

TI Secretariat (TI-S) Management Response

Independent Review of the Pacific Institutional Network Strengthening Programme (PINSP)

1. Introduction

This document is the management response of Transparency International Secretariat (TI-S) to the final report from the review of the Pacific Institutional Network Strengthening Programme (PINSP) commissioned by the New Zealand Ministry of Foreign Affairs and Trade (NZ MFAT) and undertaken by LITMUS between July and September 2013 to evaluate the PINSP and feed into discussion about its future.

TI-S welcomes independent reviews, and sees these as an opportunity to reflect and take their outcomes in the spirit of learning. As always, it is useful to look at how the PINSP has progressed, and particularly at which elements could have been improved.

2. Background and Context of the Review

The report has highlighted a number of important issues; we were encouraged by the relevance attached to the PINSP and the progress made by the Pacific Chapters (Fiji, Papua New Guinea, the Solomon Islands and Vanuatu). The report acknowledges the PINSP's contribution to capacity development of the anti-corruption movement in the Pacific. This has paved the way to further progress that can be made and achieved in the region.

Several important lessons have also been learned from challenges faced during the programme, particularly with regard to the management of the PINSP. It would have been helpful and effective for the report to balance these findings with further analysis of why challenges were experienced; it is important to note that this review took place in a particular context. During the second year of the programme, the Asia Pacific Department (APD) at the TI Secretariat had sought to limit delays and to increase implementation, recognising the limited time left on the programme. APD had also initiated discussions around the design of the next phase of the PINSP to minimise the risk of a funding gap. This push to bring project activities and budget back on balance after a year and a half of staff turnover and delay, unfortunately resulted in undue pressure on Pacific Chapters, and tension between APD and Chapters. At the same time, the relocation of staff to the region continued to be delayed by a variety of factors. We understand the concerns that Pacific Chapters had around these issues, particularly the wish to have more programme support based in the region.

Despite management challenges, as the review finds, the PINSP was supported to achieve its purpose: strengthened sustainability and effectiveness of TI Pacific Chapters in addressing issues of corruption. As of June 2014, each of these Pacific Chapters possesses significantly more capacity to address corruption issues in their country than they did in 2011, and the review recommends that the programme continue

into a further phase of support. Considering lessons learnt during the programme, it has been agreed in further discussion with the concerned Pacific Chapters that future phases of the PINSP will again be coordinated by TI New Zealand as has been the case in the past, bringing programme management closer to the region.

3. Follow Up Actions

Since the review was undertaken in September 2013, the APD and the Pacific Chapters have already undertaken a number of action points and commit to follow through on these:

- Since September 2013, APD has been in on-going communication with Chapters in the region about the future of the PINSP, how this should be structured, and what it should include to ensure it remains relevant in the context of different stakeholders.
- Whether through the PINSP or through other mechanisms, APD and more generally TI-S takes seriously feedback from Chapters and will seek further discussion in light of further developing close and constructive working relationships and programme ownership.
- APD will review lessons learnt on recruitment, turnover, and distance management, and apply these in new recruitments.
- APD and Chapters will capitalise on progress made and continue working toward a further development of the capacity of Chapters in the region through the next phase of the PINSP as well as through other exchanges, possible projects and support provided by the TI-S.
- APD and Chapters have agreed that from January 2015, the future phase of the PINSP will be managed by TI NZ. APD commits to assist TI NZ in the development and implementation of the future PINSP.
- APD support to Chapters on M&E Frameworks and Systems will continue, with greater focus on outcome and impact level of contribution to anti-corruption. This support will be aligned with TI-S impact monitoring system.
- For the PINSP to increase advocacy among development partners in the region and beyond, APD will continue to play an important role in the PINSP. This area of work will become a greater focus for APD to coordinate with Chapters.

4. Feedback on Findings

Relevance

TI-S is pleased with the findings of the report that the PINSP has been relevant and has merit to the Pacific Chapters, to New Zealand, and the wider movement. Similarly, we agree that investment in core operational costs are critical, and that links with TI-S and to other Chapters in and beyond the region are important.

We agree that Chapter exchanges within the Pacific and in the wider region have been extremely useful and have shown the benefit of working across different Chapters. We can see that the network across Pacific Chapters has strengthened significantly over the PINSP timeframe.

Effectiveness

Seeing capacity development as a longer term process, the capacity development building blocks under the PINSP will be continued, to build on progress made, both through any next phase of a PINSP programme and overall exchange and support provided by the TI Secretariat.

We share the view that the focus of the PINSP needs to shift to concentrate on outcomes, rather than outputs and activities. The ability to demonstrate clear outcomes continues to be challenging in the governance and networking fields, and is a continuing priority for the TI-S. Support on M&E Frameworks and Systems thus continues to be an area of focus: the report highlights that progress on this front has been limited. We would concur with this finding, recognising that it may need a different approach, but see this as an important first step taken, which needs to be followed by consistent follow up to improve in order for the PINSP logic and other areas to translate into being able to monitor progress. Recognising that this is often challenging, particularly when MEL systems are still under development, additional analysis of how to improve the outcome focus of the report would have been valuable, as TI-S is currently developing a new impact monitoring system to help monitor outcomes of our work more systematically.

Efficiency

TI-S acknowledges the challenges posed by the unfortunate turnover of staff and delay of the coordinator's placement in the region, and the negative effect that this had on efficient management of the PINSP. However, interim measures were rapidly put into place, and the programme continued to deliver a relevant programme despite this challenge.

