

12.5 The reports with attached statements acquitting all Funds should be sent to:

John Davidson  
Minister Counsellor - Suva  
PO Box 214  
Suva, Fiji  
[John.Davidson@ausaid.gov.au](mailto:John.Davidson@ausaid.gov.au)

in the following format:

(a) one electronic version in PDF (Portable Document Format).

**13. FUNDS AND PAYMENT**

13.1 AusAID will pay SPC an acquittable Grant of AUD17,159,910 within thirty (30) days of the commencement of this Agreement and receipt of a valid invoice. }

**14. CLAIMS FOR PAYMENT**

14.1 Invoices must be submitted when due in accordance with this Agreement, in a form identifying this Agreement title and Agreement number [58833/9]. Invoices must also contain the Payment Event number(s) notified by AusAID.

14.2 All invoices must be made to:

Chief Finance Officer  
Australian Agency for International Development  
GPO Box 887  
CANBERRA ACT 2601 AUSTRALIA

14.3 Invoices should be sent to the above address. Alternatively AusAID will accept electronic invoices. These can be sent to [accountsprocessing@ausaid.gov.au](mailto:accountsprocessing@ausaid.gov.au)

14.4 Where Australian GST applies to this Agreement all invoices must be in the form of a valid tax invoice. Invalid tax invoices will be returned to SPC. Information on what constitutes a valid tax invoice can be found at <http://www.ato.gov.au/businesses/content.asp?doc=/content/50913.htm>

## SCHEDULE 1

### PROGRAM NAME: SPC Core Budget and Program Support 2012

#### BACKGROUND

SPC is the main Pacific regional organisation providing technical assistance, policy advice, training and research activities to 22 Pacific Island countries and territories (PICTs) in 20 sectors including health, agriculture, fisheries and transport. Australia is a founding member of SPC and provides core budget and program funding in recognition of the important role SPC plays in implementing the Pacific Plan and other regional priorities. This is consistent with AusAID's interim Pacific Regional Strategy's dual objectives:

- a. Improving development outcomes in the Pacific by investing in activities that promote, where feasible: regional cooperation; regional provision of public goods and services; and regional integration, in line with the Pacific Plan; and
- b. Improving the effectiveness of Pacific regional organisations in delivering these activities.

The *Partnership Arrangement between the Government of Australia and SPC 2011–2015* underpins cooperation between the two organisations. The Partnership Arrangement is guided by SPC's Corporate Plan 2007-12 and the organisation's principles.

#### OBJECTIVE

In 2012 SPC will continue to implement both its mission *'to help Pacific Island people position themselves to respond effectively to the challenges they face and make informed decisions about their future'* and its Corporate Plan 2007-12. The Corporate Plan sets three high level objectives for SPC: (a) increased focus on member priorities; (b) strategic engagement at national, regional and international levels; and (c) strategic positioning of the organisation.

There are four specific outcomes sought in 2012:

1. SPC has a clear strategic direction that centres on areas of comparative advantage.
2. SPC provides results-driven reporting to members and donors.
3. SPC continues to strengthen its corporate systems to demonstrate transparency and accountability.
4. SPC delivers on its program objectives effectively and efficiently.

#### TASKS

##### SPC core budget and program funding

Each year member countries such as Australia pay an assessed contribution to SPC, which goes towards SPC's core budget to ensure it is able to provide essential services to the region in line with the Pacific Plan. Complementing the assessed contribution, Australia also provides an annual voluntary contribution in the form of untagged support to the SPC programs. In 2011 the total Australian core budget and untagged program contribution is AUD 12,720,000. Under this Grant Agreement, SPC core budget and program funding also includes core funding for SPC's Applied Geoscience and Technology Division (formerly SOPAC) and the Secretariat of the Pacific Board for Educational Assessment (SPBEA).

##### Transport and energy program funding

This grant agreement includes an AUD 2,500,000 allocation to implement Pacific Island Forum priorities, endorsed by SPC's governing body, in relation to maritime safety and energy through SPC's Economic Development Division. This funding supports EDD to implement its Strategic Plan 2011-

2015. In 2012 the transport program will continue to: conduct maritime compliance audits; review and develop transport policies, regulations and legislation; provide technical support to shipping commissions; and provide training across the maritime sector. Funding for the energy program will enable SPC to conduct energy audits and support PICTs to develop whole of sector plans to improve energy security, reduce dependency on fossil fuel, and improve access to electricity. Details of the EDD 2012 work plan are at Annex A.

**Monitoring and evaluation adviser**

AusAID will provide AUD 500,000 for SPC's M&E adviser position, which is responsible for strengthening performance monitoring and reporting to members and donors. The adviser is charged with finalising and implementing a comprehensive M&E framework for SPC. An IT system for reporting results against programs and budgets will be an important component of this work and will require oversight by the M&E adviser.

**Change management adviser**

AusAID will provide AUD 500,000 to support an SPC change management adviser. SPC continues to consolidate the organisational changes resulting from the Regional Institutional Framework reforms and may embark on new reforms based on the findings of the independent review and the development of a new corporate plan. In this rapidly evolving context there is value in maintaining change management expertise within SPC to assist the senior leadership in implementing the reforms.

