

Strategic Review

Papua New Guinea and Pacific Islands Umbrella Facility

The Department of Foreign Affairs and Trade (DFAT) would like to thank the Papua New Guinea and Pacific Islands Umbrella Facility (PPIUF) independent evaluation team. The evaluation was conducted in 2025 and assessed the additionality of DFAT's PPIUF core funding arrangements. This included consideration of the PPIUF's effectiveness, efficiency, relevance and contribution to cross cutting issues including Gender Equality, Disability and Social Inclusion (GEDSI) and climate change.

Overall, the evaluation assessed the PPIUF as being relevant to Australia's efforts in the Pacific and well aligned with the development aspirations and plans of Pacific Island country governments. It includes a range of useful findings and practical recommendations to inform decision making and ongoing implementation.

DFAT accepts the evaluation and agrees with the findings. In response to the evaluation recommendations, the following management response and been agreed and accepted by DFAT leadership.

Recommendation	Response and Action Plan
Recommendation 1: Continue PPIUF core funding at AUD 5 million annually to June 2031.	Agree, pending available funding. Three years of core funding has been confirmed by DFAT for 2026-2029. Consideration of further core funding contributions will take place in 2029.
Recommendation 2: Australia, New Zealand and the World Bank should invest in better information sharing and engagement at the country level in all Pacific Island countries, with one-day retreats held annually in Fiji, Papua New Guinea and the Solomon Islands.	Partially agree. DFAT will work with the World Bank to support information sharing and engagement approaches, particularly in the priority countries of Fiji, Papua New Guinea and Solomon Islands.
Recommendation 3: DFAT, New Zealand's Ministry of Foreign Affairs and Trade and the World Bank urgently finalise the PAF. This should include agreements on the PPIUF outcomes, outputs, indicators, and reporting cycles, all of which should include indicators and targets related to gender equality, disability inclusion and climate adaptation. While the PAF will accommodate projects co-financed by Australia and New Zealand, it should also include indicators related to PPIUF core funding.	Agree. The PAF was finalised and approved in March 2026. It is currently being implemented by the World Bank.
Recommendation 4: DFAT, MFAT, and the World Bank formulate a PPIUF sustainability strategy by July 2026 that analyses the dynamics of its long-term sustainability and presents an approach to exiting from core funding support from June 2031 onwards. The World Bank should commission this strategy, which would then be endorsed by the Partnership Council by December 2026.	Partially agree. DFAT and MFAT will discuss and agree on a sustainability strategy for the PPIUF with The World Bank by December 2027. This will allow enough time for the results and recommendations of the 2026 PPIUF Mid-Term Review to inform the PPIUF sustainability strategy.
Recommendation 5: DFAT review the design of the PPIUF to ensure it is a flexible mechanism for Australian Government support for preferred projects in the Pacific.	Agree. A mid-term review of the PPIUF will be conducted in 2026 to inform this process.
Recommendation 6: World Bank to review the scope and resourcing of the	Agree.

Recommendation	Response and Action Plan
Gender Equality PASA and investigate other avenues to increase the presence of gender experts in the region, respond to demand for increased technical expertise for analytics and operations, and pivot to support the implementation of the World Bank Group Gender Equality Strategy (2024-2030).	DFAT will work with the World Bank to ensure appropriate levels of gender expertise are available in the Pacific region.
Recommendation 7: World Bank and PPIUF donors to consider the pros and cons of shifting the Gender Equality PASA out of core funding and into preferred funding or creating a supplementary preferred gender equality project where the engagement with PPIUF donors, scope for country-specific alignment and partnership, and visibility of deliverables would be stronger.	Agree. DFAT will consider the most appropriate funding arrangements to support the promotion of gender equality within PPIUF.
Recommendation 8. The World Bank should consider developing a standalone disability inclusion PASA focused on supporting the implementation of the World Bank Disability Inclusion and Accountability Framework in selected sectors in the Pacific, with specific consideration given to data and infrastructure.	Agree in-principle. DFAT will work with the World Bank to develop a practical disability PASA or appropriate alternative mechanism to advance disability inclusion in the Pacific region.