

The proportion of national budgets allocated to agriculture, land use, rural development & fisheries varies from 2 to 12% across selected countries in the Pacific. Expenditure tends to be higher in countries where agriculture makes a greater contribution to GDP. Examples from Tonga were outlined.

### ***Which approach could suit the Pacific?***

Country needs for AgPERs differ, as does the availability and quality of data. Cross sectoral PERs have been done in the Pacific (most recently in Samoa, Tuvalu, Kiribati, Tonga and the Solomon Islands), but none specific to agriculture. The World Bank is planning on updating some of these economy-wide PERs in the near future, along with conducting some specific sectoral analyses (e.g. on health expenditure in the Solomon Islands and Vanuatu).

Given that the Pacific has no apparent experience with AgPERs, and that data and time available may be limited, it is best to start with a Basic AgPER, then assess needs for other types of analyses.

It is important that both the Ministry of Agriculture and the Ministry of Finance are strongly engaged from the beginning of an AgPER. This will ensure a greater likelihood of the recommendations of the AgPER being implemented – in collaboration with other Ministries, civil society organisations, stakeholders and development partners.

An AgPER practitioners' toolkit is available at:

<https://openknowledge.worldbank.org/handle/10986/2822>

The World Bank and SPC PAPP will be working together over the next two years to support Pacific Island countries in undertaking AgPERs.

## **2.2 Policy, Extension and Markets – DAY THREE PRESENTATIONS**

The objective of the third day is to discuss major regional agriculture related policy initiatives currently under development as well as the rationale for regional agriculture policies and policy frameworks in the Pacific.

### ***2.2.1 Research Extension Forum Outcomes and Draft Regional Extension Strategy (Mr Gibson Susumu, Participatory Extension Specialist, Land Resources Division, SPC)***

Mr Susumu's presentation was divided into two parts – key outcomes of the recent Regional Extension Forum held in Samoa (including research priorities and extension priorities) and an introduction to the Regional Extension Strategy.

#### ***Regional Extension Forum - Outcomes***

The forum was established due to a lack of favourable policies and a lack of linkage between stakeholder and organisations. This built on past efforts of the Pacific Island Extension network formed and endorsed at the 2005 Extension Forum.

Representation at the Regional Extension Forum was diverse including heads and researchers of extension, universities and other academia, private sector, NGO's, Farmers' organisations and development partners. Using the PAFNet forum, the Regional Extension Forum utilized tools such as a pre-forum survey to create awareness and to maximize information sharing and parallel discussions.

The key outcome of the forum was a communique calling on members to adopt a number of Research and Extension Services (RES) priorities around livestock, agroforestry and crops. These priorities were ranked with key themes such as value adding and market access common across the board.

Another outcome of the Forum was the revival of the Pacific Island Research Advisory Services (PIRAS) for the purpose of networking, as well as sharing information with member countries. During the Forum, a new logo was designed for PIRAS and members agreed on representatives to PIRAS from across the main Pacific sub-regions, academia, farmers' organisations and the private sector.

### ***Regional Extension Strategy***

Declining investment is a key challenge in light of a growing demand for extended role of extension (eg. with marketing). In many instances, translation of innovation from research and extension to farmers does not involve farmers and the capacity of extension agents to execute this work is limited.

Priorities established for the strategy are both regional and sub-regional/country specific.

### ***2.2.2 Creating a Supportive Policy Environment for Development of the Organic Sector (Karen Mapusua, POETCom Coordinator, SPC)***

POETCom's core activities include various advocacy initiatives around issues such as coastal protection, environmental protection, and training and capacity building. This approach will facilitate closer collaboration between government stakeholders such as those from Health, Finance and Environment.

With regard to policy work, POETCom is developing a toolkit for governments to develop policy. Organics have recently been appearing in higher level government documents however no work has been carried out on how to support this. Some of the findings in support of a policy toolkit include government tendency to regulate without policy development.

The Organic Policy Toolkit will facilitate dialogue and aims to balance interests of organic stakeholders and governments. The toolkit will facilitate regionally compatible national policies in line with the Framework for Regionalism while appreciating key differences across individual countries.

Organic certification is very complex as half of the world is already regulated. Setting up a certification body is not financially viable at this point and POETCom has chosen to build up local auditors' capacity instead, while aligning closely with existing certifying bodies.