The role and function were fulfilled throughout the timeframe of the project. The report implies that the SRC only spent 30% of his time on the Pacific. It is important to clarify that while the SRC was only funded 30% by the PINSP, he worked nearly 100% of his time on the Pacific, funded through other capacity development projects which aligned with the PINSP objectives. In 2011 the existing Pacific Regional Coordinator continued to fulfil her responsibilities until the new SRC was recruited. When the first SRC resigned, a team was immediately put into place. The second SRC was recruited on the understanding that he would move to the region after spending an induction period of 3 months at TI-S. TI Australia and TI NZ assisted in the effort to acquire this coordinator a work visa for Australia or New Zealand, which took longer and was more difficult than anticipated. APD takes this point as a lesson learnt in recruiting for positions to be based externally from the Secretariat office, without a valid work permit in the Pacific.

The report argues that the cost of management at 19% of the total budget is higher than acceptable under NZ MFAT policy. It should be noted that this does not distinguish between management costs and implementation, and TI-S staff on the programme are expected to contribute more toward the PINSP than solely programme management. This should be considered when calculating the management cost. In its recommendations, the review goes on to note that the SRC role needs to be full time and supported by a team, necessarily implying further human resource costs.

APD recognises the significant added value of basing the SRC in the region and takes seriously the feedback given by the stakeholders in the review, particularly on the effectiveness of APD support. Overall, the Pacific received the highest proportion of regionally managed funding in the Asia Pacific region. In this context, it will be important for APD to engage in further conversations around expectations to ensure that these can be further aligned and agreed. This will be discussed with Pacific Chapters and further analysed to see how this can be improved.

Throughout the PINSP, key components of the programme have continued and been delivered. Core funding has allowed Pacific Chapters to be relevant in the region, and capacity building initiatives, training, and exchanges have taken place throughout the programme. While the review recognises that strengthened connections between Chapters through Chapter exchanges and regional meetings were a major achievement of this programme, it fails to recognise the role of APD in directly managing and coordinating these events. These activities are critical approaches of the PINSP and a significant part of APD's contribution. We regret to see the difference in understanding of the role played by PINSP actors and disagree with the conclusion by the review team that while Chapters exchange and regional meetings were successful, APD was weak in delivery of these.

Sustainability

From TI-S' perspective, capacity development led by individual Chapters remains the most sustainable approach to transforming capacity. Although the review concludes that the PINSP has been seen to be less accountable to ensuring the strategic objectives of strengthening Chapter's capacity to fight corruption has been met, the programme is designed to meet the Chapter's strategic objectives and develop organisational capacity as they see it needed. As recognised in the report, tailored approaches were taken in each of the Chapters, meaning that each Chapter received support and advice responding specifically to their own identified needs. The structure of TI as a movement of independent National Chapters is such that TI-S may make recommendations on capacity developments and strategic focus, but the manner in which this is institutionalised and implemented by Chapters consistently is a responsibility beyond TI-S and cannot be attributed solely to APD. Furthermore the development of organisational culture takes many years – as recognised in the report, capacity assessments, planning processes, strategic plans, and M&E tools and trainings are critical first steps that require building upon further.

Further discussion on the new phase of the PINSP will provide an opportunity to develop greater programme ownership. As the review suggests, a stronger role of the Pacific Advisory Group (PAG) may well be one way to address this, but will also require more in depth engagement and participation from the region. In the current programme, the PAG consisted of representatives for the four Chapters, and played a significant advisory role, reviewing grant applications submitted and advising on general political developing in the Pacific. The recommendation for the PAG to play a larger role is worth exploring, but it should be noted that the balance between providing an oversight role and ensuring effective program delivery will need to be maintained.

The review concludes that TI NZ is better placed to manage the programme due to its understanding and geographical proximity to the region. While APD recognises the advantages of regional proximity, all management operations bring risks and opportunities, and the risks and opportunities brought by the

change of management also need to be further analysed. APD and TI-S will continue to support TI NZ and the Chapters in the region and to provide assistance as possible, regardless of the management of future versions of the programme.

5. Feedback on Recommendations

Generally, TI-S agrees with the recommendations made by the review.

TI-S is particularly encouraged by the recommendation for NZ MFAT IDG to enter a new phase of support to the four Pacific Chapters. This remains a critical piece of support for the region, and regardless of management arrangements, TI-S will support the continuation of the programme. TI also agrees with the recommendation for a 5 year programme, which will allow more progress against intended outcomes over time. TI NZ and APD are working with Chapters on the development of the next phase of the PINSP, and have begun to discuss this possibility with NZ MFAT. In any scenario, human resources will need to be allocated in proportion to the programme, and this is alluded to in the final recommendation made by the review, although the recommendation regarding hiring a full time manager and maintaining costs within 10% of the budget are neither consistent nor realistic. Finally, while agreeing with the principle that the implementation partner managing the grant needs to demonstrate the capacity to do so, we would highlight the importance of an intermediate step or alternative to termination of the contract should this not be the case, given the importance for the four Chapters benefitting from the grant and delivering its direct development outcomes.

6. Conclusion

It is of central importance that the Pacific Chapters receive continued support, and thus TI-S is encouraged to see the recommendations of the report that the programme continue to be supported by New Zealand's Ministry of Foreign Affairs and Trade

Given that TI New Zealand (TI NZ) had managed the PINSP prior to 2011, TI-S is open to various management arrangements in order to assist Pacific Chapters to receive needed support. In this light, APD and Pacific Chapters met during the TI Annual Meeting at the end of 2013 and agreed that TI NZ would lead on the development and consequent management of a next phase of the PINSP, to bring management of the programme closer to Pacific Chapters. APD will continue to support both TI NZ and the Pacific on core issues through similar programmes, and will play a supporting role in the next phase of the PINSP to contribute to the achievement of TI's governance and anti-corruption goals in the Pacific.