



Pacific
Community
Communauté
du Pacifique



Australian Government

The Pacific Community (SPC) – Government of Australia (GOA) Partnership 2014-2023

(renewed November 2020)

1. Preamble

- 1.1 This Partnership between the Government of Australia (GOA) and the Pacific Community (SPC) establishes our shared vision to work in close cooperation to achieve improved development outcomes and sustainable improvements in the quality of life of all Pacific islanders.
- 1.2 This Partnership brings together GOA as a key financing partner with Australian-based knowledge and expertise, and SPC as a Pacific-owned specialist technical and scientific organisation with acknowledged expertise in advancing regional development in the Pacific.
- 1.3 This Partnership is focused on how GOA can support SPC to fulfil the mandate given to it by all SPC members.
- 1.4 This Partnership is not governed by international law and does not constitute or create (and is not intended to create) obligations under international or domestic law and will not give rise to legal processes and will not be deemed to constitute or create legally binding or enforceable obligations (express or implied).

2. Principles

- 2.1 The following principles will underpin all aspects of the Partnership between GOA and SPC:
 - a) **Mutual respect and responsibility**, including openness to working together and exploring new opportunities together, and resolving through open discussion any issues that emerge;
 - b) **Enhanced donor harmonisation**, including to simplify procedures, reduce the reporting and administration burden, and to avoid duplication;
 - c) **A focus on improving results and understanding impact** through joint evaluation and learning; and
 - d) **Visibility and transparency** to maximise communication and awareness of the Partnership within SPC and GOA and amongst other stakeholders.

3. Objectives

3.1 The objectives for 2021-2023 are:

- a) **Effective and efficient regional service delivery, characterised by:**
 - i. programmes focused on SPC's comparative advantage in the provision of scientific and technical expertise and in assisting the Pacific region recover and rebuild from the impact of COVID-19; and
 - ii. a coordinated and coherent approach with other CROP agencies, UN partners and other donors.
- b) **Enhanced SPC capabilities (people, systems and processes), characterised by:**
 - i. transparent financial budgeting and reporting, including implementation of full cost recovery practices;
 - ii. improved practices and systems to support people and programmes, including monitoring, evaluation and learning, and improved planning; and
 - iii. mainstreaming of social and environmental responsibility principles across SPC, with a particular focus on gender equality and social inclusion.
- c) **A stronger relationship between GOA and SPC, characterised by:**
 - i. predictable, multi-year GOA funding;
 - ii. close collaboration on mutual priorities, supported by flexible GOA funding; and
 - iii. effective and efficient communication and management arrangements.

4. Commitments

4.1 GOA hereby confirms its commitment to:

- a) provide SPC with effective, efficient and predictable financial assistance that supports SPC achieving its mandate and corporate reform objectives;
- b) support SPC to promote its capabilities and enhance its influence amongst members and partners; and
- c) align GOA monitoring and assessment of SPC performance as closely as possible with SPC's own performance measures and assessment systems.

4.2 SPC hereby confirms its commitment to:

- a) further strengthen SPC's reporting and monitoring processes, including results based reporting and financial reporting;
- b) strengthen an integrated regional response to common challenges through stronger CROP coordination and cooperation;
- c) disburse all funds provided by GOA in accordance with the principles, terms and conditions of this Partnership and to take all reasonable steps to achieve and demonstrate value for money, in accordance with sound financial and administrative practice.

4.3 Both parties resolve to:

- a) advance regional coordination, economic recovery and sustainable development in support of the objectives of SPC's Strategic Plan;
- b) work together to support SPC's organisational reforms to enable more effective programme and project delivery;

- c) promote a full cost recovery approach to programme and project funding;
- d) meet regularly, including on an informal basis, to share all relevant information, discuss any performance concerns as early as possible, and resolve any concerns through dialogue;
- e) participate, as appropriate, in reviews of each other's programs to gain a better understanding of work undertaken and lessons learned.

5. Governance, management and review

Management on behalf of Australia

- 5.1 Australia's Department of Foreign Affairs and Trade (DFAT) will have responsibility for the overall management of the Partnership on behalf of GOA. In consultation with DFAT and SPC, other Australian Government agencies may enter into agreements with SPC under this Partnership for the purposes of providing funds for specific international development assistance programs. The principles of this Partnership will apply to those funding agreements.

