

AMENDMENT TO THE PARTNERSHIP ARRANGEMENT BETWEEN
THE GOVERNMENT OF AUSTRALIA AS REPRESENTED BY THE DEPARTMENT
OF FOREIGN AFFAIRS AND TRADE (DFAT)

AND

PACIFIC ISLANDS FORUM SECRETARIAT

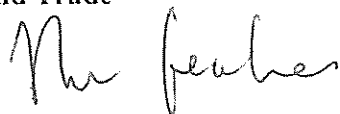
DFAT ARRANGEMENT NUMBER: 70141

1. On 28 April 2014, DFAT and the Pacific Islands Forum Secretariat ("the Partners") entered into Arrangement 70141 in the form of a Partnership Arrangement between the Government of Australia and the Pacific Islands Forum Secretariat (GoA-PIFS Partnership Arrangement 2014-2019) ("the Arrangement").
2. The Partners have now decided to amend the Arrangement as set out below:

GoA-PIFS Partnership Arrangement 2014-2019	Extend the GoA-PIFS Partnership Arrangement to 2023 and use Attachment 1: GoA-PIFS Partnership Arrangement 2014-2023 as the revised Partnership Arrangement between the two partners until 2023.
Schedule A - Performance Assessment Framework	Replace Schedule A with Schedule A ¹ at Attachment 2: Performance Assessment Framework
Schedule B - Grant Arrangement template	Replace Schedule B with Schedule B ¹ at Attachment 3: Grant Arrangement Template

3. The amendment(s) described above will take effect when this document is signed by the Partners.

Accepted on behalf of
Department of Foreign Affairs
and Trade



HE Mr John Feakes
High Commissioner to Fiji
Delegate

Date: 5/6/18.

Accepted on behalf of
Pacific Islands Forum Secretariat



Dame Meg Taylor DBE
Secretary General
Delegate

Date: 7/6/18

Arrangement No.70141
Amendment No. 1

AMENDMENT SUMMARY

Amendment Number	Date	Brief Summary of Amendment	Increase/Decrease in financial limit	New Financial Limit
1	June 2018	Amendment to the GoA-PIFS Partnership Arrangement	N/A	N/A



Partnership between the Government of Australia (GOA) and the Pacific Islands Forum (PIF) Secretariat 2014 – 2023

1. PREAMBLE

- 1.1 This Partnership between the Government of Australia (GOA) and the Pacific Islands Forum (PIF) Secretariat (the 'Partners') affirms our shared vision to work in close cooperation to deliver on the ambitions and objectives of the *Framework for Pacific Regionalism*.
- 1.2 This Partnership articulates how the GOA can support the PIF Secretariat fulfil the mandate given to it by all PIF members.
- 1.3 This Partnership is a revision to the Partnership Arrangement signed in 2014 between the Government of Australia and the Pacific Islands Forum Secretariat (DFAT Agreement Number 70141).
- 1.3 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 constitute or create legally binding or enforceable obligations (express or implied).

2. PRINCIPLES

- 2.1 The following principles will underpin all aspects of the development relationship between the GOA and the PIF Secretariat:
 - **Mutual respect and responsibility**, including openness to working together and exploring new opportunities, and resolving through open discussion any issues that emerge.
 - **A focus on results and measuring impact** through joint, regular and evidence-based reviews.
 - **Visibility and transparency** to maximise communication and awareness.
- 2.2 GOA acknowledges the responsibility of the PIF Secretariat to account for its policies, programs and resource allocation to the Pacific Islands Forum through the Forum Officials Committee.
- 2.3 The PIF Secretariat acknowledges the responsibility of GOA to account to its Parliament and people on its contributions to regional development in the Pacific, including those channelled through the PIF Secretariat.

3. OBJECTIVES

- 3.1 Objectives for 2014 – 2017:
 - a. **Continual improvement in PIFS performance in support of its approved mandate, characterized by:**
 - Economic Governance;
 - Political Governance and Security;
 - Strategic Partnerships and Coordination.
 - b. **PIFS organizational reform in support of effective regionalism, characterised by:**
 - Strengthened in-house PIFS capacity to perform advisory role;
 - Improved PIFS capacity to advance the political and institutional aspects of regionalism;
 - Strengthened ability to prioritise work programs to match regionalism objectives and a limited resource envelope;
 - improved PIF Secretariat capacity to report on organisational performance;

- Significant progress in reorienting PIFS structure and resources in support of Leaders decisions on regional integration; and
 - Transparent, inclusive and effective prioritization of Leaders' regional reform priorities.
- c. **Australia positioned as a strategic, value-adding PIF Secretariat partner, characterised by:**
- An increasing proportion of Australian financing provided through the PIFS core budget;
 - Members familiarity with exactly how Australia invests in PIFS; and
 - Increasing capacity for reliance on PIFS performance reporting to assess Partnership progress and relevance.

