

Partnership Arrangement

between

**the Government of Australia
represented by the Australian Agency for
International Development (AusAID)**

and the

Secretariat of the Pacific Community (SPC)

2011 – 2015

AusAID agreement number: 58833

1. **GENERAL**

1.1 This Partnership Arrangement sets out the understandings of the Government of Australia (GOA), acting through the Australian Agency for International Development (AusAID), and the Secretariat of the Pacific Community (SPC) concerning their respective responsibilities in relation to the granting of funds by AusAID to SPC.

1.2 This Partnership Arrangement 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 process and will not be deemed to constitute or create any legally binding or enforceable obligations (express or implied).

2. **DEFINITIONS**

2.1 For the purposes of this Partnership Arrangement:

- (a) “Australia’s Assessed Contribution” (AAC) means the annual membership contribution paid by Australia to SPC, as determined by SPC’s governing body (the Conference of the Pacific Community ‘the Conference’ and the Committee of Representatives of Governments and Administrations ‘CRGA’).
- (b) “Australia’s Program Funding” (APF) means those annual contributions for priority programs for which SPC requests and AusAID approves funding over and above Australia’s assessed contribution.
- (c) “Grant Agreements” (GA) means Agreements issued under this Partnership Arrangement, refer **paragraph 12**.
- (d) “Programs” refers to SPC’s organisational units or activities, for which the GOA will provide APF and SA.
- (e) “Parties” refers collectively to both GOA and SPC.
- (f) “Supplementary Allocations” (SA) refers to funding provided by GOA for individual Programs and/or to augment support to priority Programs.

3. **COMMENCEMENT DATE AND TERM**

3.1 This Partnership Arrangement comes into effect on the date of its signature. It will remain in effect for an initial period of four (4) years. Thereafter it will be deemed to have been renewed for subsequent periods of four (4) years, unless either SPC or GOA gives written notice, at least 6 months before the expiry of a period of effect, of its desire to terminate the Partnership Arrangement.

- 3.2 The responsibilities of SPC and GOA for activities being carried out pursuant to Grant Agreements begun prior to the receipt of the termination notice referred to above will continue until completion of such activities as if this Partnership Arrangement remained in effect in respect of and for the whole duration of such activities.

4. **GUIDING PRINCIPLES**

- 4.1 The relationship between AusAID and SPC will be characterised by a partnership approach based on open and professional interactions. It will be guided by SPC's Corporate Plan and the organisation's principles as endorsed (or subsequently amended) by CRGA or the Conference:
- (a) a focus on member priorities;
 - (b) respond to needs;
 - (c) alleviate poverty and promote sustainable development;
 - (d) promote gender, environmental and cultural sensitivity;
 - (e) provide excellent service;
 - (f) emphasise results and accountability; and
 - (g) operate with transparency.

5. **IMPLEMENTATION OF PARTNERSHIP**

- 5.1 AusAID and SPC will support this strengthened partnership through a variety of mechanisms, including:
- (a) day-to-day interaction by means of focal points within SPC, the Australian High Commission in Suva, the Australian Consulate in Noumea and within AusAID Canberra;
 - (b) annual consultations, at times to be agreed between the Parties to:
 - (i) review progress on implementation and activities, including achievements against agreed targets;
 - (ii) review financial acquittals;
 - (iii) review and discuss risk management;
 - (iv) review outcomes of the partnership to date;
 - (v) discuss priorities for the coming year;
 - (vi) review APF allocations;

- (vii) Such consultations will also provide an opportunity for the Parties to discuss topics such as:
 - (A) regional issues and trends;
 - (B) strategic issues/updates, including any proposals for future collaboration;
 - (C) progress achieved against corporate plan and strategic goals and objectives and relevant concerns, risks and opportunities;
 - (D) SPC and AusAID corporate issues;
 - (E) programme priorities and budget requirements for the following year; and
 - (F) any other matter reasonably requested by either party.
 - (c) Following such consultation the Parties will prepare a formal record documenting all agreements reached.
 - (d) AusAID will seek to ensure a coherent approach to SPC across all of AusAID; and
 - (e) Collaboration on activities subject to funds availability.
- 5.2 Both Parties are committed to:
- (a) regular informal contact;
 - (b) sharing of all relevant information;
 - (c) sharing of contacts for networking purposes;
 - (d) enhancing aid effectiveness through increased opportunities for SPC's donors to coordinate;
 - (e) involving the other party in pertinent activities, in the Pacific region and elsewhere as appropriate; and
 - (f) raising awareness of each other's functions and activities throughout the region.

