



Mid-term review of the Pacific Community Core Funding (2020-2024)

04 November 2022

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GLOSSARY

CRGA - Committee of Representatives of Governments and Administrations

CROP – Council of Regional Organisations in the Pacific

DDGNO - DDG Noumea's Office

DFAT - Department of Foreign Affairs and Trade

FAME - Fisheries, Aquaculture & Marine Ecosystems

FiT – Funding with Intent

GFA – Grant Funding Agreement

HRSD - Human Rights and Social Development Division

IRMO – Integration and Resource Mobilisation Office

KFA – Key Focus Area

MEL – Monitoring, Evaluation and Learning

MFAT – Ministry of Foreign Affairs and Trade

PICTs – Pacific Island countries and territories

SDG – Sustainable Development Goals

SER Policy – Social and Environmental Responsibility Policy

SPC – The Pacific Community

SPL – Strategy, Performance and Learning team

UN – United Nations

UNESCO – United Nations Educational, Scientific and Cultural Organization

EXECUTIVE SUMMARY

Background

The Pacific Community (SPC) was established in 1947 and is the principal scientific and technical organization in the Pacific. SPC is owned and governed by its 27 country and territory members including all 22 Pacific Island countries and territories (PICTs). It works with a regional mandate across multiple sectors including agriculture, public health, education quality, coastal fisheries and fisheries science, climate science, energy, disaster management, human rights, gender and youth, and statistics.

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has been a member of, and donor to, SPC since SPC was established. The latest core funding partnership agreement between MFAT and SPC is of NZ\$45 million over five years (1 January 2020 to 31 December 2024), which includes New Zealand's SPC membership fee and a voluntary contribution of programmatic support to seven SPC Divisions and one sub-programme. The core funding partnership is outlined in a Grant Funding Arrangement (GFA), and provides flexible, predictable funding that enables SPC to deliver regional services in the Pacific based on its organisational and divisional priorities as outlined in SPC's Strategic Plan, Strategic Results Framework, and Division Business Plans. The current five-year GFA is a significant increase in terms of level and duration of financial support from previous agreements.

The mid-term review

MFAT has commissioned this mid-term review (the review) to assess the impact of the funding partnership's contribution, to identify whether improvements can be made to the management, implementation, or impact of the core funding partnership 2020-2024, and to inform decisions on the final 24 months of funding anticipated under the funding partnership. This review covers the period from January 2020 – April 2022. The objectives and associated questions of the mid-term review were to:

1. Assess the performance of SPC in delivering on its Strategic and Divisional Plans utilising MFAT core funding.
 2. Assess how the structure of the funding arrangement, the MFAT-SPC relationship, and the monitoring and partnership management arrangements have enabled and/or constrained success
 3. Assess any risks, issues or adjustments needed for the final two years of the funding arrangement.
-

Review methods

This review was conducted using a qualitative synthesis approach. It was intended to be a light touch review, consisting of a review of existing documents combined with primary data from key stakeholder interviews and two illustrative case studies. It is guided by the review purpose and objectives, the OECD-DAC evaluation criteria of effectiveness, relevance, efficiency and impact, and two additional areas of interest that reflect MFAT policy priorities: relationships and gender and social inclusion.

Data collection activities included:



- A review of 18 documents, including the GFA and Partnership Arrangement and related documents, SPC's Strategic Plan 2022-2031, the evaluation of SPC's Strategic Plan 2016-2020, divisional business plans and SPC results reports for 2020 and 2021, Funding with Intent documents, and documents relating to the DFAT evaluation of their funding agreement.



- Six small group interviews with MFAT and SPC staff involved in the development and management of the core funding partnership or SPC programmes.



- One interview with a member country representative.



- Two case studies, including two interviews, a supplementary discussion with a SPC staff member, and a review of key documents related to the case. The two cases were an SPC division and the Funding with Intent programme.

A significant limitation to this review is that member country perspectives are lacking in the findings related to the contribution of the core funding to the performance of SPC in meeting country needs. This review recruited member countries through an all-member invitation from SPC and then through approaches to three selected country representatives. The review team made six approaches to member country representatives. One representative agreed to participate.

KEY FINDINGS AND RECOMMENDATIONS

Relevance of the core funding partnership

The core funding partnership is highly relevant. Two key factors enable this: the alignment of the core funding objectives with SPC objectives and the flexibility of the funding. The core funding GFA intentionally aligns its service delivery objectives and performance framework with those articulated in SPC's Strategic Plans and Strategic Results Framework. The alignment of objectives reflects MFAT's principle of supporting and enabling SPC to respond to Pacific priorities as articulated by member countries and based in the MFAT-SPC partnership values. This alignment also enables streamlined reporting on the partnership because the results reports and CRGA accountability documents can be used to report on progress towards SPC objectives. This review consistently found that the funding was being used to contribute towards achieving those objectives. Interview participants highly valued the ability to allocate resources according to the priorities and context of member countries, regional priorities, and divisional objectives that the flexible funding provided. The importance of being able to adapt and quickly establish a response to events using the flexible membership and programmatic funding was demonstrated during the response to COVID-19, natural disasters, and other unexpected events.

