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Report

Pacific Horticultural and Agricultural Market Access (PHAMA) Program

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Framework for MAWG and IWG Sustainability Roadmaps
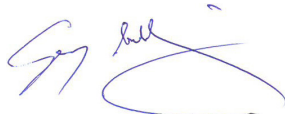
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TABLE OF CONTENTS

1 OVERVIEW

1.1 Background

Market Access Working Groups (MAWGs) are a key innovation under PHAMA and exist in each PHAMA country. They bring together members of the private and public sector to discuss market access issues, and to prioritise activities to gain, maintain or improve market access that will be funded under PHAMA. Industry Working Groups (IWGs) operate in a similar manner to MAWGs, but are focused on single industries. They have been established for a number of strategic industries in Solomon Islands and Vanuatu. A key concern of the Australian Department of Foreign Affairs (DFAT), the URS/PHAMA team and members of the MAWGs and IWGs is to ensure that they continue to operate and provide benefits to primary industries beyond the life of the PHAMA Program. Consequently, the promotion of MAWG and IWG sustainability is a core issue that PHAMA is focusing on in its remaining two years.

1.2 Purpose of this Document

Efforts to promote the sustainability of the MAWGs and IWGs will vary across different PHAMA countries according to the local context, the level of ongoing need and the level of ambition that exists for the particular organisation. However, there are some common themes that need to be considered across all road-maps if sustainability is to be achieved. ***The purpose of this document is to identify the themes that need to be considered in each road-map, and explain what is meant to be considered within in each theme.***

The remainder of this document outlines the framework or structure to be used for each MAWG and IWG "Sustainability Roadmap".

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2 ROADMAP FRAMEWORK/STRUCTURE

2.1 Background

Each road-map will include a short (½ page) background on the genesis of the MAWG or IWG, where it has come from and its current operations and scope.

2.2 Long-term Vision

Each road-map will provide a short (½ page) summary of where members want the MAWG or IWG to be in (a) two years' time and (b) five years' time. The intention here is to clarify, up front, the level of ambition relating to the scope, legal structure, funding and other aspects of the organisation.

2.3 Current State, Two year Objective and Action

For each of the following themes (shown in the following sub-sections below), the road-map will summarise:

- the current state,

- the two year (end June 2017) objective under this theme and

- the action steps that need to be taken to achieve that objective

- the steps and milestones that remain for the 1–3 years post-PHAMA

For example, under "Government Recognition", the current state for the Solomon Islands (SI) sawn timber IWG may be that it has solid engagement from the SI Government via the Ministry of Forestry. The two year objective may be to create an industry association which is recognised by Government. The action steps under this theme might include drafting a Cabinet Paper for government recognition, with other action steps under other themes such as "Industry Recognition" (e.g. getting sufficient industry representatives to agree to form an association), "Organisational Structure" (e.g. legal registration of the association) and "Governance" (e.g. writing Articles of Association for the association). Consideration will need to be given to the broader policy and legislative frameworks within which the IWG operates and whether there is a need for formal recognition of such a body in national or sectoral policy frameworks and within any related provisions under any legislation relating to that sector.

2.4 Legal Structure

This first theme will outline the current situation, which, for the most part, is the same for all MAWGs and IWGs, namely that they are committees comprising private and public sector members with no formal legal structure. In some cases, the two year objective may simply be a continuation of this structure. In others, there may be the desire for a legally registered entity. For the latter, the action may be to seek legal advice on registering the new entity.

The need for and type of any structure may also depend upon the requirements of any enabling legislation, e.g. in some cases a commodity related act may empower an advisory or consultative group without that group necessarily requiring articles of association or legal status as an entity in its own right.

Similar consideration will need to be given to the legal basis for the group to raise or receive levies or other forms of funds/revenues from industry or government.

2.5 Scope/Role

Under this section, the road-map needs to consider what the current scope of the MAWG and IWG is and what scope the members envisage for the group going forward. The need for the group needs to be clear, as, if there isn't a clear need, interest in the group will likely fade. For example, the main need for the fisheries IWG in SI is to maintain access to the European Union (EU), and this will probably remain the main focus of the group going forward. For the cocoa IWG, however, the scope is much broader looking at issues across the value chain including production, processing, finance and marketing. Some key questions to consider include:

Current: What is the theoretical and actual scope and role of the entity? What need(s) is/are being met? Are those needs focused on a particular objective? Is there any element of ongoing need?

Action: Is the current scope / role still meeting a real need. What needs to change? How should the scope be articulated?

2.6 Government Recognition

Government recognition isn't required in all instances, but it has distinct advantages. For example, as an avenue to donor funding and in order to get government buy-in where government service delivery or policy making is of significant importance to the group. In some cases, the group may already be recognised formally through written Cabinet endorsement, and may have a recognised role as part of an endorsed national or sector level policy or strategy. In other cases, members may be satisfied with informal recognition by government. Some key questions to consider include:

Current: What is the level of recognition by government of the group? How is the current (and future) mandate supported via policy or legislation? Are there different views within government (agencies, officials vs Ministers etc.)?