Mandatory regulations should only be considered when the need is clearly established and other simpler options are ruled out, as this is costly.

UNEP/UNCTAD introduced best practices for organic policy development. These included the need for governments to facilitate access to certification services which POETCom already does through its Pacific Organic Guarantee Scheme.

The Pacific Organics standard is currently the only standard that has requirements around climate change.

### **2.2.3 PAPP Agricultural Statistics (Anna Fink, Agricultural Statistician, SPC PAPP)**

Data is significant to inform AgPERs and public expenditure reviews at all levels. Online databases support further development of agriculture data. There is a database called PopGIS that integrates information from national databases and surveys with satellite images.

A Regional Strategic Plan for Agriculture and Fisheries has been proposed with an upcoming workshop in Nadi on 5-8 October, 2015. The plan aligns with a global strategy that supports planning for agriculture and statistics.

The aim in the Pacific is to include as many countries as possible but the process is slow. This is also hindered by the fact that agriculture statistics have not been incorporated into main household census in individual countries. Individual PICTs are also developing their own national level statistics strategies.

Traditional representation of the Pacific in agricultural statistics (globally) has been weak and the scope of the strategic plan aims to fill gaps that exist in global statistics and to ensure that tools developed to capture this are being used. This will be supported by, and encourage an intra-Pacific approach to share knowledge.

### **2.2.4 Towards a Regional Agriculture/Forestry Framework for the Pacific Islands (Bruce Chapman, Consultant, SPC)**

An inventory of key national policies for all PAPP countries has informed decisions on documents for the policy banks across the Pacific. All documents are available on PAFNet and will be updated as they are modified at the country level. This body of work was initiated almost a year ago, and to date many of these documents are currently being reviewed. Not all documents were consistent. Some were national sector policies/strategies and in some instances, an agency strategy or plan, or national sustainable strategies were consulted in lieu of a broader policy/strategy. National sustainable strategies were mostly from very small countries where agriculture is a different proposition in comparison to countries like PNG or Fiji.

A summary document was created with all vision statements and key issues/priorities and commodities discussed in each plan or strategy. Common agriculture priorities were determined from individual country priority statements. Some labels are clusters and not the direct text from documents, which was often quite complex. Clusters are ranked according to the number of occurrences/instances they appeared in national documents. A similar approach was carried out in clustering the most relevant issues.

To guide forward planning of this work following the inventory of commonalities across country documents, a variety of inputs and the inventory itself have provided some thematic areas. These thematic areas will contribute towards a regional framework.

Implementation of the framework will take into consideration issues such as climate change and disaster risk reduction and public-private sector engagement. Other inputs to include are trade data (to support commodities list and including other agencies' work such as the FAO).

While there are many ways to structure strategies, such as cascading national strategies, progress on developing a framework is open at present and preference would be given to a limited approach that does not become too complex. What is delivered nationally is usually cast in what are regional public goods.

The framework document will sit at a higher level and be driven by national needs and priorities. A companion document – a roadmap will incorporate timeframes and implementation.

There are many innovative ways to encourage investment and resource mobilization to realise the proposed framework priorities. In the Caribbean, many Caribbean nationals living in the US with access to significant resources are being encouraged to invest in their countries. This would be an interesting idea to explore for the Pacific. Other questions that emerge from this work are around who will own the framework, who is going to drive it and the audience to which it is targeted, and what purpose it serves.

### ***2.2.5 A Regional Framework for Agriculture (Tim Martyn, FAO)***

The approach to a regional framework will take into consideration learnings from past wrong turns and will aim to communicate linkages with other sectors (through multi-sector issues) as well as a succinct and clear vision. It is important to communicate to donors in a language they understand. Agriculture, Forestry and Fisheries do not have a lot of regional coordination unlike other sectors.

Agriculture is one of the smallest sectors by aid spend proportion. This low share of development assistance is not due to a lack of impact on people's lives (30% participation rate of the Pacific labour force, and contributing 10% to GDP on average). Around 30% of household income in Pacific is from agriculture. Mostly from subsistence with a small share attributed to commercial activities. A major factor in lower proportionate aid spend is due to the region's inability to communicate a clear vision, and to prioritise.