The Funding with Intent (FiT) programme provides funding that supports innovation and is relevant to the greater focus placed by SPC on harnessing innovation to achieve its goals in the new Strategic Plan 2022-2031. The FiT incubation funding, one component of the FiT programme, received strong support from interview participants for the potential this programme showed in terms of developing innovative responses to member country priorities.

Recommendation 1

The GFA requires updating to reflect the goals in SPC's Strategic Plan 2022-2031 and associated strategic results framework, and to articulate the expected results of the core funding partnership.

Recommendation 2

The alignment of core funding partnership objectives and SPC goals works to ensure relevance and supports streamlined reporting and should continue to be used as a basis for updating the GFA.

Effectiveness of the core funding partnership

The objectives and intended outcomes of the core funding partnership are to support SPC achieve development and organisational objectives as outlined in their strategic and divisional plans and to test new ideas through the FiT programme. This review found that the core funding, the structure, and the relationship and management of the funding were effective in contributing towards SPC implementing its strategic and divisional plans.

During 2020 and 2021, SPC demonstrated progress towards achieving its strategic and transition plan objectives, regional commitments including the SDGs, and member country priorities despite the impact of COVID-19. While achieving development objectives in a complex environment relies on multiple actions and different factors, this review found clear evidence from interview participants that the MFAT funding contributed towards meaningful actions that helped SPC implement its plans and respond to national priorities. There was also clear evidence that the funding contributed towards actions that enabled SPC to strengthen its internal operating environment and capabilities, which in turn enhances its overall effectiveness in achieving development objectives.

This review found evidence that demonstrated the effectiveness of the FiT programme in enhancing innovation, building capability, and integrated programming. The competitive incubation funding component of the FiT programme showed that providing seed money for testing and developing ideas made a valuable contribution towards responding to member priorities, staff capability development, integrating innovation throughout SPC, and collaboration across divisions. SPC is developing experience in how to best manage these time-bound, discrete incubation projects. An interesting innovation has been linking the projects to resource mobilisation efforts to support scaling up of useful and relevant projects, and this would be expected to result in more projects being scaled up into division work programmes in the future. With strong support for this incubation funding, a challenge for SPC will be in maintaining a size of the programme that matches its ability to manage it efficiently and ensuring opportunities that are taken up remain relevant to SPC's strategic and divisional objectives.

An area of policy interest for MFAT is the extent to which the core funding partnership has enabled SPC to implement effective gender and social inclusion programmes. The review found that the programmatic funding to Human Rights and Social Development (HRSD) Division, which has a lead role in implementing SPC's Social and Environmental Responsibility (SER) policy and people-centred approach, is the main mechanism for the funding partnership to achieve this. Similar to other objectives, the entirely flexible nature of the funding means that the effectiveness of the core funding in this area relies on SPC divisions being able to deliver on its objectives.

Recommendation 3

The 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.

Recommendation 4

Ensure that member country perspectives on the success of the funding partnership in meeting country priorities are gained through informal and formal 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 this funding partnership.

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Efficiency of the core funding partnership

This review found the funding structure and arrangements supported the funding to be used efficiently. Overall, the funding provided value for money to both MFAT and SPC in supporting the achievement of development objectives in the Pacific. The primary value in the funding was that SPC is enabled to deliver its services to achieve regional and member country priorities. This is supported by the alignment of funding objectives with SPC's plans, streamlined reporting mechanisms, SPC's role and relationships in the Pacific, and SPC's work towards strengthening its institutional effectiveness.

The core funding partnership is advantaged by the existing understanding between partners, experience in and understanding of the regional context by MFAT, SPC's role in the regional architecture, and the trust and support demonstrated between the partners to-date. It is clear that the contribution the funding arrangements make to achieving MFAT objectives in the region would be difficult to achieve without the expertise, country support, and relationships across the region that SPC brings. Further, alternative arrangements that dilute the support provided to SPC, an established, well-regarded organisation in the region, would need to consider the message this would send, the practical implications of SPC undertaking its work, and how this would align with MFAT's principles of working in the Pacific.

This review notes the nature of the MFAT funding makes it difficult to attribute funding inputs to specific longer-term impacts. SPC's monitoring and reporting has become increasingly sophisticated and MFAT reported they were satisfied with both the formal and informal reporting they received under the core funding partnership. It is possible that greater insight into efficiency and effectiveness could be achieved with adjustments to how SPC monitors its work, although the benefits of this must be considered against the resources required to do this.

Recommendation 5

Continue to support a regional approach to achieving development objectives through this core funding partnership.

