

MFAT Management Response to Pacific Partnership II – Evaluation Report Evaluation

Evaluation team members

Members of the evaluation team were:

Name	Role
• Connor Spreng	• Independent Consultant for PPII Mid-Term Evaluation

Overview

The Pacific Partnership Phase Two (PPII) is an International Finance Corporation (IFC) programme intended to support multi-country, private sector development interventions in the Pacific. Countries impacted include Fiji and PNG (from Pacific Partnership Phase I), along with activities within smaller Pacific Island countries (PICs). The focus areas of PPII interventions are a) accelerating access to finance, b) leveraging existing businesses, and c) enabling market opportunities.

PPII is a five year programme, running from 1 July 2017 – 30 June 2022. Consistent with MFAT/DFAT's funding arrangement, the IFC commissioned a mid-term evaluation of PPII. The evaluation commenced in May and concluded in December 2020. The evaluation itself was conducted from May to June 2020.

MFAT has prepared a response to the findings from the mid-term evaluation, detailed below.

Key findings of the evaluation

Evaluator findings	MFAT Response (agree/disagree)	Next steps	When
1. PPII has achieved important results, and built a pipeline of significant expected results	<p>Partially agree. MFAT agrees there have been some good results out of individual projects reviewed in this evaluation, but the Evaluator was unable to demonstrate the measurable impact of PPII at a country level. Given that the value add of the Pacific Partnership is its multi-country spread, MFAT would like priorities for Fiji, PNG, and more recently included PICs to be amplified in the strategic framework.</p> <p>MFAT understands the Evaluator faced the complexity of differentiating PPII from PPI (due to the significant overlap between PPI and PPII and other bilateral partnerships), however a lack of clear country goals to measure back against is more likely the reason marginal benefits cannot be determined.</p>	<p>IFC, DFAT and MFAT representatives to attend a PPII Mid-Term Strategy workshop in April 2021.</p> <p>The desirable outcome is an agreed set of outcome expectations between donor partners for the remaining 18 months of the programme, which should focus on amplifying country priorities and providing clarity around what can be achieved by June 2022.</p>	April 2021
2. PPII remains of high relevance to the Region and the identified priorities are the right ones	<p>Partially-agree. The Partnership remains relevant to the future of the Region and tangible outcomes from PPI/PPII will lay the foundation for any PPIII, however MFAT is unclear on what the identified priorities are at a specific country level, and found that PPII priorities do not</p>	As above in point 1.	April 2021

	seem to be the primary criteria for project development and selection.		
3. Moderately strong effectiveness (score of 4/6) and efficiency (score of 4.5/6) has been achieved, due to strong performance and achievement of results in most areas	Partially-agree. MFAT agrees PPII has been relatively effective and efficient based on anecdotal evidence, but the Evaluator has not summarised any clear findings as tangible evidence. Current scores appear to be derived from looking more at IFC's overall regional impact, rather than an assessment of the current PPII achievements against the three areas of focus - access to finance, leveraging existing businesses, and enabling market opportunities.	An effective measurement & evaluation framework will be a necessary component of any new or extended Pacific Partnership design, to ensure evaluations can provide a detailed assessment of the efficiency/effectiveness of specific Pacific Partnership achievements.	June – Dec 2021
4. There is some evidence to suggest that 'impact' and 'sustainability' will be achieved (score 4.5 for both)	Partially agree. The Evaluator notes that it's too early to assess impact and sustainability confidently because of COVID-19 disruptions to PPII projects, and because criteria for success are hard to pin down. MFAT understands the overall impact COVID-19 will have had on the activity, however, it should not be too early to assess whether impact and sustainability goals are on track to being achieved given that we are three years into a five year programme. MFAT believes criteria for success are hard to measure against because 'success' is not clearly defined and therefore neither is the criteria.	As above in points 1 and 3.	March - June 2021