6. **RESPONSIBILITIES OF THE SECRETARIAT OF THE PACIFIC COMMUNITY**

- 6.1 SPC will maintain a strategic approach to its program planning. Strategic Plans for its programs will continue to be prepared in accordance with its standard corporate format. They will be made available to the GOA and inform annual consultations between the partners.

- 6.2 SPC will undertake to disburse the funds provided by AusAID in accordance with the terms and conditions of this Partnership Arrangement.
- 6.3 SPC will implement the Programs to the satisfaction of the GOA and in a manner consistent with the decisions of the SPC CRGA and Conference and will take all reasonable steps to keep expenses to a minimum, consistent with sound administrative and financial practices.
- 6.4 SPC will use the AAC/APF and any interest earned thereon for the sole purpose of approved Programs.
- 6.5 SPC will advise the GOA in writing of the proposed APF use by way of an annual programming submission prior to the annual consultations.
- 6.6 In addition to the AAC/APF, AusAID may allocate additional funds to SPC in recognition of the performance of individual programs and/or to augment its support to priority programs in accordance with emerging regional priorities. Such supplementary allocations would be covered by a Grant Agreement under this Partnership Arrangement, with allocations jointly determined by AusAID and SPC.
- 7. RESPONSIBILITIES OF THE GOA**
- 7.1 Subject to paragraph 7.2, GOA will make payments to SPC in the amounts and at the times specified in each Grant Agreement.
- 7.2 Payment will be subject to:
- (a) the normal appropriation for each financial year of funds by the Australian Parliament for Australia's Overseas Aid Program;
 - (b) the terms and conditions of this Partnership Arrangement and in the applicable Grant Agreement; and
 - (c) AusAID's assessment of SPC's performance against SPC's corporate objectives and management capacity.
- 8. FINANCIAL RECORDS**
- 8.1 SPC will maintain a sound financial system capable of verifying all financial funds received.
- 8.2 SPC will, in relation to GOA's funds, keep proper and detailed accounts including clear audit trails and records in relation to expenditure of those funds.
- 8.3 SPC will afford adequate facilities for audit and inspection of such accounts and records by AusAID and its authorised representatives at all reasonable times and will allow copies and extracts to be taken.
- 8.4 SPC will preserve such accounts and records for a period of five (5) years following the date of the expenditure of the relevant GOA funds.

- 8.5 In respect to Programs funded with APF or SA funds, SPC will submit annual financial acquittal statements in its operating currency and annual overviews of all APF/SA funding in Australian dollars, certified by the appropriate SPC Finance Manager confirming that funds have been properly applied for the purpose they were given. The statements will cover the calendar year in which APF or SA funds are expended, and will be forwarded to AusAID by 31 March of the year following closure of accounts for the previous calendar year.
- 8.6 AusAID by virtue of Australia's membership of SPC receives copies of SPC's Annual Reports, Annual Accounts and its Audit Report as soon as they become available.
9. **REPORTING**
- 9.1 In addition to the normal reporting to its governing body, SPC will provide GOA with annual progress reports to be submitted before the end of March of each year. Reporting will indicate progress against strategic plan goals, objectives and performance indicators. This is in addition to any specific reporting that may be required under Grant Agreements.
10. **EVALUATION**
- 10.1 SPC programs and priorities are subject to review and endorsement by SPC's CRGA and Conference. That body or the Director-General of SPC may determine whether a particular Program should be subject to a detailed external evaluation. SPC operates a rolling multi-year program of reviews and evaluations. SPC advises its membership including Australia of this program. SPC may invite AusAID to participate in reviews and evaluations. SPC will advise AusAID of the outcomes of such reviews and evaluations and will provide AusAID with copies of reports of reviews and evaluations of Australian funded activities.
- 10.2 AusAID reserves the right to conduct its own annual evaluation of SPC in the context of its Multilateral Assessment Framework. AusAID will, in evaluating SPC and on-going or proposed activities, hold discussions with SPC at mutually convenient times as the need arises.
11. **COMMUNICATION AND COORDINATION OF ACTIVITIES**
- 11.1 SPC and AusAID will work in a collegiate and collaborative manner and will resolve any differences in relation to this Partnership Arrangement through a consultative process.
- 11.2 SPC will inform AusAID of programs and projects that are supported by other donors, in particular, in those sectors for which the use of Australian resources (APF or SA funds) is proposed.
- 11.3 AusAID will advise SPC of planned GOA supported activities in the region that are likely to be of relevance to the work programs of SPC.