Recommendation 6

Continue to support SPC's institutional strengthening, as a way to enhance the effectiveness and efficiency of the funding contribution.

Enablers and constraints to the core funding partnership

The flexibility of the funding enables SPC to be responsive to member country priorities and is critical to the success of the funding partnership

The flexible nature of the funding arrangements, including the flexible programmatic funding, was a critical factor in enabling SPC to implement its plans at the organisational and divisional level. It was also a key feature enabling the development of FiT incubation projects.

The two highly valued features of the flexible funding were that the funding was not tagged to specific inputs and outputs, and that SPC was able to make decisions about how the funding should be allocated. These features were underpinned by the high-trust, high-communication relationship between MFAT and SPC, and the streamlined reporting arrangements.

In its' Strategic Plan 2022-2031, SPC has highlighted the importance of organizational flexibility and adaptability as it seeks to be a fit-for-purpose Pacific organization. The benefits of the flexible funding that were demonstrated in this review should provide strong support for MFAT and other donor partners to fund SPC in this way.

Recommendation 7

The flexibility of the funding should continue to be a feature of future core funding partnerships.

The relationship characterized by mutual trust and high levels of communication, and strengthened by the focal points, is also critical to the success of the funding partnership

A key finding from this review is that the relationship arrangements were as important as the funding structure in enabling the success of this funding partnership.

The relationship is strengthened by a long partnership history between MFAT and SPC, a depth of understanding about each other, shared values and MFAT's funding approach based on supporting actions that achieve results for the Pacific region. Overall, the relationship clearly supported the relevance and effectiveness of the core funding partnership and contributed to SPC achieving intended outcomes.

The partnership focal points are critical in maintaining the relationship, navigating issues, and as points for collaboration. Both MFAT and SPC participants recognised the value of the focal points in enhancing the value of the work undertaken under the partnership. Participants considered that the ability of the focal points to access senior levels within the respective organisations provided benefit in terms of being able to elevate issues and resolve them, profile the partnership, advocate, and facilitate activities to strengthen the partnership. This ability relied on both the position of the focal points and the active support from MFAT and SPC for them to do this.

Recommendation 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.

There are some minor adjustments that may be beneficial.

Currently, the funding partnership is working well and there is no immediate need for adjustment. The amount and period of the funding is satisfactory to both, although the next obvious step is an extension in these, provided the relationship supports it and SPC can demonstrate the internal capacity and capability required to effectively manage it.

One area identified for possible improvement was the lack of visibility of MFAT's funding, although the review notes the intent behind MFAT's funding is not necessarily for greater exposure. Greater visibility may promote the benefits of the funding structure and arrangements to SPC and to MFAT, and may encourage greater flexible funding agreements with SPC from donors.

Recommendation 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.

Recommendation 10

Develop further actions to enhance visibility of the successes and benefits of the funding partnership, where visibility aligns with MFAT's intent and principles of the funding.

Recommendation 11

Continue to advocate for the flexible funding arrangements internally and to other donors and stakeholders.

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1.0 INTRODUCTION

The Pacific Community (SPC) was established in 1947 and is the principal scientific and technical organisation in the Pacific. SPC is owned and governed by its 27 country and territory members including all 22 Pacific Island countries and territories (PICTs). It works with a regional mandate across multiple sectors including agriculture, public health, education quality, coastal fisheries and fisheries science, climate science, energy, disaster management, human rights, gender and youth, and statistics.

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has been a member of, and donor to, SPC since SPC was established. The latest funding partnership agreement between MFAT and SPC is of NZ\$45 million over five years (1 January 2020 to 31 December 2024), which includes New Zealand's SPC membership fee and a voluntary contribution of programmatic support to seven SPC Divisions and one sub-programme. The intent of this funding partnership is to support SPC's role in the development of the region and achievement of member country aspirations, and to contribute to supporting the Pacific region to be stable and prosperous.

In line with the monitoring and reporting framework in the core funding partnership, MFAT has commissioned this mid-term review (the review) to identify whether improvements can be made to the management, implementation, or impact of the SPC Core Funding 2020-2024. The review will also inform decisions on the final 24 months of funding anticipated under the funding partnership.

1.1 Core Funding Partnership 2020-2024

1.1.1 MFAT-SPC Core Funding Partnership (2020-2024)

The MFAT-SPC Core Funding Partnership is guided by the Grant Funding Arrangement (GFA). It provides flexible, predictable funding that enables SPC to deliver regional services in the Pacific based on its organisational and divisional priorities as outlined in SPC's Strategic Plan, Strategic Results Framework, and Division Business Plans. The current five-year GFA is a significant increase in terms of level and duration of financial support from previous agreements.