A key objective of a framework would be to redefine the role of the public sector in light of rural livelihoods. It has been found to be more efficient to redirect public expenditure towards the private sector. Donors are also investing in other related sectors (energy, transport to assist rural households engage with markets), into communications and infrastructure. Some project examples are the DFAT funded Market Development Facility (MDF), PHAMA, EU FACT/IACT which are all private sector based.

The philosophy behind this regional framework is based research, extension, marketing, branding are usually coordinate by private sector agencies. This model has worked in other countries like Australia but is not uniformly applicable to the Pacific. Some PICTs have underdeveloped private sectors and there is strong logic to continue involving the public sector in provision of services to the private sector. Consequently, the vision did not clarify what this would mean for the public sector and the large majority of farmers who will not move into a large commercial base.

There weren't enough resources to coordinate this and the approach was too ambitious (but also not ambitious enough in determining long term strategies). As an example, food security for many donors comes from an African/Asian model based on a minimum number of calories whereas in the Pacific, the conversation differs and is usually around importation of foods, developing subsistence farming.

There is a need to prioritise on a regional level and to share capacity and ensure the right incentives are in place to achieve this.

## **3.0 SUMMARY OF DISCUSSIONS**

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### **3.1 Bilateral Discussions (Day 2)**

#### ***Timor-Leste***

- Policy question of technical and financial support for coffee plantation revitalisation.
- Spending on trainings and demonstration plots, financial support for farmers.
- Risks – coffee leaf rust outbreak, erosion and drought.

#### ***Samoa***

- Strengthening assistance to development in the coconut industry.
- Propose thematic AgPER analysis on coconut rehabilitation.
- Spending on crops, R&D, and advisory.
- Greatest impact expected to be through improvements in financial management, making it more efficient, effective, and economical.
- Risks – cyclone, pests, and diseases.

#### ***Cook Islands***

- Policy question of financial and technical support provision.
- Proposed AgPER approach: farmers broad survey.
- Spending on research, advisory and biosecurity.
- Greatest impact expected on financial support for farmers.
- Risks – Cyclone, flooding, drought, water security.

#### ***Fiji***

- Policy question: ginger, aim to increase exports by 10% per year, reduce poverty, income generation.

- Key risks to Agriculture
  - Climate Change, Natural Disasters, Land Disputes/Access, Pests and Diseases
  - Fiji – Pests cause damage of F\$1million per year
  - Data quality
  - Investing in DRM initiatives to protect sugar.

#### **World Bank**

- Make sure that extension officers have the right skills.
- Key commodities – coffee, sugar, and coconut – long term future for these industries – are you going to be competitive in those key sectors, do you have strategies for those sectors, do you want diversification.
- Importance of competitiveness study – where can each country be competitive? Mainstream or niche markets?
- Are you concentrating risks by focusing on key crops that are vulnerable to pests and weather events?
- Work on risk assessments and competitiveness would inform strategic vision and help align spending.
- Climate change – how does spending on DRM and climate change mitigation compare with donor funding?

#### **Comments from the floor**

##### **Fiji**

- Diversification – into tourism. Importance of diversification.

##### **Cook Islands**

- DRM programmes focussed on humanitarian aspects rather than on protecting livelihoods and food security.
- Climate change, is this best addressed at a regional level? Especially in the provision of financial and technical support.
- How to determine credibility of the outcomes from AgPERs?
- Concerned about the impacts of the AgPERs – do countries have a say in release of figures, can they request confidentiality to help protect its development programme?
- For example, Cook Islands classed as a developed country due to GDP per capita levels, but neglects the fact that its economic strength is focussed on the main island, and this does not reflect situation in entire country, this has affected its access to assistance.

##### **SPC**

- Should governments in the region fund private extension providers or directly provide extension services.
- Processing vs commodities – value added agricultural industries.

#### **World Bank**



- PNG – partnership between Bank and IFAD where extension services are provided by the private sector. Demonstrated that in PNG, private sector could be more effective than the public sector.
- FAO assessment in Samoa – farm to market losses (post-harvest losses) – up to 50%.
- Public extension services are important but not the whole story.
- Need to narrow to focus on country level.
- What can be done nationally and what can be done regionally?
- Support for farmers can be provided in cash or in kind.
- Importance of multi-year budgeting.
- AgPER would draw out efficiency of budgeting process.
- In response to Cook Islands question about credibility and confidentiality – World Bank will respect country’s request for confidentiality.
- Credibility and quality of report – internal peer review group and review by country government.

