



# Evaluation of the Secretariat of the Pacific Community — Government of Australia Partnership



Horticulturalist Anderson Ifui with technical adviser Jack Gilchrist. Photo: DFAT / Peter Davis

## **Introduction**

In March 2014 the Government of Australia and the Secretariat of the Pacific Community (SPC) signed a 10-year Partnership agreement. The intent of the Partnership for Pacific Regionalism and Enhanced Development 2014–2023 is to bring together the two parties' comparative advantages to advance regional development, and to shift the relationship to one that actively supports organisational reform within SPC. The Partnership commits both parties to evaluate progress under the arrangements at key intervals.

The evaluation focused on whether the shift to a partnership approach was delivering benefits for both SPC and the Government of Australia. Questions centred on relevance, effectiveness and efficiency, acknowledging that the Partnership is just entering its third year.

The Office of Development Effectiveness (ODE) approached the evaluation as one that was jointly commissioned by both DFAT and SPC, ensuring that both parties were afforded the same opportunity to engage throughout the process. A recommendations workshop was conducted to enable the parties to discuss and contest draft recommendations, and collectively explore how they could be most effectively addressed going forward.

## The Partnership has worked well in key areas

### Deepening a strong relationship

The Partnership seeks to deepen the existing positive and longstanding relationship between the Government of Australia and SPC. It is clear that there is a broad set of relationships at a number of levels across SPC and DFAT, and with other Australian government organisations, and that these represent a complex network of interactions.

At the senior-management level, DFAT and SPC see the relationship as robust, with both parties saying they are able to be frank with each other, using 'trust' and 'confidence' to describe the relationship. They affirm that the relationship is among the closest and strongest either party has relative to other donor / Pacific regional organisation relationships.

### Relevance

A strong indicator of SPC's buy-in to partnering is its move to negotiate similar arrangements with other donors, including New Zealand (signed) and the European Union (in concept), and its keenness to enter into increased dialogue with Australia on issues of mutual concern.

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*'The model is something extremely positive and we are trying to replicate it with a number of other partners.'* — SPC informant

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Australia has played an active role in Pacific regionalism, and its membership of Pacific regional organisations is an important means for it to transparently and collegially advance its national interests in significant foreign relations, regional stability and economic growth. To the extent that regionalism, defined as collective action between Pacific island countries, is served by the improved performance of regional organisations, the Partnership's focus on supporting SPC's organisational reform agenda, including its performance management, is very relevant.

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*'What I do see is that Australia has brought to SPC over the current life of the Partnership a lot of expertise to help strengthen SPC's internal capacity... the engine room.'* — SPC informant

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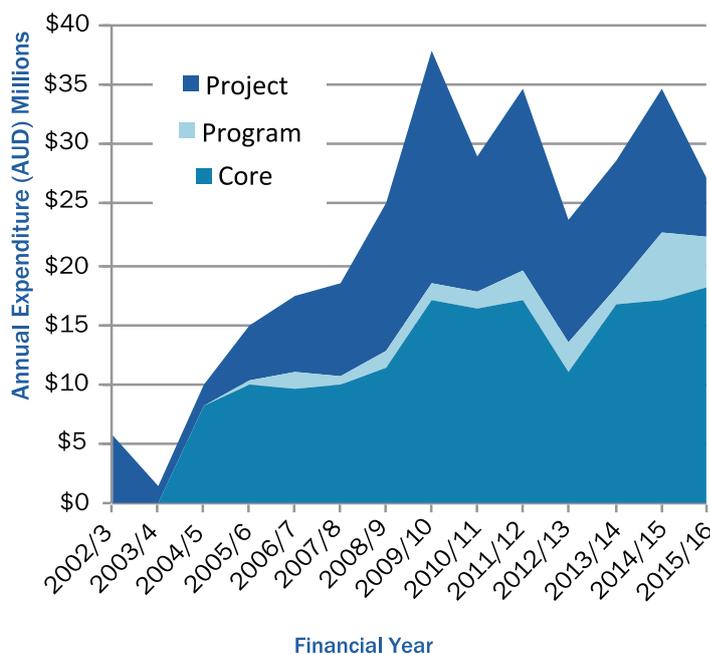
Few SPC Pacific island members were aware of the special partnership between Australia and SPC, but they observed strong relationships none the less, and saw good alignment between the work of SPC and their development needs.

### Flexible and predictable funding

The Partnership agreement outlines a quid pro quo; over time as SPC demonstrates improved performance management through business planning and performance monitoring, Australia will progressively increase the proportion of financial support provided as flexible funding. Australia is now SPC's second largest donor and the single largest source of flexible funding.

For the most part, SPC identified significant improvement in funding predictability from Australia, and DFAT and SPC informants noted that this has brought a number of benefits to the way they work together. For divisions of SPC where DFAT has moved to tagged program funding, staff on both sides report that the nature of funding has changed the nature of the conversations they have with each other. They have become more about outcomes and high-level issues rather than about detailed project implementation matters.

*Consistent with a key commitment under the Partnership, Australia's core funding for SPC now exceeds the level of Australian project funding.*



### Performance management

There is strong evidence confirming the positive impact the Partnership has had on performance management. While it is too early to assess whether SPC's actual performance has improved, a big improvement in the measuring of performance is evident, particularly given this early point in the life of the Partnership.