Under the partnership arrangement, MFAT provides its assessed country membership contribution (membership fee) for the core delivery of SPC services. It also provides voluntary programme funding allocated to seven of SPC's technical divisions and one sub-programme. Programmatic support is delivered to the following Divisions: Climate Change and Environmental Sustainability (CCES), Fisheries, Aquaculture and Marine Ecosystems (FAME), Geoscience, Energy and Maritime (GEM), Land Resources Division (LRD), Public Health Division (PHD), Human Rights and Social Development (HRSD), and Statistics for Development Division (SDD). The SPC sub-programme allocated funding is the Incubator, integration and intra-Pacific capacity development programme, managed by the Strategy, Performance and Learning (SPL) team and DDG Noumea's Office (DDGNO). The distribution of the programmatic funding is proposed by SPC in discussion with MFAT and based on divisional and strategic objectives.

The objectives and outcomes set out in SPC's Strategic Plan and Strategic Results Frameworks and in the divisional business plans are the outputs required to be delivered under this funding partnership and are the basis of the funding partnership performance framework. MFAT's core funding is expected to contribute towards SPC achieving these results. The Performance Framework outlines two objectives derived from SPC planning and results documents, and one partnership objective:

- Objective 1: Effective and efficient regional service delivery to support PICTs to achieve sustainable development outcomes in the areas of land resources; fisheries; health; applied geoscience; development statistics; regional rights; social development; and climate change.
- Objective 2: Enhanced SPC capability to support regional and island member development priorities.
- Objective 3: The Partners work together to leverage opportunities, knowledge, networks and resources that support SPC to deliver results.

The GFA and Performance Framework was established prior to SPC's current 2022 – 2031 Strategic Plan that was endorsed and adopted in November 2021. It is expected that the intentions and objectives in the current strategic plan will be used to inform the GFA Performance Framework for the remainder of the funding partnership.

The management of the GFA is undertaken by senior contract managers at MFAT and SPC. These contract managers are responsible for overseeing the implementation of the arrangement and managing the relationship, including acting as a first point of contact for any issues that arise. These roles are complemented by ongoing exchanges between MFAT and SPC staff for the purposes of implementing the funding partnership, and through the implementation of the visibility plan associated with the GFA and the partnership arrangement (see section 1.1.2). In the agreement, MFAT and SPC seek to work with each other in a relationship based on mutual respect and accountability, trust, fairness and open and professional interactions.

1.1.2 MFAT-SPC Partnership Arrangement (2014-2024)

The core funding GFA sits underneath the overarching ten-year Pacific Community - New Zealand MFAT Partnership Arrangement (2014-2024) that sets out how MFAT and SPC will work together to help Pacific people achieve their aspirations. The Partnership is based on a collaborative approach, guided by four key principles: kaitiakitanga - mutual stewardship and care (for the wellbeing of the region), kotahitanga - common purpose, manaaki – kindness or the reciprocity of good will, whanaungatanga - connectedness or kinship. The partnership is underpinned by a focus on results and impacts. The Partnership Arrangement was refreshed in 2021.

The Partnership Arrangement 2014-2024 set two objectives: effective and efficient regional service delivery, and a strong relationship between MFAT and SPC. Under these objectives SPC commits to delivering scientific and technical expertise across the Pacific region to assist with recovery and rebuilding from the impact of COVID-19, with a focus on integrated programmes, a coordinated and coherent approach with other international organisations and development partners, and a focus on results and impact. MFAT commits to providing predictable multi-year funding and advocacy to influence commitments affecting Pacific development and promote SPC, and both MFAT and SPC commit to effective and efficient communication, management and administrative arrangements, and improved visibility of the

Partnership. The service delivery and relationship objectives are consistent across both the Partnership Arrangement and the GFA.

In addition to the core funding partnership, MFAT supports a number of projects delivered by SPC. This project-based funding is outside the scope of this mid-term review because it sits under separate agreements.

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2.0 MID-TERM REVIEW OF THE CORE FUNDING AGREEMENT

2.1 Purpose and objectives of the mid-term review

The primary purpose of this review was to assess the impact of the funding partnership's contribution, to identify whether improvements can be made to the management, implementation, or impact of the SPC Core Funding 2020-2024, and to inform decisions on the final 24 months of funding anticipated under the funding partnership.

The objectives and associated questions of the review were to:

1. Assess the performance of SPC in delivering on its Strategic and Divisional Plans utilising MFAT core funding.

- How effectively has SPC implemented these plans?
- What enabling or constraining factors have impacted this implementation?
- What adaptations have occurred, or could occur, to ensure the programme remains relevant and effective in light of the impacts of COVID-19 and other key shifts in the regional and global context?
- How has the provision of core funding contributed to outcomes? Could similar outcomes have been achieved in a different way?

