PD-AAX-408

SOUTH PACIFIC

Action Plan FY 1987

BEST AVAILABLE

FY 87 ACTION PLAN

SOUTH PACIFIC

South Pacific Regional (879)
Fiji Bilateral (882)

I. Introductory Overview

FY 84 and FY 85 were transition years for the program of the South Pacific Regional Develoment Office (SPRDO). An AA/ANE commissioned report, "The South Pacific--Recommendations for A.I.D. Assistance" (Crandall et. al.), was produced in October 1984 following an intensive review by an AID/W team into all aspects of the SPRDO program. That report's findings provided the basic rationale and background for the subsequent, completely revised, FY 87 South Pacific Regional CDSS (May 1985). The CDSS included the SPRDO's initial Action Plan ("Work Plan"). The FY 1987 ABS followed immediately (June 1985). PIR's submitted as of September 30, 1985 accounted for current project progress, and received thorough AID/W review in State 003556 (January 6, 1986).

These documents present up-to-date description and analysis of SPRDO program and management strategies, and serve as basic reference for this FY 87 Action Plan.

Major FY 85 program accomplishments were: 1) PP approval and authorization for the new Development Support Training Project (879-0004); 2) PP approval and authorization for a new multi-project support (MPS) program with the South Pacific Commission (SPC), project 879-0006; implementation of the new "SPC-MPS" grant with the SPC; 3) initiation of a SPRDO regional private enterprise development program through US PSC services and the administrative assistance of a SPRDO grantee PVO, the Foundation for the Peoples of the South Pacific (FSP); 4) continuation of US PSC services in health program development and the submission of two PP-level project proposals for a new SPRDO regional health project; 5) and completion of a thorough analysis of options for the University of the South Pacific (USP) to consider as it moves into a new phase of using satellite communications to provide distance education and extension services to ten South Pacific island countries.

Major FY 86 program accomplishments to date are: 1) drafts of bilateral economic assistance agreement exchanged with the Government of Fiji (GOF); 2) PID completed for a new Regional Private Enterprise Development Project (879-0003); 3) initiation of PID discussions with Pacific island governments' fisheries technicians and development and planning officials for a new Regional Fisheries Development Project (879-0009); 4) submission of a PID-like cable proposing a major, Phase II,

follow-on to the South Pacific Region Agriculture Development Project (879-0267, SPRAD); and 5) SPRDO training program transferred from the administrative services of the FSP to SPRDO offices with an accompanying acquisition of US PSC "Assistant Training Advisor" services to help administer the Development Support Training (DST) program.

Management accomplishment: the SPRDO has completed an initial assessment of the cost and feasibility of expanding its current automated office equipment from two stand-alone WANG PC's into a VS-15 WANG office system with nine stations.

Major program and management issues are: 1) a ~~$2.0 million reduction, from $6.5 million to $4.5 million, in the South Pacific Regional development assistance budget from the April of April 1984 to the FY 86 CYB level announced in February 1986,~~ similar decreases were straight-lined in the FY 87 planning levels. These $2.0 million decreases have been absorbed primarily by the SPRDO PVO Co-Financing programs for FY 86 and FY 87, and have brought SPRDO face-to-face with the requirement to significantly reduce PVO grantee activity in the region; 2) SPRDO square-footage of office space per person is well below standard; planned increases in space within the confines of the American Embassy building will requ[redacted]

payments; and 3) the SPRDO "Executive Secretary" USDH position was converted to a USDH "Project Development Officer" position, and appropriate assignment for the position needs to be accomplished.

Major elements for the remainder of FY 86, and then FY 87: 1) complete up to four PID's and four PP's; 2) conclude the Fiji bilateral agreement negotiations; 3) restructure PVO Co-Financing program at reduced funding levels; 4) redistribute AIP program to serve, primarily, smaller island countries.

II. Performance and Plans

The FY 87 CDSS statement of SPRDO regional program goals (p. 26), and the summarized sectoral strategy for obtaining them (p. 28), remain valid. Specific sectoral objectives to achieve the goals remain as stated in CDSS section III., "Strategy". Generally, SPRDO continues to focus activities in the agriculture and health sectors, while at the same time transferring PVO-funded administrative services in training, private enterprise development and health to SPRDO projects per se. Since FY 84, PVO portfolios have been narrowed to concentrate in agriculture, health and income generation/private enterprise development; in-country training is a major PVO cross-sectoral activity.

A. Programmatic Objectives, Benchmarks and Performance.

SPRDO has established specific implementation objectives to accomplish development impact in agriculture, health, development administration (training) and private enterprise development within its newly devised strategy. These are:

Objective: Reduce the proportion of total SPRDO development assistance budget for PVO Co-Financing from 68% in FY 85 to no more than 40% - 50% in the CDSS period (FY 86 - FY 90). Achieved in FY 86 (currently 31%).