#### ***Timor-Leste***

- How to measure whether good outcomes were achieved?
- How to measure environmental impacts?
- T-L prefers use of demonstration farms – 200 to 1000ha – to trial and measure impacts.

#### ***Way forward (SPC)***

- Propose to start with the basic AgPER, before determining what more in depth analyses are required.

### **3.2 Discussions around key thematic areas**

Chair: Vili Caniogo (SPC PAPP Team Leader)

#### ***Research Extension Forum***

- Ms Mapusua (POETCom) proposed that value adding has been ongoing across the Pacific and that commercialization should be prioritized instead. Mr Susumu (SPC) responded that market access priorities should provide linkages between production and markets. Mr Nouve (World Bank) questioned how cooperation is working regionally to support these linkages. Mr Susumu responded that the Forum inventoried research programmes and capacity and the development of a compendium around this is an ongoing activity.
- Mr Arioka (Cook Islands) noted there is a lack of policy to drive programme support and questioned whether the Forum looked at bridging those gaps. Mr Susumu responded to say that the second part of the presentation would address this.
- Mr Susumu highlighted that a big issue with the lack of policy is that there is also a lack of capacity to drive and leverage existing policy.
- Mr Caniogo (PAPP) noted that AgPER discussions highlighted some key issues relating to research and extension which would require a regional approach.

#### ***Regional Extension Strategy***

- Representative from Fiji commented that the way forward is through consultation and agreed that policy is a huge need. Food security as a thematic area for his Ministry

requires assistance to identify gaps and to develop a framework. An extension model should address capacity building and also promote knowledge sharing with farmers and have a high adoption rate to be successful.

- Representative from the World Bank questioned whether the strategy would take into account existing private sector initiatives around capacity building for farmers (through proposed private sector strategies). Mr Susumu responded that some actions listed will maximize private sector engagement around research and extension needs.
- Mr Caniogo called on participants to review their own policies in the context of public expenditure reviews and to question how they would get this incentivized.

### ***Organics***

- Mr Nouve questioned the certification by POETCom of wild harvests such as turmeric exports from Fiji. Ms Mapusua responded that wild harvests are included in third party and through PGS and would still need to be certified.
- In answering Mr Nouve's question around the linkage between organic certification and agrotourism, Ms Mapusua responded that organic tourism initiatives are already being carried out through initiatives such as farm homestays in Noumea and a farm to table project in Samoa. The outcome of this was that restaurants preferred to wait for branding/certification.
- Mr Purcell (World Bank) questioned the evolution of organic production eg. market penetration. Ms Mapusua responded that through farmer networks, niche crops such as dilo were picked up on however this was very haphazard (eg. with Noni production).
- Ms Mapusua noted that there has been a shift from the expat community to local marketing due to changes in Pacific based interest however, research and support is needed (especially with growing non-traditional crops and reviving traditional crops, building menus around this).
- Mr Susumu questioned the definition of 'organic' (Pacific definition is already part of traditional farming techniques). Ms Mapusua clarified that not all practices are considered organic (such as slash and burn) and that there needs to be a systematic approach as practices sometimes evolve and some current practices in the Pacific have moved away from traditional organic farming.

### ***Regional Agriculture/Forestry Framework***

- A new tool used by the World Bank is "risk assessments" which attempts to allocate a value to the main risks faced by the private sector (to enable private sector collaboration). In some countries, these assessments are a different way of presenting priorities for public spending/direction of aid. May be relevant for the Pacific. Another way of communicating WHERE to direct aid/money.
- The recent regional extension forum in Samoa discussed Pacific Climate Change financing initiatives by the World Bank. This aimed to create a better understand of different agricultural production systems. A similar risk assessment was proposed, however the question was whether there was value in investing in something where benefits would take 10 years but the reality is that a natural disaster would occur within 5 years. What the region needs is agriculture insurance. Governments are now

being paid out from this regional disaster risk mechanism eg. Tonga. Linking this to weather based insurance would benefit many farmers and the sector.