12. **PROGRAM SPECIFIC ARRANGEMENTS**

- 12.1 All funding contributions will be provided through the use of a Grant Agreement in the form at **Annex A** to this Partnership Arrangement.
- 12.2 AusAID will issue a Grant Agreement which will contain the information specified in **paragraph 12.4** below. Prior to issuing a Grant Agreement, AusAID will establish that SPC is available to undertake the task and reach agreement with SPC on the terms of reference/scope of work, the duration and overall cost of the proposed Program.
- 12.3 The Grant Agreement issued will be implemented in accordance with the terms and conditions described in this Partnership Arrangement.
- 12.4 The Grant Agreement will be substantially in the form set out in Annex A and contain the following information:
- (a) a description of the Program to be undertaken;
 - (b) the date of commencement of the Program;
 - (c) if relevant, the period in which the Program will be undertaken; and
 - (d) the total amount payable.
- 12.5 The Parties acknowledge that some paragraphs of this Partnership Arrangement appear in the Grant Agreement at **Annex A**. If there is any difference between a paragraph of this Partnership Arrangement and a Clause of a Grant Agreement, the Clause of the Grant Agreement will prevail.
13. **DISPUTE RESOLUTION**
- 13.1 Any disputes arising over the interpretation or application of this Partnership Arrangement will be resolved through mutual discussion and conciliation.
14. **FRAUD**
- 14.1 For the purposes of this paragraph the words ‘fraudulent activity’, ‘fraud’ or ‘fraudulent’ mean: Dishonestly obtaining a benefit by deception or other means.
- 14.2 SPC is responsible for:
- (a) preventing and detecting fraud including fraud within those functions outsourced to / performed by a sub-contractor or under any other arrangement relating to the management or administration of the Program; and
 - (b) ensuring that its staff and its subcontractors’ staff are responsible and accountable for preventing and reporting any fraud or suspected fraud as part of their routine responsibilities.

14.3 SPC must report in writing within five (5) working days to the GOA any detected, suspected, or attempted fraudulent activity involving the implementation of funds under this Partnership Arrangement.

14.4 In the event of detected, suspected or attempted fraud and in consultation with the GOA, SPC must develop and implement a strategy to investigate, based on suspected cases of fraud.

14.5 Following the conclusion of an investigation, where the investigation finds that an employee or sub-contractor of SPC has acted in a fraudulent manner, SPC will make every effort to recover the GOA financial contribution(s) or property acquired with the GOA financial contribution(s) through fraudulent activity, including:

- (a) taking recovery action in accordance with recovery procedures, including, if appropriate, civil litigation, available; and
- (b) referring the matter to the police or other relevant authorities responsible for prosecution of fraudulent activity; or
- (c) in the case of a SPC employee, taking the relevant disciplinary procedures in accordance with relevant Code of Conduct or similar SPC provisions where these exist.

15. ANTI-CORRUPTION

15.1 SPC and GOA are committed to preventing and detecting corruption and bribery. The SPC through its employees, agents or representatives will not make or cause to be made, nor will they receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any party, as an inducement or reward in relation to the execution of this Partnership Arrangement or any arrangement or provision of funds in relation to the Program. The SPC will use its best endeavours to ensure that any employee, agent, representative or other entity involved in the Program will also adhere to this provision.

15.2 For the purposes of this paragraph (Anti-Corruption), the term “corrupt” includes (but is not limited to) any action or practice which would warrant disciplinary procedures being taken against an individual under applicable laws.