3.2 Objectives for 2018 – 2023:

- a. **The PIF Secretariat contributes to creating space for PIF Leaders to hold political discussions on regional issues of high priority to the region, including by:**
- focused and productive PIF Leaders' Meetings;
 - high quality and timely analysis, advice and recommendations produced for members in a timely manner;
 - effective convening and coordination of other Council of Regional Organisations in the Pacific (CROP) agencies, and
 - an inclusive public consultations process identifies 'game changing' issues.
- b. **PIF Secretariat organisational reform in support of effective regionalism, characterised by:**
- a transparent, inclusive and effective process to define PIF Leaders' regional reform priorities;
 - a prioritised work program directly responding to PIF Leaders' directions and funded from the available resource envelop;
 - strengthened in-house PIF Secretariat capacity to perform policy advisory role; and
 - improved PIF Secretariat capacity to report on organisational performance.
- c. **Australia positioned as a strategic, value-adding PIF Secretariat partner, characterised by:**
- predictable, multi-year financing that contributes to priority work in the PIF Secretariat;
 - increased reliance on PIF Secretariat performance reporting to assess Partnership progress; and
 - support to strengthen the PIF Secretariat.

4. COMMITMENTS

4.1 GOA confirms its commitment to:

- provide the PIF Secretariat with effective, efficient and predictable funding that supports the PIF Secretariat to deliver on its strategic results framework;
- support the PIF Secretariat to enhance its capacity, authority and legitimacy amongst Forum members in accordance with its mandate;
- align GOA monitoring and assessment of PIF Secretariat performance as closely as possible with the PIF Secretariat's own performance targets, measures and assessment systems; and
- support the PIF Secretariat to strengthen those systems as required to demonstrate results.

4.2 PIF Secretariat confirms its commitment to:

- continuously improve its governance, corporate administration, performance assessment capability and capacity to manage risk to deliver on its strategic results framework;
- deliver high quality financial, technical and policy support consistent with its mandate and corporate reform objectives; and
- coordinate implementation of PIF Leaders' decision by working with other CROP agencies, PIF members, development partners and other stakeholders as necessary.

4.3 Both Partners resolve to:

- advance the vision of regional cooperation and integration as articulated in the *Framework for Pacific Regionalism*
- work together to support the PIF Secretariat prioritisation and corporate reform agenda, including its plans for consolidation
- build on existing regional initiatives and lessons-learnt to shape future Australian support; and
- meet regularly on an informal basis, share all relevant information, discuss any performance concerns as early as possible, and resolve any concerns through dialogue.

5. PARTNERSHIP PRIORITIES

5.1 The GOA and the PIF Secretariat will address the following priorities through this Partnership:

- **Regional relevance** – Both Partners will work together to improve collective understanding of the complex political economy and other factors that influence the success of regionalism.
- **Organisational capability** – GOA will support the PIF Secretariat to strengthen the full range of capabilities needed for the organisation to function effectively, based on implementation of the *Framework for Pacific Regionalism*. GOA will assist the PIF Secretariat's internal governance by supporting the Forum Officials Committee Sub-Committee on Prioritisation and Funding, the Audit and Risk Sub Committee, and organisational improvement initiatives.
- **Transparent performance assessment and reporting** – GOA will provide continuing support for PIF Secretariat improvements in management information to include reporting on achievement of results. GOA will also support the PIF Secretariat efforts to improve the frequency and accessibility of its communication with stakeholders (especially national governments) on the positive results it is achieving.

5.2 The Partners intend that the scope of this Partnership will remain flexible over its life, able to incorporate a wider range of priority outcomes that may be developed incrementally over time. These may be included in the Partnership during formal Partnership dialogue discussions each year or at other times by mutual arrangement.

6. GOVERNANCE, MANAGEMENT AND REVIEW

6.1 Australia's Department of Foreign Affairs and Trade (DFAT) will have responsibility for the management of the Partnership on behalf of GOA. In consultation with DFAT and the PIF Secretariat, other Australian Government agencies may enter into arrangements with the PIF Secretariat under this Partnership.

6.2 High level Consultations (HLC) will take place twice a year between senior officials of GOA and the PIF Secretariat. One meeting each year will be hosted by PIF Secretariat in Suva (around November) in the lead up to Forum Officials Committee consideration of the PIF Secretariat annual work plan and budget, and one meeting each year will be hosted by Australia in Canberra enabling senior level discussion (including by whole of government partners) of strategic policy matters in advance of annual Forum meetings. These HLCs in general will:

- provide an opportunity to discuss current and emerging Pacific regional issues;
- focus on how both Partners can utilise their convening power and technical expertise to address complex current and emerging regional challenges facing the Pacific;
- review progress and challenges in meeting the priority outcomes specified in the Partnership, including in relation to PIF Secretariat efficiency and effectiveness and GOA engagement;
- review PIF budgets and allocations, including GOA's annual contribution;
- review, as necessary, any major risks associated with PIF Secretariat programmes and/or projects funded by GOA;
- review the performance and ongoing value of this Partnership;
- identify and build on opportunities for sharing knowledge and technical expertise, including through technical and staff exchanges and supporting the PIF Secretariat to engage with other GOA regional programs where appropriate; and
- provide an opportunity to make any amendments to this Partnership including all schedules attached.

