

Fiji Private Sector Development Partnership (FPSDP) Final Evaluation

DFAT Management Response

The final evaluation report outlines the key findings and associated recommendations of Phase II of the *IFC Fiji Private Sector Development Partnership (FPSDP)* program. The FPSDP is a four-year AUD8 million investment funded by the Government of Australia (GoA) through the Department of Foreign Affairs and Trade (DFAT) and implemented by the International Finance Corporation (IFC). The evaluation comprised a desk review of available documents, a field mission to Fiji from 7-11 April 2025 and a mix of online and face-to-face interviews. A total of 47 people (22 male and 25 female) participated in various consultations, interviews and engagements to contribute to the final evaluation. The final evaluation was completed from March to May 2025.

The FPSDP commenced implementation in January 2022 following the signing of an agreement between the GoA and IFC in December 2021. Developed from the shared but distinct policy interests of both parties, the overall goal of the multi-year advisory program was to enhance the private sector's competitiveness and diversification and foster inclusive and sustainable COVID recovery and economic growth.

Through the Partnership, IFC has focused on creating opportunities for inclusive, sustainable private investment, initially in support of COVID-19 recovery, and more recently to foster medium-term economic growth through targeted advisory interventions. The FPSDP sought to lock in resilient, gender and climate-smart private sector development into Fiji's long-term development trajectory through three mutually reinforcing pillars:

Pillar 1—Enabling Environment for the Private Sector: Interventions under this pillar are geared towards improving the business enabling environment—legal and regulatory—through reforms that create a more attractive national business environment for inclusive private investment in the wake of COVID-19 across key sectors.

Pillar 2 - Accelerating inclusive and climate-smart private investment in key growth sectors: Creating concrete opportunities for facilitating private sector investment, including direct investment by IFC, in key sectors, including tourism, infrastructure, agriculture, and the financial sector, whilst advancing climate change mitigation and adaptation and to support a gender-equal recovery from COVID-19.

Pillar 3 - Enhancing Standards & Gender Inclusion: Adopting best practices in Environmental and Social Governance (ESG) and accelerating women's economic empowerment by addressing key barriers to women's participation, including childcare and GBV.

Key findings: The Final Evaluation (June 2025) found the program has significantly supported DFAT and the GoF in promoting private sector development and investment promotion in Fiji. The program has demonstrated solid progress in progressing work across its three support pillars. The program benefits from targeted support focusing on key areas where IFC and DFAT have expertise and knowledge. Focusing on what has worked and what needs to be done in those areas provides significant opportunities for further leverage and negotiations.

DFAT's response to the Final Evaluation: As outlined below, DFAT accepts the evaluation's findings and agrees with four of the five recommendations and partially agrees with one. Details of the Management Response to each recommendation is included in the table on the next page.

Individual management response to the summary of recommendations

Recommendation	Responsible	Response	Action Plan
Recommendation 1 There is sufficient evidence of progress towards outcomes and key results from the current FPSDP to justify and support ongoing investment in private sector initiatives in Fiji. Future investments should continue to support, build and leverage existing IFC private sector investments initiated under the current program and remain aligned with the priorities and focus areas for the Government of Fiji (GoF) and GoA.	DFAT	Partially agree	DFAT partially agrees with the recommendation, noting the importance of ongoing investment in private sector initiatives in Fiji. However, future investments will need to consider budget availability and other approvals including DFAT's future approach to private sector investments across the region.
Recommendation 2 Complex private sector engagements, particularly PPPs, should be considered as part of DFAT's future investments in the private sector. IFC will continue to work on PPP projects in Fiji. In considering its support for future PPP projects under this Partnership, DFAT should assess sectors of strategic interest as well as the relative risk/reward trade-offs of proposed initiatives. In doing so, DFAT should leverage the support of AIFFP to inform investment decisions in new projects and, where appropriate, to provide innovative financing solutions for future PPP investments.	DFAT	Agree	DFAT agrees with this recommendation. IFC should continue to pursue commercially viable PPP projects in Fiji subject to GoF priorities and with appropriate resourcing. Where relevant and with due consideration, DFAT could leverage the support of the AIFFP alongside IFC, which is actively seeking opportunities to support private sector engagements in Fiji, including through PPP arrangements.
Recommendation 3 DFAT should consider incentive-based mechanisms for future private sector support where the GoF is the	DFAT	Agree	DFAT agrees with the recommendation and welcomes early engagement where applicable between IFC and GoF. Through its budget support operation, DFAT has a specific private sector pillar in its reform matrix developed in

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<p>primary Client. DFAT should consider engaging in earlier discussions between the IFC and the GoF to consult on ideas, opportunities, and options that utilise and align with DFAT's strategic partnership advantages. One consideration is for DFAT to continue utilising budget-support mechanisms to incentivise essential and necessary reforms.</p>			<p>partnership with the World Bank and the ADB. A range of stakeholders (including IFC) continue to be consulted in the identification of the reforms and we will explore opportunities to engage as early as possible.</p>
<p>Recommendation 4</p> <p>The current partnership arrangement has demonstrated an effective support mechanism. Existing governance mechanisms remain relevant and fit-for-purpose and should be maintained and supported. There is scope to expand the partnership model, enabling broader engagement and collaboration and incentivising existing and new partners to work together in a shared and agreeable approach. This may add more complexity regarding management and oversight, but provides potential broader coverage and reach, promoting enhanced effectiveness.</p>	DFAT	Agree	<p>DFAT agrees with this recommendation noting the benefits it could deliver, particularly around efficiency and effectiveness. DFAT is positioned well to enhance effectiveness through its strong relationships and convening power. DFAT recognises the potential for added complexity so will maintain a measured and considered approach including to ensure there is no additional coordination burden on GOF stakeholders. As reflected in the evaluation, DFAT values early engagement with IFC to discuss and address emerging priorities and any issues, including via briefings and other informal mechanisms, to promote increased engagement and coherence of approach.</p>
<p>Recommendation 5</p> <p>Future partnership arrangements should contain a structured and specific approach to MEL. While the current program has significantly restructured its approach to MEL, there is scope to continue to build on and leverage this, particularly with the future use of an MEL resource to prepare more outcome-focused knowledge products such as case studies and performance stories.</p>	DFAT	Agree	<p>DFAT agrees with this recommendation and notes that there is an opportunity to strengthen the MEL approach to measure impact.</p> <p>DFAT will explore opportunities with IFC as well as drawing from MEL support potentially available at Suva Post going forward.</p>