16. PROCUREMENT

16.1 The SPC will use its best endeavours to ensure that any procurement undertaken using the GOA financial contribution(s):

- (a) is undertaken in a manner that achieves value for money;
- (b) promotes the use of resources in an efficient, effective and ethical manner; and

(c) is undertaken in accordance with the SPC procurement guidelines.

17. COUNTER-TERRORISM

17.1 SPC will use its best endeavours to ensure that funds provided by GOA under this Partnership Arrangement, do not provide direct or indirect support or resources to organisations and individuals associated with terrorism or listed on a 'Relevant List'.

17.2 If, during the course of this Partnership Arrangement, SPC discovers that an organisation or individual involved in a Program is listed on a 'Relevant List' or has any link whatsoever with any organisation or individual associated with terrorism it will inform GOA immediately.

17.3 GOA may terminate this Partnership Arrangement immediately by notice in writing to SPC if SPC breaches any of its obligations under this **paragraph 17** (Counter-Terrorism).

17.4 Notwithstanding GOA's right to terminate this Arrangement under **paragraph 17.3** in the event of a breach of this **paragraph 17** (Counter-Terrorism), SPC will use its best endeavours to recover an amount equivalent to the relevant funds which are found to have been paid to organisations and individuals associated with terrorism and refund that amount to GOA.

17.5 For the purposes of this **paragraph 17** (Counter-Terrorism), 'Relevant List' means the lists of terrorist organisations made under Division 102 of the *Criminal Code Act 1995* (Cth) and the *Charter of the UN Act 1945* (Cth) posted at:
<http://www.nationalsecurity.gov.au/agd/www/nationalsecurity.nsf/AllDocs/95FB057CA3DECF30CA256FAB001F7FBDD?OpenDocument> and
http://www.dfat.gov.au/cat/UNSC_financial_sanctions.htm#3

18. INTELLECTUAL PROPERTY

18.1 SPC and GOA will retain all Intellectual Property rights held in their respective prior material provided as part of activities undertaken under this Partnership Arrangement.

18.2 Any Intellectual Property rights arising in relation to this Partnership Arrangement will vest in the SPC upon its creation. The SPC grants to the GOA a world-wide, irrevocable, royalty-free licence to use any materials with Intellectual Property rights arising in relation to Programs undertaken under this Partnership Arrangement.

18.3 In the absence of any other arrangement between the two Governments defining the term "Intellectual Property" in the context of development assistance, in this Agreement "Intellectual Property" will have the meaning provided for in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm on 14 July 1967, as amended on 28 September 1979.

19. **AMENDMENTS AND DOCUMENTATION**

19.1 This Partnership Arrangement may be amended at any time by an exchange of letters between the GOA and SPC.

19.2 This Partnership Arrangement complements the commitments of GOA under relevant decisions of SPC's CRGA and Conference, in particular those that relate to the core funding of SPC.

20. **NOTICES**

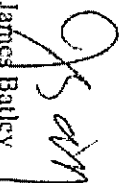
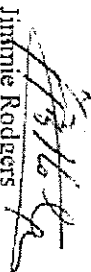
20.1 Any notice, document, or other communication to be given or served by the GOA on the SPC under this Partnership Arrangement will, unless the contrary intention appears, be deemed to have been duly given or served if it is in writing and is signed on behalf of the GOA and is:

- (a) Delivered by hand to SPC; or
- (b) Sent to:
Director-General
Secretariat of the Pacific Community
BP D5
98848 Noumea, NEW CALEDONIA

20.2 Any notice, document, or other communication to be given or served by SPC on the GOA under this Partnership Arrangement will, unless the contrary intention appears, be deemed to have been duly given or served if it is in writing and is signed on behalf of SPC and is:

- (a) Delivered by hand to AusAID; or
- (b) Sent to:
Minister Counsellor – Suva
Australian Agency for International Development
(AusAID)
PO Box 214
Suva, FIJI

Signed in *Noumea* on *21st* day of *April* 2011

For the Government of Australia  James Bailey Acting Director General AusAID	For the Secretariat of the Pacific Community  Jimmie Rodgers Director-General
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