SESSION III SUMMARY:
INNOVATIVE STRATEGIES
FOR RESOURCE MOBILIZATION

The three presentations made in this session highlighted the importance of mobilizing community and/or traditional leadership in ensuring “people focused” development. The Kiribati Leadership Convention and the Palau Leadership Symposium were examples of the importance of national consultations to enhance the parliamentary process while the example of the Tuvalu outer island trust fund highlighted the importance of linking local government reform to increased financial autonomy and decision making.

All three presentations emphasized the important interrelationship between elected and traditional leadership and the necessity to see reform and change as an evolving process that called for flexibility in the implementation and follow-up.

Tuvalu Falekaupule (Outer Island) Trust Fund Presentation by H.E. Mr. Bikenibeu Paeniu, Minister of Finance and Economic Planning, Tuvalu

With the implementation for local government reforms in Tuvalu, whereby power and authority for the oversight and management of island development at community level was transferred back to the traditional leaders (Chiefs) and Elders from the elected Island Council representatives, it was recognized that this transfer of power and authority would only be successful if it was also accompanied by the establishment of a financial mechanism to ensure island development priorities could be funded.

The Falekaupule Trust Fund, with contributions from the communities (matched dollar for dollar by a contribution from the Government) as well support through an ADB loan, was established in 1997. The Fund is managed externally in a range of overseas investments and has similar transparency and accountability mechanisms that were developed under the international agreement governing the Tuvalu Trust Fund but with one key difference. While the TTF Board has oversight for the investment strategy the decisions over the TTF returns are made entirely by the Government, the Falekaupule Trust Fund Board is made up of representatives from the island leaders from each of the eight inhabited islands of Tuvalu serve as the Board and make all decisions relating to not only the investment of the funds but also decisions on the annual distribution from the Fund for use by the individual islands for development purposes.

The presentation also noted that even while the development of the Falekaupule Trust Fund had strengthened ownership of the development process by traditional leaders and elders there remained the potential for politicization of the decision-making processes by the elected leaders. As a consequence, there had been a need to revisit some elements of the original framework or Deed establishing the Fund to ensure that a consensus on how the Fund should operate was maintained.

* The views expressed in this document are those of the author and do not necessarily reflect those of the United Nations or its Member States.
Other key issues raised in the discussions on this innovation included:

- The establishment of a buffer account to ensure a regular return from the Fund even in years when there was no automatic distribution available from the Fund.
- The innovation was developed to some extent based on the TTF model and was an integral component of the local government reforms.
- There was a need for ongoing education and awareness among the people about the investment process and the benefits of pooling resources.
- A need for continued thought to be given to how to grow the capital of the Fund.
- Ongoing concerns about how to ensure the Fund was used to promote sustainability and maintenance of island community projects, particularly when some of these are still considered to be the responsibility of the national government.
- Although there was an emphasis given to education by the national Government, some island communities had still felt a need to use Fund earnings to offer scholarships for students from their individual communities.

**Kiribati National Leadership Convention Presentation by Ms. Makurita Baaro, Secretary to the Cabinet, Office of the President, Republic of Kiribati**

In July 2003, a new Government was elected on the platform of transparent and accountable governance. This provided the impetus to repeal the Beretitenti Immunity from Civil Proceedings Act and allowed the introduction of a Bill into Parliament which if approved would lead to the enactment of a Leadership Code for Kiribati. Despite this early progress it became clear very early on that more broad-based consultation on nation building and stakeholder participation was needed before a Leadership code could be finalized. There was a need to have traditional and church leadership involved and that a national Convention to consider issues of leadership required very careful planning.

The Convention was organized to maximize participation and consultation through the adoption of a hybrid model that included both traditional as well other systems for seeking peoples inputs. This allowed space for the Government as well as others such as the Church and community groups to not only raise issues relating to development; public sector reform; law and order; good governance; and the role of the churches and community groups but also others such as peace and harmony in society; alcohol abuse; overcrowding on Tarawa; population growth; land issues; and community participation and ownership.

The outcomes from the Convention went well beyond the Leadership Code and included specific actions to be taken by the family and community, the Churches and community organizations and the Government. It highlighted the support from the general public for a dialogue process that strengthened partnerships and the mobilization of collective action and shared responsibility in nation building. The Convention also called for parliamentarians to demonstrate more effective leadership with calls for a “code of conduct” for parliamentarians.
Issues that emerged in the discussions on this innovation included:

- The importance of finding an ongoing mechanism to ensure parliamentary debates focus on issues of concern to the people.
- Difficulties of finding an appropriate means for monitoring a leadership code that seeks to reduce abuse of office.
- The strength of the innovation was that it blended traditional and other systems of consultation and dialogue and provided a clear framework for follow-up and implementation.
- Importance of ensuring that national conventions or consultations were developed and led locally with presentations by a full range of stakeholders.

**Republic of Palau National/State Leadership Symposium Presentation by Mr. Antonio Mikel, Director of Budget and Planning Ministry of Commerce and Trade, Republic of Palau**

The first national symposium was held in the Republic of Palau on 7-9 February 2006 to consider three main issues: (i) preparation for a joint review with the United States on financial provisions of the Compact of Free Association; (ii) undertake an inventory of the country’s performance within the context of the current Compact agreement; and (iii) identify what need to be done as a nation in order to enhance opportunities for sustainable economic development with or without the Compact of Free Association.

The Symposium provided an opportunity for stakeholders from government, private sector and the community across six focus areas of a review of the Compact of Free Association; Laws and Regulations; Infrastructure; Private Sector Development; Sustainability of Government Operations; and Human Resources Development. The outcomes from the event were recorded in a Communiqué that will eventually form the basis of an action plan to manage and monitor follow-up.

Issues discussed included:

- Importance of the Symposium being held annually to promote broad-based understanding of development options.
- A focus on the importance of promoting more effective financial management,, including addressing ways to reduce corruption.
- The Symposium was called by the President to prepare the nation in its future Compact negotiations with the United States and pre-empt the possibility that the Republic of Palau could face conditionality in these negotiations due in the next three years.