

Moving beyond donor dependency: lessons from PNA

by Transform Aqorau

12 May 2025



The Parties to the Nauru Agreement Office oversees a successful model of fisheries management

Photo Credit: [Facebook/PNA Tuna](#)

For decades, the Pacific Islands region has been reliant on donor funding to support development, governance and capacity-building initiatives. While donor support has played a role in strengthening institutions, it has also created a dependency cycle where many national governments and regional organisations struggle to be financially independent and responsive to the real needs of Pacific communities.

We often hear about capacity development, but from my experience working at the national and regional level for over 30 years, I have seen that this term is often paid lip service. Many well-intentioned programs are developed but, without long-term financial sustainability, they remain short-term interventions rather than true institutional strengthening.

In contrast, I have also been fortunate to establish one of the most financially independent and autonomous organisations in the Pacific — the [Parties to the Nauru Agreement Office](#) — which has successfully broken the cycle of dependency and achieved financial self-sufficiency.

So, what lessons can we learn?

The PNA Office stands as a rare example of a Pacific institution that has achieved true financial independence, generating its own revenue and making decisions that are driven by Pacific priorities rather than donor agendas.

Consider the latest PNA Financial Report (2024):

- Total revenue in 2024 was US\$7.42 million, with 70% (US\$5.14 million) generated from vessel registration and fisheries management fees.
- Net income for 2024 was US\$1.02 million, demonstrating strong financial management.
- Total assets amounted to US\$83 million, with US\$78 million in cash reserves —

US\$64 million of which belongs directly to member countries.

- Interest-bearing investments alone generated an additional US\$1.44 million, proving that the PNA's financial model is sustainable and scalable.

Unlike traditional regional organisations, and many Pacific governments, that rely heavily on donor funding, the PNA Office is self-funded and fully autonomous. It does not have to chase grants to survive or adjust its priorities to fit external funding cycles. Instead, it focuses on managing Pacific fisheries for the benefit of Pacific nations — a model that other regional institutions should aspire to emulate.

The massive growth in fisheries revenue due to the Vessel Day Scheme (VDS) which the PNA Office has been instrumental in introducing has also been of great benefit to member nations. Total VDS license fees increased from US\$64 million in 2010 to US\$470 million in 2016.

By contrast to the PNA Office, most national and regional organisations in the Pacific depend on external funding from donors, such as the European Union, Australia, New Zealand, Japan and China, as well as multilateral agencies like the World Bank and the Asian Development Bank. While this funding is essential in many ways, it creates vulnerabilities:

- Funding uncertainty – Many Pacific institutions are only as strong as their last grant. When funding cycles end, projects stall, and institutional capacity is lost.
- Shifting priorities – Organisations must align with donor preferences, which may not always reflect Pacific priorities.
- Limited long-term planning – Many initiatives operate in short-term cycles, making it difficult to invest in long-term institutional development.
- Bureaucratic burdens – Donor-funded projects come with complex reporting and compliance requirements, which can divert focus away from the real work that needs to be done.

If national governments and regional organisations in the Pacific want to achieve long-term sustainability, they must move beyond the donor-driven model. Here are four critical lessons from the PNA Office that can be applied elsewhere:

1. Revenue generation must be at the centre of institutional strengthening

Capacity development must go beyond training and governance reforms — it must focus on financial sustainability. Pacific institutions must leverage their natural resources, intellectual property, and regional expertise to generate independent revenue streams. The PNA model proves that Pacific nations can manage their own fisheries resources and generate income without donor dependency.

Every Pacific nation has access to tax and non-tax revenue and can boost that revenue by better revenue management. Some Pacific regional institutions can, like PNA Office, raise their own funds. For example, USP charges for some of the courses it teaches. All of them should be doing a better job of relying more on national governments and less on donors.

2. Strengthen governance and financial controls

The PNA's success is built on strong internal governance — it has clear financial management systems that ensure accountability and strategic growth. Many regional organisations lack these structures, making them dependent on external oversight from donors rather than being self-regulated and accountable to Pacific people.

3. Think beyond project cycles – Build for the long-term

Many governments and regional institutions operate within project-based funding cycles, which means that initiatives often collapse when the funding ends. PNA has created a long-term financial strategy that ensures sustainability beyond any one funding source — something that more Pacific institutions must prioritise.

4. Pacific institutions must own their future

PNA has demonstrated that Pacific nations can control and benefit from their own fisheries resources without over-reliance on external actors. Pacific nations and regional organisations must take ownership of their strategic direction, rather than being dictated to by external donors.

For too long, the Pacific has been locked into a model where we are dependent on external funding and external decision-making. While donor partnerships will always play a role, true sovereignty comes from financial and institutional independence.

The PNA Office has shown that it is possible to build a Pacific institution that is self-sustaining, profitable and aligned with Pacific priorities. The question now is: Are we ready to take this model and apply it across other sectors?

The future of Pacific development should not be dictated by donors — it should be shaped by Pacific people, for Pacific people.

If we are serious about strengthening institutions, then we must ensure that they are not just well-governed but also financially resilient and independent.

The PNA has shown that it can be done. Now it's time for the rest of the Pacific to follow suit.

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What do you think? Should Pacific institutions push harder for financial independence, or do you think the current donor-driven model is necessary? Let's open the discussion.

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Link: <https://devpolicy.org/moving-beyond-donor-dependency-lessons-from-pna-20250512/>