## An emerging monitoring and evaluation culture

A number of SPC interviewees reflected on the historically weak approach taken by SPC to monitoring and evaluation (M&E). They described an approach focused on reporting project-based activities and outputs. However, SPC has since lifted its performance analysis to the level of outcomes and results for which SPC divisions and the organisation as a whole are aiming. The Partnership agreement stipulates that improved M&E frameworks at the division level are a key criterion for the provision of more flexible funding. The organisation now employs a cadre of M&E staff not only within the relevant corporate area but also within a number of program divisions. DFAT and SPC interviewees alike attribute the emergence of these positions to Australian support, not only in the form of more flexible funding but also via the impetus created by the provision of technical advisers. SPC staff spoke of the emergence of an 'M&E culture' that appears to be building momentum.

Success in this area provides a good example of what can be achieved through the provision of sustained and consistent support over time.

## Activity prioritisation

SPC implements a broad range of programs spanning more than 20 sectors, addressing sustainable economic development, sustainable natural resource and environmental management, and human and social development. A common perception among DFAT and SPC informants was that while the most recent strategic plan represented an improvement on the previous plan, it failed to effectively prioritise SPC's activities; it captures too many things that are not a priority. A number of informants expect the divisional business planning process to be where the hard prioritisation will occur. Linking these business plans to budget would further drive prioritisation, but as yet this is a work in progress.

## SPC's financial position

At present SPC has control over less than 25 per cent of its financial resources. Australia has already shifted a substantial proportion of its funding to flexible funding, however this will not yield sufficient dividends unless other large donors follow suit.

SPC currently charges only a third of its real costs as project management fees. As a result, there is a risk that Australia's untagged, core contributions are being used to subsidise the underfunded and potentially lower priority project interventions of other donors. This situation highlights the urgent need for SPC to complete cost recovery work so that the true cost of corporate functions and program delivery can be accounted for and secured. The introduction of this important financial reform is now substantially overdue.

There is also a need for SPC to review how it allocates core funding. A move towards more transparent, criteria-based decision making will put the SPC senior leadership team in a better position to tackle the challenge of prioritisation that lies ahead, inevitably involving some hard decisions.

## Strategic collaboration

The Partnership re-established High Level Consultations (HLCs) between SPC and DFAT, as a forum for discussing, among other things, regional issues, complex challenges, and areas to share knowledge and expertise. The evaluation found the HLCs are not fulfilling their potential or fully meeting the needs of either party. Both parties have expressed a desire for more strategic discussions.

Better engagement with DFAT bilateral programs is an objective of the Partnership. At the project level, SPC and other Australian government agencies have observed DFAT bilateral programs pursuing activities without being aware that Australian-funded SPC activities were operating in the same space. This type of overlap is inefficient and potentially dilutes the efforts of all parties.

## Integration of gender

Australia has consistently engaged SPC in discussion about how gender is integrated into its planning and delivery. Equally, SPC has acknowledged this as an area requiring

## *The Partnership has achieved limited progress in other areas*

### Clarity of SPC's role and mandate

*Pacific Community Strategic Plan 2016–2020* describes SPC as the 'principal scientific and technical organisation supporting development in the Pacific Region'. However, SPC's mandate in relation to some other Pacific regional organisations is not always clear, in particular the Pacific Islands Forum Secretariat and the Secretariat of the Pacific Regional Environment Programme, and donors have played a mixed role in this. Australia advocates consistently with donors, members and regional organisations for clear mandates and active cooperation between regional organisations, but there have been instances where its own actions have been at odds with these messages.

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*'In a number of sectors, such as disability, we fund PIFS to implement ... They are supposed to play a coordinating role but we have actually provided funding to PIFS to implement.'* — DFAT informant

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Photo: DFAT

improvement and is committed to doing so. However, the Partnership is yet to achieve the degree of change deemed necessary by both parties. While dialogue on this subject has been substantial, the Partnership has not provided additional support through either technical assistance or tagged divisional-level funding. This evaluation found that while there has been some positive progress on gender in discrete areas of SPC, this falls short of an appropriately resourced, organisation-wide gender mainstreaming strategy.

### **Overall finding: positive but modest progress**

The evaluation found that the relationship between DFAT and SPC is, for the most part, 'living' the Partnership principles. SPC largely sees the relationship with DFAT in favourable terms, but notes that there is a significant distance to travel before the Partnership reaches its full potential, particularly in regard to genuine collaboration at a strategic level. DFAT values the relationship with SPC because of SPC's unique role and depth of expertise in technical implementation as well as its strong understanding of the Pacific, while expressing some concern with the broad scope of SPC's work and its mixed performance in some areas.

The intention behind the Partnership approach is commendable; the Partnership aligns well with development effectiveness principles including the Forum (Cairns) Compact. Although no longer SPC's largest donor, Australia is the lead donor in the provision of flexible and core funding to the organisation. In this regard Australia has helped set the agenda for a stronger, more effective SPC.

Given the good relationship between DFAT and SPC at the starting point of the Partnership in 2014, overall progress in the intervening two years has been positive but modest. Enhanced progress will require deeper engagement and more strategic discussions, pursued with openness and energy.

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*'We do need to remind ourselves regularly what [the Partnership] is and what's incumbent upon us to make it work.'* — SPC informant

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## Office of Development Effectiveness

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The Office of Development Effectiveness (ODE) is an independent branch within the Department of Foreign Affairs and Trade (DFAT). ODE monitors the Australian aid program's performance, evaluates its impact, and contributes to international evidence and debate about aid and development effectiveness. ODE's work is overseen by the Independent Evaluation Committee (IEC), an advisory body that provides independent expert advice on ODE's evaluation strategy, work plan, analysis and reports.

The full evaluation report and DFAT management response can be accessed at [www.dfat.gov.au/aid/how-we-measure-performance/ode/Pages/the-office-of-development-effectiveness.aspx](http://www.dfat.gov.au/aid/how-we-measure-performance/ode/Pages/the-office-of-development-effectiveness.aspx)