2. Assess how the structure of the funding arrangement, the MFAT-SPC relationship, and the monitoring and partnership management arrangements have enabled and/or constrained success

- What elements or qualities of the SPC-MFAT relationship and partnership management arrangements have enabled and/or constrained success?
- How has the flexible and predictable multi-year funding enabled/constrained success, in terms of the objectives of the SPC-MFAT partnership (as described in the funding and partnership arrangements) and regional and Pacific Island member development goals (as identified in the Strategic and Divisional Plans)?
- To what extent have the monitoring and reporting arrangements aligned with the regional and organisational contexts, and provided evidence for improved programme management and accountability for results?
- What outcomes have the innovative funding modalities had, both for SPC's innovation capabilities and for member countries?

3. Assess any risks, issues or adjustments needed for the final two years of the funding arrangement.

- How might the core funding partnership and management arrangements be adjusted for better impact and alignment for the remainder of the current partnership, or for a future phase?

The intended audiences for the review are MFAT's Activity Manager, MFAT and SPC relationship holders, and MFAT and SPC management teams. Additional audiences include relevant partner government and donor institutions and other key SPC stakeholders.

2.2 Scope and focus

The review focused on describing and assessing the effectiveness, relevance and impact of the funding partnership in terms of the contribution the funding and relationship arrangements have made to SPC's success. This review defines SPC's 'success' as the extent to which it has achieved its objectives outlined in strategic and divisional plans, and the outputs and outcomes expected under the Funding with Intent programme. The review examines MFAT's contribution to SPC's performance through the funding partnership for these service delivery objectives, rather than the overall performance of SPC.

This review was intended to be light touch, consisting of a review of existing documents combined with primary data from key stakeholder interviews. It built on the findings of the recent evaluation of SPC's Strategic Plan 2016-2020¹.

The mid-term review covers the period from January 2020 – April 2022. It includes the MFAT funding delivered under the core funding partnership GFA 2020-2024, including the membership contribution and the programmatic funding.

Out of scope is any project funding provided to SPC by MFAT during the period of the core funding partnership. The review also did not attempt to evaluate the intent or content of the GFA or describe activities undertaken by SPC where these do not directly relate to MFAT core funding,

Stakeholders involved in the mid-term review were MFAT and SPC staff involved in the management or implementation of the core funding partnership and member country representatives.

2.3 Design and methods

This mid-term review was conducted using a qualitative synthesis approach, guided by the review purpose and objectives, the OECD-DAC evaluation criteria² of effectiveness, relevance, efficiency and impact and two additional areas of interest that reflect MFAT policy priorities: relationships and gender and social inclusion.

The review synthesised data from MFAT and SPC documentation, stakeholder interviews, and case studies. Two case studies were undertaken to illustrate the impact of the funding partnership on selected outputs or outcomes, focusing on funding activities that support innovation and divisional activities.

This review was conducted based on principles and standards outlined in SPC's Planning, Evaluation, Accountability, Reflection and Learning Policy (PEARL) and the United Nations (UN) Evaluation Group Norms and Standards. Ethical considerations addressed throughout

¹ Synthesis evaluation of SPC's Strategic Plan 2016-2020. Capstone Report. March 2022. *Allen + Clarke*, Wellington.

² The OECD DAC Network on Development Evaluation has defined six evaluation criteria; relevance, coherence, efficiency, effectiveness, impact and sustainability
<https://www.oecd.org/dac/evaluation/dacriteriaforevaluatingdevelopmentassistance.htm>

the review included informed consent, confidentiality, and ensuring the review demonstrated cultural and gender sensitivity, integrity, care and respect.

This review was governed by a Steering Group consisting of SPC and MFAT representatives. The review team was accountable for its performance to MFAT. Key responsibilities of the Steering Group included providing input and review to the review plan and review findings, ensuring the review is fit-for-purpose and delivered in line with the review plan, and accepting the review plan and final report. The review plan was submitted to MFAT prior to the data collection phase of this review.

2.3.1 Data collection

Data collection methods included a document review, stakeholder interviews, and case studies. Primary data collection was conducted between July to September 2022.

The documents provided contextual information about SPC's strategic and divisional plans, objectives and results frameworks, identified outcomes related to the strategic plans and objectives in the funding partnership, and provided an understanding of integrated programmes, cross-cutting issues such as gender, social inclusion, and the partnership relationship.

The interviews were conducted with stakeholders involved in the development and management of the funding partnership or SPC programmes. All interviews took place using Zoom or Microsoft Teams video conferencing software. The interviews followed a semi-structured guide based on the review questions. The semi-structured nature of the interviews allowed the review team to adapt the questions as we tailored the focus and emphasis depending on the role of each stakeholder group and to test our understanding of issues.

The interviews with MFAT and SPC stakeholders were organised with Steering Group support. SPC member country representatives were invited to participate by SPC through a circular to all members seeking their interest. When this yielded no participants, member country representatives were selected with support from the Steering Group and in consultation with the Australian Department of Foreign Affairs and Trade (DFAT) and the contractors undertaking the evaluation of the DFAT-SPC Partnership. The review team contacted selected member country representatives four times followed by two requests for written responses to the interview questions.