<p>5. The achievements of the work on gender are generally strong, even as they take time and effort. Due to the nature of PPII (i.e. advisory work with smaller economies), there are no additional projects with a gender dimension.</p>	<p>Agree. MFAT notes that women remain disproportionately affected by COVID-19 due to a higher rate of job and income loss. Keeping 'gender' at the forefront of project development for the remainder of PPII is critical, regardless of the nature of the programme.</p>	<p>IFC to ensure gender remains a key priority for the remainder of PPII.</p>	<p>Jan 2021 – June 2022</p>
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Recommendations for MFAT

1.	Evaluator Recommendation	MFAT Response (agree/disagree)
1	<p>The Partnership should be continued in its current overall design and structure.</p>	<p>Disagree. MFAT does not agree the partnership should be continued in its current design and structure as implementation has not resulted in tangible benefits. However, given that there only remains 18 months of a five year programme, the establishment of any new strategic framework at this late stage would struggle to be done in a timely manner and achieve different outcomes.</p> <p>It is evident the Evaluator has struggled to assess specific country impact of PPII to date, due to:</p> <ul style="list-style-type: none"> • A lack of clear priorities to be achieved for each country, used to carefully select projects. • A lack of an explicit M&E framework to measure the development of projects against. • No clear definition of what 'success' looks like overall for PPII, when considered in isolation from what has already been achieved by PPI. <p>These are items listed for discussion at the workshop with IFC / DFAT / MFAT in April.</p>

2	Future iterations of the Pacific Partnership should follow the same model, whether through extension of the current PPII or through establishment of a third Pacific Partnership	<p>Disagree.</p> <p>Any future iteration of a partnership would need to fundamentally change in design to have a greater chance at increasing access to finance, leveraging existing businesses, and enabling market opportunities for integrated PICs. We see value in the work of IFC in the Pacific due to its broad networks and history in the Region, but current results of the Pacific Partnership initiative do not provide sufficient visibility of impact that would be necessary to justify continued investment.</p> <p>A re-design process for a future iteration of the Partnership would need to take place in 2021 and determine:</p> <ul style="list-style-type: none"> • A well-defined strategy with respect to the problem being addressed, intended regional outcomes, and specific country goals/priorities in the three areas of focus • Clear criteria for 'success' -agreement amongst partners of what success looks like if achieved to support the development and selection of projects • A measurement & evaluation framework that any independent evaluator can use to determine in-country results, evidence of effectiveness and efficiency, and outcomes in chosen thematic areas <p>MFAT will undertake an internal assessment of possible future funding options for the 2021 – 2024 triennium, which will include considering funding of IFC via bilateral partnerships with Fiji and PNG as well as a future Pacific Partnership.</p>
3	Augment the results framework at both the project and partnership level, to capture indirect results more clearly	<p>Agree.</p> <p>All PPII partners have agreed to attend a 'Strategic Framework' workshop in April 2021, to revisit the programme strategy and agree to a set of "outcomes" expectations for the remaining 18 months of the programme.</p>
4	Resume all projects halted or slowed due to COVID-19	<p>Partially-agree.</p> <p>MFAT understands the overall impact COVID-19 will have had on the activity and is keen to understand how the IFC will ensure projects get up and running again, especially given that traditional engagement methods (travelling to and from countries) can't take place.</p>

		<p>However, IFC should also use this time to consider whether any projects should be stopped/redesigned to respond to existing COVID parameters.</p>
5	<p>The partnership should explore additional ways that results are more strongly pursued in the areas of <i>renewable energy</i> and <i>SME finance</i></p>	<p>Agree. Climate change and access to finance remain key areas of focus of MFAT's development work in the Pacific and IFC has the global experience and networks through which it can delve deeper into these issues, with donor partners in support. Renewable energy options, for example, is a market IFC can try and stimulate, with MFAT/DFAT working with in-country Governments on the regulatory aspect.</p> <p>In this regard, MFAT would like to better understand how IFC intends to utilise PPII to have more of an impact in these two areas, particularly in collaboration with what activities already exist in this space, such as MFAT's <i>SME Finance Facility</i>.</p>