### ***Regional Agriculture/Forestry Framework for the Pacific Islands***

- Participants should return with information from these sessions to inform the way they design/structure their own policies. The policy map (PAPP overview) illustrates the status of policies and how they interact with agriculture.
- A regional framework will need to have political support in order for widespread recognition of it being the key regional document on agriculture. There are plans to socialize the document (in draft) at the upcoming Ministers of Agriculture and Forestry meeting in the first half of 2016.
- Planning around the framework is informed by the Policy Steering Committee (with representation from 15 PICTs).
- The framework (or a regional strategy) aims to provide a template to steer through regional agricultural issues and will not necessarily be adopted at national level, but will also provide a basis for resource mobilization.
- Through the inventory process, some serious levers have emerged to pull from a donor perspective with an impact on regional branding (eg. Tourism and Organics).
- This work is much better coordinated at a regional level to ensure linkages with other sectors such as Health.
- A regional framework will also inform the direction of SPC responses to countries around specific issues eg. Plant genetics and technical services relating to agriculture.
- This supports the 'regional' Pacific approach already endorsed at the Pacific Island Forum (PIF) level.
- Support for the approach to make strategies and plans at the national level, truly living documents.
- With changing regional dynamics, it is important not to overcomplicate the strategy/framework document to ensure political buy-in.
- Relevance to the global landscape is addressed in part through reference to climate change initiatives etc. however, specific undertakings will overcomplicate the document – this is a design issue that needs to be explored.

### ***Regional Strategic Plan for Agriculture and Fisheries***

- There are relatively frequent census across the Pacific but some smaller island states are looking into incorporating agriculture based questions into their household census.
- Tonga is in the process of finalizing its agriculture census and Samoa is preparing for theirs. Fiji is planning its census for 2019 and the Cook Islands for 2011.
- The idea is that tools developed to support these initiatives will meet FAO work and requirements from countries.
- PAPP works closely with the Bureau of Statistics in individual countries.

## **4.0 OUTCOMES AND ACTIONS**

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The following are combined outcomes from the series of events, based on the discussion topics for each day.

#### 4.1 Outcomes and Actions

The following are key actions and outcomes that were agreed, noted or otherwise during the weeklong series of activities.

Action or Outcome	Timeline
1. <b>Agreed</b> on the importance and benefits of PERs for the agriculture sector, to improve targeting and efficiency, with all seven countries expressing an interest in some degree of AgPER analysis.	Sept - done
2. <b>Noted</b> that similar Public Expenditure Reviews were already being undertaken in various countries (for other sectors).	Sept-done
3. <b>Noted</b> that adopting a consistent approach to PERs (eg. breaking down spending using the same functional categories) across the region would facilitate country comparisons of performance.	Sept-done
4. <b>Noted</b> that in relation to the delivery of Technical Assistance (TA) the World Bank will provide technical expertise with SPC support through local assistance including assisting/communicating support for local institutionalization of the process. Countries are to submit their formal request to World Bank and SPC by <b>24 October 2015</b> .	By 24 October 2015

## 5.0 CLOSING REMARKS

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### **Closing remarks by Vili Caniogo, SPC PAPP Team Leader**

- Very positive support for AgPER from across the board of regional participants.
- Hope that discussions have highlighted useful tools and approach to inform policy in individual countries.
- This has been a great opportunity to communicate and plan moving forward due to the scope of agenda items for discussion at upcoming meetings.
- WB and SPC will send outcomes paper. Next steps will be around roll out of AgPERs with indicated task force/steering committee, tentative timeframe. Interested countries to prepare requests including indication of representation on task force/steering committee.
- Discussion and summary report as well as outcomes will be distributed to all participants.
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### **Vote of thanks by Patrick Akaiti Arioka, Chair of SPC PAPP Steering Committee**

- Acknowledgment of countries who have sent representatives to participate at the workshop, workshop partners particularly the World Bank.
- Noted a very diverse understanding across participant group around what has to be done and the AgPER will encourage more cohesion. This should have been the initial step to drive policy needs and to bridge gaps relating to policy in the agriculture sector.

## 6.0 ANNEXES

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### **6.1 Agenda**

### **6.2 Participant Lists**

### **6.3 Presentations – overview of daily discussion topics, presentation and complete presentations**

### **6.4 Speeches – uploaded on PAFNet**

### **6.5 Media coverage - links to communications products relevant to the workshop**