High level consultations

- 5.2 High Level Consultations (HLCs) will take place at least annually between senior officials of GOA and SPC in Canberra, Australia, in the Pacific region, or virtually as required. HLCs may be held jointly with the Government of New Zealand. The HLCs in general will:
 - a) provide an opportunity to discuss current and emerging Pacific regional issues;
 - b) focus on how both parties can utilise their convening power and technical expertise to address complex current and emerging development challenges in the region;
 - c) review progress towards SPC's organisational reform objectives, and GOA support for those objectives;
 - d) discuss opportunities to move project funding to programme funding;
 - e) review, as necessary, any major risks associated with SPC programmes and projects funded by GOA; and
 - f) review the performance and ongoing value of this Partnership.
- 5.3 GOA and SPC will schedule other meetings to discuss the Partnership and other issues at mutually agreed times.
- 5.4 GOA and SPC will make written records of HLC decisions, which will be made available to any SPC member on request.

Focal points and information sharing

- 5.5 GOA designates the Consul-General Noumea or their nominee as the focal point between SPC and GOA stakeholders. In SPC the focal point will be the Deputy Director-General (Operations and Integration) or their nominee. This approach will not inhibit appropriate and ongoing collegial exchanges amongst staff and consultants employed by either party, or substitute for program management undertaken at appropriate levels. The two focal points will facilitate consistency rather than to limit or "gate-keep" engagement.
- 5.6 GOA (or DFAT as the GOA representative) will facilitate greater information sharing with GOA stakeholders and consult on joint SPC-GOA priorities and objectives as required. Consultation and feedback will inform the formal policy dialogue at HLC meetings.
- 5.7 GOA and SPC will encourage collaboration between respective representatives in-country and at the design phase of new investments.

Review and amendments

- 5.8 Independent reviews of the Partnership will be undertaken based on jointly agreed timing and terms of reference. Subject to confirmation at a HLC, both sides will plan to hold an evaluation in 2022. Independent reviews of SPC's work at Divisional level may also be undertaken by mutual agreement.
- 5.9 The parties intend that the scope of this Partnership will remain flexible over its life, and be able to incorporate new priority objectives. These may be included in the Partnership at any time by mutual agreement.

6. Levels and forms of development assistance

Forms of funding

- 6.1 GOA's financial contribution to SPC will take the form of contributions to core funding, programme funding and project funding. This Partnership agreement covers all of these forms of funding.
- 6.2 In Funding Agreements, GOA will commit to provide financial contributions to SPC core and programme funding on a minimum three-year basis. GOA will reconfirm core and programme funding on an annual basis, subject to:
 - a) documented positive progress against the Partnership's objectives for core funding, or Divisional objectives for programme funding, and
 - b) the allocation of required funding by the Australian agencies with which SPC works.

Use of funds

- 6.3 SPC's annual budget to the Committee of Representatives of Governments and Administrations (CRGA) will identify GOA's contribution to core, programme funds and projects.
- 6.4 SPC will identify any unspent GOA programme funds at the end of SPC financial year and as requested by GOA.
- 6.5 Programme funds are to be spent within the life of the relevant funding agreement. Subject to confirmation by GOA, underspent programme funds can be redirected to support other mutually agreed priorities before the expiry of the agreement.

Project to programme funding

- 6.6 SPC and GOA will look for opportunities to move project funding to programme funding. Areas where it would be appropriate to move to programme funding, would be where:
 - a) the service is in high demand from members or represents a clear regional public good;
 - b) there is a recognised ongoing need for assistance in the Pacific and it is unlikely to be met nationally;
 - c) the work is priority for SPC (as agreed by CRGA and the Pacific Community Conference);
 - d) there is a high quality, division or programme business plan in place, with an associated budget and results framework;
 - e) it is consistent with GOA's long term agenda in the Pacific; and
 - f) SPC is the most appropriate development partner to deliver the program.

Cost recovery and project management fee

- 6.7 Full cost recovery and the project management fee agreed by SPC's governing body will be applied to all GOA programme and project funding.

7. Performance assessment and reporting



- 7.1 GOA and SPC will work to ensure that reporting provided to GOA aligns with and supports SPC systems and processes.
- 7.2 Australian official development assistance provided to SPC under this Partnership will use the agreed template.
- 7.3 To assist SPC to align its reporting obligations with its internal assessment framework, the template will include:
- a) for programme funding, the standard reporting obligations and milestones, and their timing;
 - b) for project funding, standard reporting requirements and milestones, and their timing, as well as additional reporting options depending on the risk profile of the project.
- 7.4 Variations from the standard reporting obligations captured in the template, can be negotiated if required, and are to be agreed between the focal points.
- 7.5 SPC will provide all narrative and financial reporting on core and programme funding to GOA and other members through CRGA reporting. For areas that receive programme funding, SPC will provide the business plans and annual results reporting.
- 7.6 The Performance Assessment Framework (PAF) at Schedule A will guide GOA and SPC's monitoring of performance and progress against the objectives of the Partnership. The PAF will align with SPC's Strategic Plan and Results Framework and will be reviewed when SPC adopts a new Strategic Plan. Performance assessment may be informed by reviews undertaken during the Partnership (at activity, sector, corporate, country/territory or regional levels), as well as relevant independent research or other studies.
- 7.7 GOA's investment in SPC will also be assessed and reported periodically as required by the Australian aid program's quality processes. The reports will be shared with and consulted on by SPC and may form part of the HLC's annual performance review of the partnership.