6.3 All HLC decisions will be recorded and approved by both Partners.

- 6.4 An independent review of the Partnership will be undertaken in 2020. GOA and the PIF Secretariat will jointly approve the terms of reference based on the principles and objectives of the Partnership.
- 6.5 GOA and PIF Secretariat will identify a single focal point for all communications between PIF Secretariat and Australian government stakeholders. This approach will not inhibit appropriate and ongoing collegial exchanges amongst staff and consultants employed by either Partner, or substitute for program management being undertaken at appropriate levels. It will add value to the relationship by enabling coherence and consistency. It will also provide an initial point of contact to resolve any tensions that emerge in the relationship.

7. LEVELS AND FORMS OF DEVELOPMENT ASSISTANCE

- 7.1 Through this Partnership, GOA commits to provide PIF Secretariat with predictable, multi-year financing, subject to positive Partnership progress and successful appropriation of required funding in Australia's national budget each year.
- 7.2 Core budget funding will be provided under a multi-year financing Grant Arrangement of three calendar years (Core budget Grant Arrangement). The Core budget Grant Arrangement will be implemented in accordance with this Partnership and evaluated pursuant to the Performance Framework at Schedule A.
- 7.3 All financial contributions outside core budget funding made under this Partnership from GOA to the PIF Secretariat (extra-budgetary support for project specific activities) will be through the use of a Grant Arrangement in the form at Schedule B.
- 7.5 The PIF Secretariat undertakes to report on the use of these funds, in accordance with sound financial and administrative practice, and its external performance reporting requirements.
- 7.6 The PIF Secretariat will provide narrative and financial reporting on core and extra-budgetary funding to GOA and other members through the Forum Officials Committee reporting, unless otherwise determined by GOA and the PIF Secretariat. Narrative and financial reporting on extra-budgetary funding will be determined by the terms of that extra-budget Grant Arrangement.
- 7.7 The PIF Secretariat's annual budget to the Forum Officials Committee will identify GOA's contribution to core and extra-budget funding.
- 7.8 The commitments above are aimed at reducing transaction costs and increasing opportunities for broader engagement and coherent planning and reporting for both Partners. They are also intended to provide PIF Secretariat with the resources it needs for continuous and proactive improvement of its corporate systems, and to minimise duplication across Pacific regional organisations.

8. PERFORMANCE ASSESSMENT AND REPORTING

- 8.1 GOA and the PIF Secretariat will work to ensure that reporting provided to GOA aligns with and supports PIF Secretariat systems and processes
- 8.2 The Performance Framework at Schedule A provides the basis on which Partnership progress will be monitored by both Partners, reviewed jointly, and amended accordingly at HLC meetings. As far as possible, these indicators align with existing indicators within the PIF Secretariat and GOA. Performance review by both Partners will also take account of the findings of progress reports and reviews undertaken during the Partnership (at activity, sector, corporate, country or regional levels), as well as relevant independent research or other studies.
- 8.3 Australia's contribution to Partnership objectives and targets will also be assessed and reported periodically as required by the Australian aid program's quality processes. Likewise, the alignment of Australian support for the PIF Secretariat with GOA policy and sectoral priorities will be reviewed periodically. Such reviews will be undertaken in cooperation and consultation with PIF Secretariat.

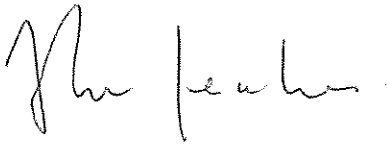
9. COMMENCEMENT DATE, TERM AND AMENDMENTS

- 9.1 This Partnership comes into effect on the date of its signature. The initial period of effect is six (6) years. Thereafter it will be renewed for subsequent periods of six (6) years unless either PIF Secretariat or GOA gives written notice, at least (6) months before the expiry of a period of effect, of its desire to terminate the Partnership.
- 9.2 This Partnership may be revised at any time by an amendment in writing signed by GOA and the PIF Secretariat.
- 9.3 This Partnership complements the commitments of GOA under relevant decisions of the Forum Officials Committee, in particular those that relate to the core funding of the PIF Secretariat.

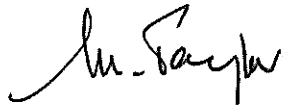
Signed on 7 day of June 2018

For the Government of Australia

For the Pacific Islands Forum Secretariat



HE Mr John Feakes
High Commissioner to Fiji



Dame Meg Taylor DBE
Secretary General

Schedules

- A. Performance Assessment Framework
- B. Grant Arrangement Template

