



## Australia-SPC Partnership Evaluation 2022 DFAT Management Response to the Independent Evaluation

### Context

The Pacific Community (SPC) is the largest regional development organisation of its kind. It provides scientific and technical assistance to Pacific island countries to support regional sustainable development. Established in 1947, SPC is an inter-governmental organisation with 27 members including all 22 Pacific island countries and territories, as well as founding members Australia, New Zealand, France, United States and the United Kingdom.

With an annual budget of EU 130 million (around AUD 200 million) and 700 staff, SPC delivers key services and expertise to its Pacific Island country members in a diverse range of sectors, including food security, oceanic and coastal fisheries, disasters, energy, maritime boundaries, public health, statistics, quality education standards, human rights, and gender inclusion. SPC supplements Pacific government capacity through pooled technical assistance, policy advice, training and research services. No other Pacific regional organisation plays this role across such a variety of sectors.

In 2014 the Government of Australia (GoA) and SPC established a ten-year Partnership (2014-2023). Australia's Department of Foreign Affairs and Trade (DFAT) assumed responsibility for Australia's overall management of the Partnership. Australia concurrently provided SPC core funding that was subsequently renewed every three years. This core funding is the largest contribution of flexible, predictable multi-year funding to SPC. Australia also provides SPC programmatic and project funding. Australia contributes approximately 25 per cent of SPC's overall budget.

### The Evaluation

An independent evaluation of the Partnership was conducted between July and October 2022, responding to terms of reference jointly agreed between DFAT and SPC. It was conducted in two parts. Part 1 was undertaken by the University of Technology Sydney and assessed how Australian core funding and the Partnership mechanism strengthened SPC. Part 2 was conducted by Strategic Development Group and reviewed the economic impact of Australia's investment in the region.

Overall, the evaluation found the Partnership had significantly strengthened SPC's institutional capabilities and provided SPC senior leadership with the ability to carry out institutional reforms, including of governance and Monitoring, Evaluation and Learning (MEL) arrangements. The evaluation also highlighted concerted efforts under the Partnership to mainstream gender into SPC policies and processes, strengthening SPC's institutional capacity to implement DFAT's largest investment in gender equality, the Pacific Women Lead program. The evaluation found Australia's flexible core funding enabled SPC's senior leadership to effectively plan and deliver strategic outcomes for its members, as well as to quickly pivot SPC's work to address priority needs in the region during the pandemic.

The evaluation found the Partnership assisted Australia to establish mutual accountability and responsibility for its regional assistance, and ensured that this support was tailored to the needs of the region and delivered in a coordinated manner. The evaluation also confirmed the Partnership represented value for money, delivering a wide scope of activities effectively and efficiently.

**DFAT's response to the Independent Evaluation:** the report represents the independent views of the consultants and not necessarily the views of DFAT or SPC. DFAT recognises the importance of its partnership with SPC. It considers this evaluation was an important opportunity to reflect on how DFAT can evolve the partnership to better meet the interests of both SPC and DFAT. DFAT looks forward to discussing the review findings with SPC as a new partnership is negotiated in 2023.

### DFAT Management response to specific evaluation recommendations



| Recommendation   | Response               | Explanation   | Action Plan   |
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| <p><b>Recommendation 1</b><br/>Within the Australia-SPC Partnership ensure senior equivalency between organisations within High Level Consultations (HLCs) and prioritise complementary Canberra-based meetings and online meetings within annual schedule.</p>  | <b>Agree</b>           | <p>DFAT welcomes the continued commitment of both Australia and the SPC to senior engagements. DFAT agrees annual High-Level Consultations (HLC) have been important to achieving mutually beneficial outcomes for Australia and SPC.</p> <p>DFAT has facilitated four Ministerial-level meetings with SPC senior officials since May 2022, in addition to ongoing meetings with DFAT senior officials.</p> | DFAT is committed to retaining regular senior officials' HLCs with SPC in the next Partnership and will continue to facilitate complementary meetings as appropriate. |
| <p><b>Recommendation 2</b><br/>Within the Australia-SPC Partnership review and clarify functionality and expectations of Partnership focal point roles as part of, and to inform next phase of the Partnership.</p>  | <b>Agree</b>           | DFAT agrees that SPC and DFAT should consider governance of the Partnership and how the day-to-day management of the Partnership is shared on both sides, as part of negotiating the next iteration of the Partnership.   | DFAT and SPC will consider these arrangements as part of the Partnership negotiations in 2023.  |
| <p><b>Recommendation 3</b><br/>Within the Australia-SPC Partnership, review, clarify and update Partnership principles as part of, and to enable next phase of the Partnership to be principles-led, ensuring that principles are reflective of the Pacific region.</p>  | <b>Agree</b>           | DFAT agrees it is timely to review and update the Partnership principles.   | DFAT and SPC will review and update the Partnership principles as part of the Partnership negotiations in 2023.   |
| <p><b>Recommendation 4</b><br/>Within the Australia-SPC Partnership, carry out an annual Australia-SPC Partnership health check, with results to be presented at annual HLC to strengthen Partnership arrangements, as well as an effective means by which to measure contribution of GoA to SPC.</p>  | <b>Agree</b>           | In principle, DFAT agrees that annual health checks would provide a useful annual snapshot of how the Partnership is tracking, provided they are not overly time or resource intensive.   | DFAT and SPC will consider these arrangements as part of the Partnership negotiations in 2023.  |
| <p><b>Recommendation 5</b><br/>DFAT together with SPC, to review, clarify and adjust reporting expectations to broader GoA agencies associated with the Australia-SPC Partnership, in line with Partnership principles associated with flexible funding arrangements and socialise value and utility of SPC Annual Results Reports within GoA to inform next phase of the Partnership.</p> | <b>Partially Agree</b> | <p>DFAT agrees that there is benefit in revisiting how we improve and better align Monitoring, Evaluation and Learning (MEL) arrangements.</p> <p>DFAT and GOA agencies are bound by legislative requirements to report on the use of funds. SPC's Annual Results Reports may, in some cases, not be sufficient for those purposes.</p>   | DFAT along with relevant GOA agencies and SPC will consider MEL arrangements as part of the Partnership negotiations in 2023.   |
| <p><b>Recommendation 6</b></p>   | <b>Agree</b>           | DFAT works with GoA agencies through the facilitation of the Community of Practice  | DFAT will continue to work with SPC to  |