Objective: Is the objective to have formal government recognition or does informal recognition suffice? How likely is government funding? How important is government recognition to obtaining donor support, particularly funding? In order to maintain government recognition, what types of reporting may it need to maintain?

Action: What needs to be done / is being done to progress government recognition, support and engagement?

2.7 Industry Recognition

Recognition of the group by industry is likely to be a key factor in the ongoing sustainability of most of the groups established with support from the PHAMA program. However, the level of recognition will vary depending upon the group's role and the industry interests that the group is trying to meet. In some instances, it may be enough for key individuals to come to meetings and contribute ideas. In others, the ambition may be to form an industry association with elected representatives with duties. Some key questions to consider include:

Current: What is the recognition by industry of the group? Is the level of current representation appropriate to the intended role of the group and its ability to meet industry interests? Is the current (and future) mandate supported? Are there different views about the group within the industry?

Objective: Does an industry association or similar entity already exist? Is the aim to create a formal industry association or would a more informal group suffice?

Action: What needs to be done / is being done to progress government recognition, support and engagement? Given its role, does the group need to broaden its representation?

2.8 Donor Recognition

An important determinant of sustainability will be access to funding for the administrative functions of the group, as well as any activities which they group may seek to pursue. Without funding for activities, members' interests are likely to wane. Donors (beyond PHAMA) are likely to be a key source of funding going forward. In order to get funding, donors will first need to be aware of the group, understand its role and mandate (see government recognition), be aware of its achievements, be supportive of its strategy and priorities and, if considering direct funding, be comfortable with its financial management capacity. Some key questions to consider include:

Current: Who are the relevant donors and what is their level of awareness and interest in the current and evolving group?

Objective: Does the group want to be able to manage donor funds in the future or is the group happy for the donor or its representatives (e.g. a managing contractor, government department) to manage the funds, provided that the group's priorities are addressed (i.e. the current structure under PHAMA)?

Action: What needs to be done / is being done to progress donor recognition, support and engagement? For example, what is the engagement strategy to improve donor awareness of the group (e.g. developing group's strategic priorities and costing these out; compiling list of achievements; inviting donors to group meetings)? What other issues need to be addressed if the group is to be given donor funds (e.g. formalising legal structure; obtaining government mandate, putting in place financial management procedures and capacity)?

2.9 Administrative Management (Hosting) & Funding

Currently, the administrative functions of all MAWGs and IWGs are paid for out of the PHAMA budget. This includes MAWG and IWG meeting costs (e.g. venue, travel costs of members), and the costs of the "Secretariat", namely the NMAC, who organises the meetings, the agenda and the minutes (with support from the LTA). In the case of the IWGs, PHAMA is paying for an Export Industry Development Officer in each of the SI and Vanuatu Chambers of Commerce & Industry to perform some of these functions with support from the NMACs.

The objective for the various groups under this theme will differ from group to group. For example, some IWGs will continue to be supported by EIDOs, albeit funded by other donors e.g. the Rural Development Program (RDP) in SI. Other groups may wish to establish their own independent secretariats, which means that they will need to determine what personnel they need, office space and equipment, and develop a budget to cover these costs that can be

presented to funders (industry, government and/or donors). If secretariat personnel do not have much experience of managing group like a MAWG or IWG, they will also need training.

Some key questions to consider include:

Current: How is the entity currently managed and funded? What are the current budget needs to support the group's operations? What opportunities exist to access current or potential levies or other forms of funding/revenues raised via government or industry to support the group and its operations?

Objective: Does the group want to have its own independent secretariat or is hosting with an existing organisation an option?

Action: Broadly, what funding / resources are needed from i) now to June 2017 and ii) beyond? Where could it come from? What needs to be done to start securing the funding? What kind of people will be needed to staff the Secretariat and who will recruit them?

2.10 Governance

Most MAWGs and IWGs already have terms of reference and rules around membership and how decisions are made. However, these may require revision, as some groups become more formalised with a legal structure and formal recognition by government and/or industry. In some cases membership may be mandated by enabling legislation. The government or industry may want to see tighter processes around membership, chairing and voting. It will also be important to establish whether the group's board is accountable to any higher level authority or is the peak body. Being clear on governance and membership is particularly important so as to maintain a partnership of equals between private and public sector members and avoid situations where, through poor governance structure, either the public sector can exert power over the private sector (or vice versa) or the group is not seen as truly representative because membership is dominated by a particular sub-group.

Some key questions to consider include:

Current: What are the formal and operational governance arrangements currently in place? How well are they working? How representative is the group of relevant and interested public and private sectors and, in terms of the latter, of the particular industries within scope? How do people become members and for how long? How are decisions made within the group?

Objective: What type of group will this be? Will it continue to be a group involving public and private sector members on an equal footing or will it primarily consist of members of the private sector? What level of independence is desired from government control?

Action: What changes are needed to the governance arrangements at the institutional down to day-to-day level for the entity to continue? How will these changes be agreed and documented and by whom? Where necessary, how will new members be brought on board?