Objective: Increase the proportion of total SPRDO development assistance budget for the small grants, "Accelerated Impact," program (AIP) from the traditional 5% - 8% to 8% - 10% over the CDSS period; shift approximately 65% of AIP resources to the smaller island nations. Modest progress to date with the proportion at 9% for FY 86; 60% of AIP went to Fiji in FY 85.

Objective: Increase the proportion of total SPRDO development assistance budget for regional programs from the traditional 20% - 25% to 40% - 50%. Exceeded in FY 86 with regional programs currently comprising 60% of DA budget. Regional programs on-going for SPRAD, SPC-MPS, Development Support Training (DST); being developed in FY 86 for PRE, USP/Satellite, health (central funding), and fisheries (ESF funding).

Objective: Reduce grant documentation workload. Partially accomplished during FY 85 and FY 86 to date. New SPC-MPS grant consolidated four existing grants into single grant instrument. Reduced percentage of DA funding to PVO Co-Financing will inevitably reduce numbers of grants (e.g. two PVO country programs not being continued in FY 86), and planned multi-project support grant for FSP in FY 86 will consolidate six current grants into one instrument.

Objective: Increase the number of persons trained with SPRDO funds, and increase to 60% over the CDSS period the percentage of SPRDO program which could be classified as "training". The beginnings of an SPRDO training program in FY 84, and the launching of the DST in FY 85, have greatly increased SPRDO support for training. SPRDO sponsored training for 119 islanders outside of their home countries, or in the U.S., in FY 85, the first full year of an SPRDO training program. SPRDO's "benchmark" for numbers trained is approximately 200 annually.

B. Actions for the Coming Year.

1) Submit PID and PP for Regional Private Enterprise Development Project 879-0003; PID March 1986; PP July 1986; document preparation is being accomplished by US PSC; FY 86 obligation

considered feasible and of high priority. In the event project document completion/obligation not feasible, PRE program could continue to be carried out through the administrative services of FSP (with current Regional Private Enterprise Project OYB budget allowances converted to PVO Co-Financing allowances for that purpose); the new project would then be launched in FY 87;

2) Submit PID and PP for Regional Fisheries Development Project 879-0009; PID April 1986; PP August 1986; the PID would be submitted after the SPRDO-sponsored PID design workshop in late April; PP preparation could require contract TA; SPRDO considers this project a must for FY 86 obligation and is not considering an FY 87 option;

3) Complete PP-level Phase II design for the SPRAD project March - April 1986; this design work is being carried out by an ANE/PD/EA TDY and the SPRDO Agriculture Development Officer;

4) Continue to work with USP to determine that institution's most feasible option for continuing USP access to, and use of, satellite communications for its distance education and extension services programs (which include the SPRAD project); if further SPRDO assistance is requested by USP, we will need to submit a PID and PP; the options have been detailed fully, and

presumably could provide the substance for a subsequent PID/PP; if further technical assistance is needed to assess the options, or to write the PID/PP, it is available from S&T/ED and SPRDO PD&S funding;

5) Negotiate AIP country agreements with the six SPRDO countries which do not yet have them, and increase the percentage of AIP funds going to the four smallest countries (Tuvalu, Kiribati, Cook Islands and Niue);

6) Reach accord with PVO grantees on FY 86 and FY 87 grant levels in view of severe cuts in PVO Co-Financing program; conclude major multi-project support grant with FSP;

7) Continue to work with AID/W for acceptance of SPRDO's current regional health proposals (prepared as PP's) for Health Services and Water and Sanitation; since funding picture not yet clear, obligation schedule uncertain and obligation could carry over into FY 87;

8) Consolidate Development Support Training program within SPRDO; a US PSC Assistant Training Advisor joined the SPRDO in January 1986, and in-house procedures for the DST are essentially organized and functioning. A short-term (six months) PSC expert consultant will be employed during the FY's third and fourth quarters to further this project's objectives;

9) Complete bilateral aid treaty with the GOF, agree on program substance and sign FY 86 Project/Program Agreement(s).

C. Narrative.

The SPRDO program accounts for about 1% - 2% of all outside donor assistance to the ten island nations receiving SPRDO assistance. Therefore, SPRDO does not anticipate that changes in national or regional sectoral performance will be generally and directly associated with SPRDO assistance. However, each SPRDO PP has or will include performance benchmarks within its scope of work. Action Plans will show examples of performance benchmarks acheived toward attainment of "sub-national" sectoral objectives which, nevertheless, contribute to the CDSS's three long-term development goals (p.26).

D. New Project Descriptions (NPD's): the SPRDO does not currently have any plans to develop PID'S beyond those already concurred in by AID/W.

III. Special Considerations

A. Financial Issues and Anticipated Actions.

1) Pipeline: SPRDO's pipeline is currently 40%, and for the past two years has generally been less than the ANE average. SPRDO maintains its policy of annual budget reviews and funding, thus keeping pipelines to a minimum.

2) Mortgage: SPRDO currently has $1.3 million in FY 86 PVO Co-Financing mortgages compared to a current $1.4 million FY 86 OYB budget for PVO Co-Financing. Thus, no new PVO grants (which generally means continuation of current PVO grants as existing ones expire in FY 86) can be signed unless additional funding is obtained for PVO Co-Financing, from AID or non-AID sources.