Two descriptive case studies were used to supplement the document review and key stakeholders' interviews and provide illustrative examples of findings. The data sources for these case examples were documents and case study stakeholder interviews. The case studies were purposively selected in consultation with the Steering Group for their ability to illustrate performance related to the review questions, to include projects funded over the last two funding rounds and that demonstrated a variety of project modalities and country engagement. One case examined how the funding partnership enabled or constrained the work of the FAME Division. The second case study included four projects that are part of the Funding with Intent programme. This case focused on how the funding partnership has enabled SPC to work in new and innovative ways and the extent to which this has contributed to achieving development outcomes for Pacific member countries.

Listed below are the data collection activities undertaken for this review.

- **A review of 18 documents**, including the GFA and Partnership Arrangement and related documents, SPC's Strategic Plan 2022-2031, the evaluation of SPC's Strategic Plan 2016-2020, divisional business plans and SPC results reports for 2020 and 2021, Funding with Intent documents, and documents relating to the DFAT evaluation of their funding agreement.
- **Six small group interviews** with MFAT and SPC staff involved in the development and management of the core funding partnership or SPC programmes.
- **One interview** with a member country representative.
- **Two case studies**, including two interviews, a supplementary discussion with a SPC staff member, and a review of key documents related to the case. The two cases were an SPC division and the Funding with Intent programme.
- One discussion with DFAT and the DFAT evaluation contactors who were conducting an evaluation of their funding partnership with SPC. The discussion primarily focused on aligning the timing of data collection with member country representatives.

2.3.2 Analysis

Documents and interview notes were uploaded to NVivo and analysed thematically against the review objectives and questions to identify emerging themes and sub-themes. Data from the divisional case study was used to illustrate or provide examples of relevant key findings. Data from the Funding with Intent case study was primarily used in this report to illustrate one of the review questions. The review team tested the viability of each emerging theme, validating and triangulating all sources of data to generate robust findings. As part of the analysis process, the emerging findings in this draft report were presented to the review's Steering Group. The review team sought the Steering Group's reflection and feedback as a way to 'sense check' the findings, identify potential gaps, discuss interpretations, and test draft recommendations

The analysis has been presented so that it clearly contributes to answering each of the review questions. Data was analysed by participant group (i.e., MFAT and SPC), and where themes were raised by a group these are identified in the report. Greater weight was placed on themes raised by both participant groups.

2.4 Methodological strengths and limitations

A strength of the approach used in this review is that it is guided by established processes and criteria, and appropriate for a light touch review. This review used data from multiple sources, including the document review, stakeholder interviews, and two case studies. The inclusion of interviews with MFAT and SPC staff involved in the funding partnership provided rich data which enabled the review to understand and assess the core funding partnership from these perspectives. The semi-structured style of interviewing enabled the review team to respond fluidly as interviews progressed to test and build explanations for the findings. The collaborative and participatory approach with the Steering Group helped to ensure the review

is relevant, meets key stakeholder needs, and the recommendations can be understood and be implemented.

This review approach also has several limitations. Although the most relevant stakeholders from both SPC and MFAT participated in the interviews, those involved in the management and implementation of the funding partnership are also likely to have an interest in its continuation. The review undertook several activities to mitigate this. Firstly, the document review, in particular the evaluation of the Strategic Plan 2016-2020 and the results reporting, was used to provide evidence of SPC's performance and key issues affecting its institutional effectiveness. Secondly, the review attempted to obtain member country perspectives on the outcomes and impacts seen in achieving country development goals. This was not entirely successful, with only one country representative participating in an interview. This lack of external perspective is a significant limitation to the findings related to the contribution of the core funding to the performance of SPC in meeting country needs. It provides an area for future improvement in our methods of engagement with key stakeholders from Pacific member countries. The review team considers the lack of country perspective to be less significant in terms of understanding how the core funding is used by SPC for specific activities, or the nature of the funding and relationship arrangements. For these reasons, the review is significantly limited in some areas, but still provides relevant and useful findings.

A key objective of this review was to assess the contribution of the funding partnership to SPC and member country objectives and priorities. It was not possible to describe all the possible outcomes across all programmes and countries resulting from MFAT's core funding, and the ways in which the funding is used and the nature of the documentation did not lend itself to this review being able to attribute every specific input with a specific outcome. Instead, the case studies provided illustrative examples of how the funding contributed to achieving outcomes.

The final methodological point to consider is that, as a light touch review, the number of documents included for review and the number of stakeholder interviews was limited to what was practical. A full evaluation of the five-year funding partnership will be concluded at the end of the funding period.

3.0 REVIEW FINDINGS

OBJECTIVE 1: ASSESS THE PERFORMANCE OF SPC IN DELIVERING ON ITS PLANS UTILISING MFAT CORE FUNDING

This section examines the performance of SPC in delivering on its Strategic and Divisional Plans utilising core funding, focusing on how the MFAT core funding has contributed to SPC's work, and whether it has enabled or constrained SPC in achieving its development goals.