2.11 Activity Funding

As mentioned before, without activity funding, members' interests in the group are likely to wane. PHAMA, via its Annual Strategic Plan and budget, is currently the main (and often the only) source of funding for groups' strategic priorities and work-plans. PHAMA will continue to

provide funding for priorities for the next two years. However, as is the case now, some priorities are beyond the scope of PHAMA. Therefore it is in each group's interests to look beyond PHAMA for activity funding, particularly towards other donors. Each group will probably need a fund-raising strategy, which: identifies the main funders interested in supporting primary industries or particular sectors, their particular interests and levels of funding; their processes for obtaining funding etc. The group's ability to raise funds will depend on making progress in a number of other areas such as government recognition, donor recognition, administrative management and strategic capability.

Some key questions to consider include:

Current: How are activities that the group develops (or considers / prioritises / wants to support etc) currently funded? Does the group have a clear strategy with strategic priorities and costed work plan? Does the group know who are the most likely funders for its priorities going forward and, if so, what is the status of discussions with those funders? Broadly, what funding is needed from i) now to June 2017 and ii) beyond; where could it come from? Does the group have the internal processes to manage external funds?

Objective: The objective here is fairly clear – to be able to secure donor funding for the group's strategic priorities.

Action: What needs to happen before external funding can be obtained? For example, where there is no clear strategy, who is going to develop this? Who is going to undertake outreach with donors? How will internal processes be put in place to manage funds?

2.12 Strategy

The ability to clearly and succinctly outline the group's strategic priorities, the rationale for these and the estimated costs of implementation will be key to building credibility and securing external funding, particularly from donors.

Some key questions to consider include:

Current: What national, sector and/or industry specific strategies exist that the entity is working to enact, guiding, trying to develop etc? How useful are those strategies to realise the identified needs of industry and what mechanisms are articulated for actioning that strategy and reporting progress? How much revision is required? Does the group have a well-articulated strategic plan with a costed and specific work-plan? Is this the group's own opinion or has this been objectively verified e.g. have independent third parties commented favourably on the strategy or, better still, agreed to fund elements of it? Does the group have the expertise to develop or revise a strategic plan?

Objective: The objective is fairly clear – to have a clear and succinct strategy, with priorities and a costed work-plan that external funders will be willing to fund (either directly or indirectly).

Action: Who can be approached to test the waters on the quality of the strategic plan? Who will take the lead on revising or developing the strategy? Will this be done by people from within the group or will external expertise be sought? What linkages are needed to ensure the planning and progress of the group's work is articulated to other parties who may either influence in areas outside the control of the group (e.g. infrastructure), and to inform decision

making processes of potential resource providers looking for direction from the strategy frameworks at national or sector level (e.g. donors)?

2.13 **Internal Leadership**

In any group there will be individuals that are more engaged and active than others. A small number will be the leaders of the group – the ones with the ideas and the motivation and capacity to make progress. In some cases, individual members may be more comfortable working on certain issues, where they have skills and experience, than others e.g. financial management versus strategy. Group sustainability will depend on whether the group has a small cadre of motivated and capable leaders to drive things forward, but also recognise where they may need external assistance.

Some key questions to consider include:

Current: Are there some clear leaders within the group with the drive and motivation to make progress across a number of fronts? Are there any particular weaknesses among this group e.g. strategic thinking, which need to be addressed? Would the drive or level of interest within the group change with any amendment to scope or role?

Objective: To ensure that the group has a set of individual members with the motivation and drive to make progress.

Action: What needs to be done to improve / maintain the leadership and enthusiasm of the members? Where there is a lack of drive, are there any candidates for new members and how can they be brought on board? Where there are weaknesses, which ones will be addressed through capacity building and which ones through bringing in external expertise? What are the costs associated with building expertise and how will this be funded?

3 END NOTE

It is clear that a wide range of issues need to be considered and actions taken in order to promote sustainability. It also seems evident that certain issues need to be addressed and action taken before others can progress. For example, the scope of the group and level of need seems to be something that needs to be outlined early on. Government recognition, administrative capability and a clear strategy may well be required before donors will be willing to fund. In other words, there is a critical path of actions to be taken. *Therefore, each road-map should identify this critical path through identifying actions to be taken in the next 3, 6–12 and 12–24 months.*

Consideration also needs to be given to inclusion of post-PHAMA needs, in terms of projecting work that is likely to be needed over the 2–5 year period to reach the stated objectives of the group. Planning undertaken to develop the roadmap should carefully consider realistic milestones, absorptive capacity and resource availability. There is no point in planning for the unobtainable.

In addition, *it would be useful for action points to be extracted from the road-map into a matrix format.* This will enable ongoing monitoring (e.g. quarterly) of progress against action points and reporting to DFAT/MFAT. Donor expectations in regard to the objectives will require management.

Finally, many action/work plans fall down because they do not clearly identify who will be responsible for taking the lead on specific action points. Therefore, *responsibility for implementing each action step must be clearly assigned and scoped in any action matrix.*