

Management Response:

Review of the SPC (Pacific Community)-MFAT core funding partnership

Allen and Clarke were commissioned by MFAT to undertake a mid-term review of the SPC - MFAT Core Funding Partnership, the current phase of which is \$45 million over five years (2020-2024) for membership fees and programme funding.

The review, which was co-governed with SPC, assessed the extent to which MFAT's funding and partnership model enables or constrains SPC's performance and delivery; and to identify any improvements both for the final 24 months of funding under the current partnership or for the next funding phase from 2025.

The review found evidence of a mature, open, constructive relationship. The strong values and trust-based model, and New Zealand's flexible funding, aligned with member priorities; and enabled SPC to focus and deliver on its core work programme. The review concluded the relationship and funding approach was a model that other donors might follow.

	Review Report Recommendation	MFAT Response and Action (Agree, Partially Agree, Reject)
Relevance of the core funding partnership		
1	The GFA requires updating to reflect the goals in SPC’s Strategic Plan 2022-31 and associated strategic results framework, and to articulate the expected results of the core funding partnership.	Agree – a variation to the GFA will be completed to reflect SPC’s new Strategic Plan and associated results framework.
2	The alignment of core funding partnership objectives and SPC goals works to ensure relevance and supports streamlined reporting; and should be continued to be used as a basis for updating the GFA.	Agree – the current structure of the GFA will be retained for this phase of the funding partnership.
Effectiveness of the core funding partnership		
3	The Funding with Intent (FIT) programme has been effective in supporting innovation and integration, and should continue to be funded. The new approach to managing the competitive incubation funding component and seeking resources for scaling up projects, may need time to be established before considering any changes.	Agree – to be continued through to end of current funding phase, and consider for inclusion as part of next funding phase.
4	Ensure that country member perspectives on the success of the funding partnership in meeting country priorities, are gained through formal and informal methods. These methods may include seeking review and feedback on this report, ongoing dialogue, and ensuring their perspectives are gained in the final evaluation of the funding partnership.	Partially agree – MFAT nor SPC are currently intending to do a final evaluation of the current funding phase. We will use opportunities at SPC governance meetings and informally to gain country member perspectives on the partnership, including how it enables national priorities.
Efficiency of the core funding partnership		

	Review Report Recommendation	MFAT Response and Action (Agree, Partially Agree, Reject)
5	Continue to support a regional approach to achieving development objectives through this core funding partnership.	Agree – this is inherent in the nature of supporting regional agencies to achieve their work programmes and objectives.
6	Continue to support SPC’s institutional strengthening, as a way to enhance the effectiveness and efficiency of the funding contribution.	Agree – MFAT to maintain an active membership role and engagement on SPC’s governance and organisational processes.
Enablers and constraints to the core funding partnership		
7	The flexibility of the funding enables SPC to be responsive, is highly valued and effective, and should continue to be a feature of future core funding partnerships.	Agree – look to continue this as a feature of future core funding phases.
8	Ensure focal points are supported to continue to manage and maintain the relationship. This requires commitment from MFAT and SPC to support focal points who are engaged, can access senior levels of MFAT or SPC, can maintain communication and trust, and can articulate the value of the relationship to other stakeholders.	Agree – seek to maintain appropriate level/experience of focal point, and aim for reasonable continuity.
Minor adjustments that may be beneficial		
9	Consider adjustments to the length and amount of funding at the end of the core funding partnership, provided the relationship is strong and this continues to align with New Zealand’s engagement principles in the Pacific.	Agree – to consider possible longer funding period for next phase (beyond 5 years) and assess quantum of funding.

	Review Report Recommendation	MFAT Response and Action (Agree, Partially Agree, Reject)
10	Develop further actions to enhance the visibility of the success and benefits of the funding partnership, where visibility aligns with MFAT's intent and principles of the funding.	Agree – the MFAT-SPC Visibility Plan will be refreshed annually, including for key annual visibility opportunities.
11	Continue to advocate for the flexible funding arrangements internally, and to other donors and stakeholders.	Agree – MFAT promotes this benefits of this approach internally and with other donors whenever the opportunity arises, and will continue to do so.