8. Amendments and documentation

- 8.1 This Partnership may be revised at any time by an amendment in writing signed by GOA and SPC.

This Partnership complements the commitments of GOA under relevant decisions of SPC's CRGA and Conference, in particular those that relate to the core funding of SPC.

Signed on 16 day of November 2020

For the Government of Australia  Senator Marise Payne Minister for Foreign Affairs	For the Pacific Community  Dr Stuart Minchin Director-General
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Schedule A

The Pacific Community (SPC) – Government of Australia (GOA) Partnership 2014-2023: Updated Performance Assessment Framework

The purpose of this Performance Assessment Framework (PAF) is to facilitate an annual assessment of overall progress against Partnership objectives to guide HLC discussions and other interactions between GOA and SPC. The PAF aligns with SPC's Strategic Plan and its Results Framework.

Outcome	Verifiable Indicator	Means of Verification & Data Source
Effective and efficient regional service delivery		
Coordinated programmes focused on SPC's comparative advantage in the provision of scientific and technical expertise to support development outcomes in Pacific Island Countries and Territories, and assist the Pacific region recover and rebuild from the impact of COVID-19	<ul style="list-style-type: none"> – SPC's annual reporting shows progress in implementing its Strategic Plan, as measured by the Strategic Results Framework – SPC's COVID transition strategy approved by CRGA – A new strategic plan 2021+ is endorsed by members at the Pacific Community Conference, 2021, following a consultative process with Member countries and territories – SPC's divisions have Business Plans in place aligned to SPC's Strategic Plan – Active participation and leadership by SPC in CROP and regional coordination mechanisms 	<ul style="list-style-type: none"> – SPC's annual Results Report – Director-General's report to CRGA/Conference
Enhanced SPC capabilities (people, systems and processes)		
Transparent financial budgeting and reporting, including implementation of full cost recovery practices, to achieve financial sustainability.	<ul style="list-style-type: none"> – SPC's annual budget is balanced and adopted by CRGA/Conference and published online – SPC's annual budget is scrutinised by the Audit and Risk Committee to ensure integrity 	<ul style="list-style-type: none"> – SPC's annual budget – SPC's annual financial statements and audit reports – Reports to the CRGA by the Chair of the Audit and Risk Committee

Outcome	Verifiable Indicator	Means of Verification & Data Source
	<ul style="list-style-type: none"> – Risks to SPC's financial sustainability are mitigated – SPC financial reporting is accurate. 	
Mainstreaming of social and environmental responsibility principles across SPC, with a particular focus on gender equality and social inclusion	<ul style="list-style-type: none"> – Progress in achieving SER targets – Gender equity is considered as part of SPC's programming, measured by number and proportion of SPC projects and programmes ranked as gender parity focussed, responsive or transformative, using SPC's portfolio screening tool 	<ul style="list-style-type: none"> – SPC's annual Results Report – Director-General's report to CRGA/Conference – Where conducted, outcome of gender audits
Stronger relationship between GOA and SPC		
Predictable, multi-year GOA funding, with close collaboration on mutual priorities supported by flexible funding and streamlined reporting	<ul style="list-style-type: none"> – Annual confirmation of GOA funding in a timely manner to allow for SPC budgeting process – New GOA funding agreements use the agreed template, including streamlined reporting requirements – Proportion of GOA funding as programme v project. 	<ul style="list-style-type: none"> – SPC annual budget – SPC's annual Results Report – SPC-GOA funding agreements
Effective and efficient communication and management arrangements	<ul style="list-style-type: none"> – Improved visibility of the partnership and GOA funding support to SPC – Effective use of the focal point mechanism, with open communication between SPC-GOA – Regular High Level Consultations discuss strategic issues of importance 	<ul style="list-style-type: none"> – Outcome records of HLCs – DFAT annual Partnership AQC Reports – Visibility reporting