3.1 How effectively has SPC implemented its Strategic and Divisional Plans?

Over the period included in this review SPC came to the end of its 2016-2020 strategic plan, completed the 2021 Transition Plan period, and developed a new ten-year 2022 – 2031 Strategic Plan 'Sustainable Pacific development through science, knowledge and innovation'. This plan was endorsed by the Committee of Representatives of Governments and Administrations (CRGA) and adopted at the 12th Conference of the Pacific Community at the end of 2021.

The current strategic plan builds on lessons learnt from previous plans, COVID-19 recovery efforts, and regional commitments, and is underpinned by Pacific values. It outlines a ten-year commitment to aligning with regional priorities and responding to members' priorities as it contributes towards a resilient Blue Pacific: a region of peace, harmony and prosperity for all.

3.1.1 SPC is effective in implementing its Strategic and Division Plans

SPC reports on its progress towards achieving the objectives in its strategic plans in annual results reports, and the information in these is included in the Results Explorer as part of the Pacific Data Hub. SPC's Strategic Results Framework, its PEARL policy, and the regional commitments to the 2050 Blue Pacific Strategy and the Sustainable Development Goals (SDGs) guide SPC actions towards results and the reporting on these. Divisions report on progress made on their divisional business plans using the results frameworks in their plans. These business plans are strongly linked to the priority areas in SPC's strategic plans.

SPC's organisational reporting provides evidence of its effectiveness in implementing its plans. Despite COVID-19, SPC continued to achieve results in 2020 and 2021 that contributed towards the strategic and transition plan objectives and the Sustainable Development Goals (SDGs). SPC has continued its focus on achieving higher level results, with a shift towards reporting on organisation-level contributions to 'outcome' (such as changes in knowledge or practice) and 'impact' type of results. In 2021, it reported 25% of its results at the level of 'change of practice' or 'impact'. In 2021 SPC reported that 32% of its results were delivered using an individual or institutional capacity strengthening approach. SPC has also strengthened its capabilities in monitoring and reporting, and the 2021 Results report sets out a focus on learning and adaptation.

The Divisional Business Plans show SPC divisions are focused on contributing towards SPC's strategic objectives, in the context of their sectors. There is evidence of inclusion of cross-cutting issues of gender and social inclusion and climate change in divisional plans and a focus on monitoring, evaluation and learning (MEL) activities. The evaluation of SPC's

implementation of the previous strategic plan, 2016 to 2020, indicated that SPC was effective overall in developing work programmes and providing services that aligned with the intended outcomes articulated in the strategic plan.

Similarly, interview participants consistently described a focus on utilising the core funding to achieve outcomes for member countries and “to really work on the Strategic Plan”.

SPC’s current strategic plan aligns with regional commitments and shares the vision for the Blue Pacific and the 2030 Agenda for Sustainable Development. Evidence from the results reporting demonstrates that SPC is focused on delivering against these. The inherent difficulty of the commitment to delivering regional priorities and managing the demands and competing priorities of member countries was described in the evaluation of the Strategic Plan 2016-2020 and articulated by participants in this review. Actions towards improving alignment of SPC divisional plans and results with national development priorities are an ongoing area of work.

*You know that last step around aligning to national priorities and delivering national priorities, that’s probably been the weakest link. It’s something that SPC has looked at in the last three or four years ... but it’s a piece of ongoing work. So, I think that’s probably the area that needs to be improved ... is how to get start integrating national level planning and priorities into SPC.
[Member country]*

3.2 What factors have enabled or constrained implementation?

3.2.1 The flexibility of the funding allows SPC to respond to regional and country priorities

Both MFAT and SPC participants considered that the flexibility of the core funding enabled SPC to deliver on its regional and member country priorities as outlined in the strategic and divisional plans. Participants valued the ability that the funding gave SPC to prioritise and allocate resources at both the organisational and divisional level.

The evaluation of SPC’s Strategic Plan 2016-2020 found there was sometimes a tension when receiving funding from donors between SPC and donor priorities. It also found that challenges with prioritisation and funding were linked to challenges in planning and design, achieving SPC objectives, and transparency of decision-making to member countries about priorities. The flexible core funding, whose “*whole purpose is to enable SPC and to enable SPC to support member goals*” may contribute to mitigating some of this tension by ensuring SPC can focus on outcomes for member countries, rather than on New Zealand’s priorities.

3.2.2 The MFAT funding is available for all SPC member countries, ensuring a regional approach

A feature of the MFAT funding to SPC is that it is available for use with all SPC member countries, regardless of their development and territorial status. All member countries are able to benefit from MFAT funding. This is particularly important for being able to support the New Zealand Realm states of Tokelau, Niue and the Cook Islands through SPC funding. In

contrast, some international development aid rules restrict funding to territories and those countries that are more developed.