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| DFAT to continue efforts to improve strengthened coordination within DFAT and also across all GoA agencies associated with the Australia-SPC Partnership.  |              | sessions and providing advice and guidance as required. DFAT's Partnership with SPC ensures consistency of DFAT Departmental funding but does not necessarily apply to all GoA agencies funding SPC that may have their own arrangements. | explore ways to strengthen coordination.   |
| <b>Recommendation 7</b><br>Australia-SPC Partnership to be informed by clarified principles, with GoA to prioritise focus on contribution to SPC through core funding and as a member contribute to strategic longer-term priorities of SPC and Members, emphasizing Pacific-led priorities and SPC leadership of coordinated delivery of regional public goods. | <b>Noted</b> | Australia is committed to responding to the priorities and needs of the Pacific family.   | DFAT will consider funding contributions to SPC as part of the Partnership negotiations in 2023.   |
| <b>Recommendation 8</b><br>Within the Australia-SPC Partnership, review and strengthen visibility and profile of contribution of the Partnership to regional public goods to members and broader Pacific community, identify practical action for resourcing and targeted activities within SPC and DFAT, on behalf of GoA.                                      | <b>Agree</b> | DFAT agrees there is scope to strengthen visibility and profile of the contribution of the Partnership to regional public goods, for other SPC members and Pacific stakeholders.  | The Australian Consulate General Noumea, in collaboration with SPC, will refine the visibility plan and create an annual workplan of activities.<br><br>DFAT and SPC will consider these arrangements as part of the Partnership negotiations in 2023. |
| <b>Recommendation 9</b><br>The importance remains of DFAT continuing to engage at a sufficiently senior level to support meaningful, strategic conversations.  | <b>Agree</b> | Please refer to recommendation 1.   | Not applicable.  |
| <b>Recommendation 10</b><br>DFAT could better maximise the soft power garnered through the Partnership by having more senior people build stronger relationships with senior counterparts in SPC.  | <b>Agree</b> | Please refer to recommendation 1.<br><br>DFAT Canberra and relevant Posts in the Pacific, including Noumea and Suva, will continue to prioritise fostering strong working relationships on the ground.                                    | DFAT and SPC will consider these arrangements as part of the Partnership negotiations in 2023.   |



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| <b>Recommendation 11</b><br>A shift to a rolling 3-year arrangement would give greater visibility and certainty over future funding. If this is not possible given DFAT's systems, a longer arrangement period with the possibility of extension, such as a 5-year arrangement with the option for an additional 5-years would be preferable. | <b>Noted</b> | DFAT will consider core funding arrangements as part of Partnership negotiations.  | DFAT and SPC will consider these arrangements as part of the Partnership negotiations in 2023. |
| <b>Recommendation 12</b><br>A Theory of Value Creation and an appropriate VfM Matrix need to be co-created with SPC and its members to ensure it fully reflects a collective understanding of value and is hence owned by SPC.  | <b>Agree</b> | DFAT recognises the benefit of the Theory of Value Creation and Value for Money (VfM) matrix and agrees these tools need to be developed collectively to ensure a shared understanding of value. | DFAT and SPC will consider these arrangements as part of the Partnership negotiations in 2023. |