In FY 85, SPRDO signed the 5-year, $2.5 million SPC-MPS grant with an initial $400,000 obligation. In FY 86 or FY 87, SPRDO plans to make a $6.0 million-plus, Phase II commitment to SPRAD with an initial obligation of approximately $1.1 million. Other SPRDO programs (e.g. DST, regional PRE, regional Health) imply mortgages vis-a-vis their anticipated LOP authorization levels, but do not imply significant mortgage "risk" to SPRDO because those funds will be obligated for several discrete sub-projects which, for the most part, will be fully funded by fiscal year.

3) Schedule of Planned Obligations: 86 Suva 0712 and 86 Suva 0642 discuss planned obligations for FY 86; the FY 87 OYB is for generally the same projects at the same funding levels, and obligation patterns will be approximately the same.

B. Evaluation Plan.

PVO's generally met their annual evaluation requirements in FY 85, and copies of these evaluations were regularly sent to ANE/DP and PPC/CDIE. Other SPRDO projects were not evaluated in FY 85.

The evaluation schedule for FY 86 and FY 87 is as follows:

Project Title and No.	Planned	Reason/Remarks
SPC Health Education (8790005)	FY 86, 4th qtr	EOP Evaluation
SPC Community Education Training Center (8790274)	FY 86, 3rd qtr	EOP Evaluation
SPC Rural Water and Sanitation (8790269)	FY 86, 4th qtr	EOP Evaluation (internal SPC)

PVO Co-Financing (8790001)	FY 87, 2nd qtr	Mid-Term, update 02/82 eval
Accelerated Impact Program (8790256)	FY 87, 3rd qtr	Mid-Term, update 04/84 eval

In addition to these planned evaluations, SPRDO has been informed of RIG/Manila's intention to audit the PVO Co-Financing and SPRAD projects; however, no dates for the audits have been set.

C. Work Force Issues.

The CDSS under "Clientele and Portfolio" (pp.51 - 53) discusses the general SPRDO program load and corresponding work force. Important updates are 1) that the USDH executive secretary slot has been converted to a USDH BS-94 slot, and that 2) a regional fisheries development project is anticipated in addition to those listed. The detailed SPRDO workforce is currently:

1 - USDH, Regional Director

1 - USDH, Regional Development Officer

1 - USDH, Agriculture Development Officer

1 - USDH, Project Development Officer (vacant)

1 - US PSC, Health/Population/Nutrition Advisor

1 - US PSC, Private Sector Development Advisor

1 - US PSC, Budget & Accounting Officer

1 - US PSC, Assistant Training Advisor

1 - FSNDH, Administrative Assistant

1 - TCN, Secretary

3 - FSN PSC, Secretary, General Services, Driver

SPRDO will require periodic AID/W assistance for project design and development, but the proposed Action Plan can be carried out with the work force as detailed above, provided that the on-board PSC strength can be maintained. Since only one of the four US PSC positions (B&A Officer) is O.E. funded, and the others project funded, SPRDO believes this is feasible.

The SPRDO is without in-house Controller, Contracting, Legal, GSO, and Commodity Management support. Consequently, management and project officer staff spend inordinate amounts of time on administrative, contracting and procurement activities.

D. Gray Amendment.

The SPC-MPS and DST PP's in FY 85, and those being drafted in FY 86, all contain requirements for carrying the provisions of the Gray amendment. At this time, PSA services are the best prospect for carrying out Gray Amendment objectives in the SPRDO program.

E. AID/Peace Corps Collaboration.

AID/Peace Corps collaboration in the South Pacific is perhaps the finest example of such collaboration in the world. PCV's are involved in almost every SPRDO program component. In FY 85, $300,000 was obligated in the Accelerated Impact Program for 48 projects; PCV's participated in 22 of those projects. In three-way collaboration, PCV's are directly assigned to PVO activities assisted with SPRDO funding in such programs as the YMCA/W. Samoa; SCF/Kiribati; FCOSS/Fiji; HKI/Fiji; IHAP/Solomon Islands; FSP/PNG; FSP/Tonga; CRS/W. Samoa; and ACDI/Tonga. Even when PCV's are not directly assigned to PVO's, they often are involved in small projects on behalf of a local organization funded by a PVO with SPRDO support. PCV's have made referrals to SPRDO's development support training program. And, finally, from one to three PCV's have been regularly assigned to the SPRAD project.

F. Summary Budget Tables ($000's).

Program Account	FY 1986	FY 1987
879 - South Pacific Regional		
Grant DA - ARDN	2,400	2,300
Grant DA - Health	400	400
Grant DA - EHR	1,000	1,100
Grant DA - SDA	700	700
Grant ESF	957	1,500
Sub-Total, Regional	5,457	6,000
882 - Fiji Bilateral		
Grant DA - Health	400	--
Grant ESF	957	1,500
Sub-Total, Fiji	1,357	1,500

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