**Director, Strategic Engagement, Policy and Planning Facility (SEPPF)**

This agreement includes AUD 250,000 to fund the Director of SEPPF position in 2012. SEPPF will play a key role in managing the strategic reform agenda in 2012. In particular, the Director of SEPPF will assume responsibility for supporting the independent review and delivering a new corporate plan and a long term sustainable financing strategy.

**Independent review of SPC**

SPC will facilitate an independent review of its operations that meets the approved terms of reference and subsequently prepare a management response addressing each of the recommendations. On the basis of these recommendations SPC will prepare a Corporate Plan 2013-17 and long term sustainable financing strategy, the outlines of which will be submitted to CRGA 42 in November 2012. AusAID will provide AUD 689,910 to cover the independent review costs. A summary of these costs is included at Annex B.

**DETAILED BUDGET**

The budget for this Grant Agreement is as follows:

Purpose	Amount (AUD)	Nature of funds
Core Budget and Program Support	10,520,000	Untagged funding
Core Budget (Applied Geoscience and Technology (SOPAC) Division)	1,800,000	Untagged funding
Core Budget (SPBEA)	400,000	Untagged funding
Transport and maritime funding	2,500,000	Non-ongoing
Monitoring and evaluation adviser	500,000	Non-ongoing
Change management adviser	500,000	Non-ongoing
Director, Strategic Engagement, Policy and Planning Facility	250,000	Non-ongoing
Independent review costs	689,910	Non-ongoing
<b>TOTAL</b>	<b>17,159,910</b>	

**PERFORMANCE INDICATORS**

Outcome	Verifiable Indicators	Means of Verification	Responsibility	Data Source
SPC has a clear strategic direction that centres on areas of comparative advantage	An independent review addressing all issues outlined in the terms of reference is finalised by June 2012	Independent review report is circulated to members for comment before finalisation  Report clearly addresses all issues outlined in the terms of reference.  Final report is provided to members of the CRGA Subcommittee in June 2012.	Independent review team / review secretariat / SPC	Independent review report
	A management response addressing all findings and recommendations outlined in the independent review is presented to July 2012 CRGA Subcommittee meeting	Draft management response addressing all recommendations provided to the CRGA Subcommittee meeting in July 2012	SPC	Management response to the independent review
	An outline of an SPC Corporate Plan 2013-17 presented to CRGA 42	Outline of Corporate Plan 2013-17 is presented to CRGA 42	SPC	CRGA 42 meeting paper on Corporate Plan 2013-17
	An outline of a long term sustainable financing strategy presented to CRGA 42	Outline of long term sustainable financing strategy presented to CRGA 42	SPC	CRGA 42 meeting paper on long term sustainable financing strategy
SPC provides results-driven reporting to members and donors.	A comprehensive M&E framework that assesses the impact of SPC's work is finalised and implemented in 2012	AusAID is provided with a copy of SPC's final monitoring and evaluation framework in 2012.  SPC reporting to CRGA 42 is more results driven, with at least two divisions using the monitoring and evaluation framework and supporting IT system.	SPC	SPC monitoring and evaluation framework  CRGA 42 SEPPF and division reports

Agreement No. 58833/9

<p>SPC continues to strengthen its corporate systems to demonstrate transparency and accountability</p>	<p>A management response addressing the findings and recommendations of the Review of Corporate and Program Services</p> <p>A report to CRGA 42 on progress implementing agreed recommendations</p> <p>An unqualified external audit for financial year 2011, demonstrating strong financial management</p> <p>An outline of the proposed budget structure to capture and reflect country level expenditure in its 2013 budget as a forerunner to a 'member country based' budget in 2014</p> <p>Effective facilitation of the CRGA Audit Committee</p>	<p>Management response to Review of Corporate and Program Services is finalised by end February 2012</p> <p>SPC reports to CRGA 42 on progress implementing agreed recommendations of the review</p> <p>SPC receives an unqualified external audit report for financial year 2011.</p> <p>SPC provides an outline of the proposed budget structure to reflect country level expenditure to CRGA 42</p> <p>CRGA Audit Committee is established and holds two meetings prior to CRGA 42</p>	<p>SPC</p> <p>SPC / External auditors</p> <p>SPC</p> <p>SPC / Australia</p>	<p>Review of Corporate and Program Services management response</p> <p>CRGA 42 meeting paper on implementing the agreed recommendations of Corporate Services review</p> <p>PwC audit report for financial year 2011.</p> <p>CRGA 42 meeting paper on 2013 budget</p> <p>Minutes from CRGA Audit Committee meetings.</p>
<p>SPC delivers on its program objectives effectively and efficiently.</p>	<p>Continued implementation of sector and corporate objectives as reported to CRGA 42</p>	<p>SPC Division and country reports to CRGA 2011 demonstrate that SPC programs are being implemented efficiently and effectively and in accordance with objectives.</p>	<p>SPC Divisions</p>	<p>CRGA 42 meeting papers and outcomes.</p>