SPC uses the programmatic funding to complement other funding to ensure these member countries are included in project work and regional meetings to “achieve some very significant results in terms of regionalism” [SPC].

It might be, for instance, we have some limited funding And by utilizing programme funding, we can include, say, someone from some of the territories in a regional meeting. And those territories are all full voting SPC members. So, by using the programme funding, we can have a truly regional meeting with all SPC members that we wouldn't have been able to have if it was just a project. [SPC-FAME]

3.2.3 SPC's internal capacity and capability is strengthened through the funding and relationship arrangements

In 2021 SPC committed, through the Strategic Plan 2022-2031, to strengthening its internal operating environment and capabilities with a key focus area: transforming institutional effectiveness. Efforts in the last strategic plan period to strengthen organisational capability included improvements in financial management, information services, human resources systems, planning and reporting, and organisation-wide learning and reflection processes. In 2021, this work continued with a review of its governance framework, further financial and operational strengthening, and adaptation to delivering work online continued this capacity-building. These changes contribute to SPC's ability to manage its resources to better deliver results for the region and member countries. They also enhance its reputation as a trusted and capable partner among member countries.

This review found the core funding partnership supports this institutional capacity building through both the funding and relationship components of the partnership. Along with the core funding, MFAT invests time as an active SPC member in supporting SPC's governance activities and strategic direction, including through CRGA and contribution to governance and sector working groups. MFAT views this as a valuable investment in supporting SPC “to be the best organisation it can” and SPC values the interest and engagement from MFAT. In turn, this knowledge that SPC is a robust and well-governed organisation enables MFAT to continue supporting SPC's activities in the region.

The programmatic funding, and the flexible nature of it, also contributes to internal capacity and capability development within divisions. Divisions used programmatic funding to undertake pieces of work such as improving monitoring and reporting and operational activities that are beneficial to the capability and capacity of the division.

The flexibility also allows us to invest in the backbone of the division – things that are not easily supported in projects – it allows us to plan and be more strategic in our operations of managing the division - which is really helpful. Specifically its enabled us to do a couple of things like an HR review – we're trying to get the division fit for future purpose – things like that are difficult to obtain through project funding. [SPC]

The work that FAME does is feasible through the flexible funding, so we are able to produce results and the results dashboard is now available on website for our Heads of Fisheries and also for our stakeholders, including the development partners like MFAT. [SPC]

3.2.4 Participants did not identify any factors that constrained implementation

This review sought participants' views on any constraints to the implementation of the strategic and division plans as a result of the core funding. Participants stated that they did not perceive that there were any constraints.

3.3 What adaptations have occurred, or could occur, to ensure the programme remains relevant and effective in light of the impacts of COVID-19 and other key shifts in the regional and global context?

SPC operates in a challenging and complex regional and global context. It is owned and governed by its 27 member countries and territories and collaborates with multiple partners and donors across multiple sectors to achieve long-term sustainable development objectives. Climate change, natural disasters, and human security challenges continue to influence development progress in the Pacific. In addition, the COVID-19 pandemic brought restrictions, lockdowns and economic and social challenges to the region. In response to these challenges, SPC changed the ways it communicated and operated, including adapting workplans and budgets in over 70% of SPC's existing projects in 2021.

The ability of SPC to deliver its longer-term development objectives and adapt to changes in the regional context will be an ongoing challenge. The COVID-19 pandemic reinforced the importance of working in collaboration with regional partners and donors, and an ongoing commitment to working in these ways will be critical for both donors and members in the Pacific region.

3.3.1 The flexibility of the core funding enabled SPC to adapt to COVID-19 and other regional events

This review found that the provisions of the core funding arrangements enabled SPC to re-prioritise and re-direct resources to respond to the challenges of COVID-19. This was highlighted by all interview participants as a significant factor in supporting an effective response. All interviewees described ways in which the flexible funding was used in the context of COVID-19, both in organising SPC internally and for delivering services to members.

If we haven't had the New Zealand programme funding, we would not have been able to adapt to COVID-19 as effectively as we did... in areas such as public health, if they didn't have programme funding, we would have to get permission to re-programme all of the work that we have been doing for non-communicable diseases. [SPC]

Because the funding was unrestricted, whatever their needs are, they can easily change direction and use the funding to do that [MFAT]

SPC was able to adjust because the funding was flexible and was not tied to specific inputs or outputs. The flexibility of the funding meant SPC could adjust immediately and avoid the need for protracted contract negotiations to change agreed activities. The importance of open dialogue with MFAT and the level of trust MFAT had in SPC was also noted by SPC participants. The value of SPC's transparency and communication about the impact of COVID-19 on their work was in return valued by MFAT participants.

Donors who specified every input years in advance didn't anticipate changes like COVID, it meant that we had to go and re-negotiate every little bit of the programme. With MFATs funding we were able to quickly realign and focus our effort on what needed to happen rather than spending energy re-negotiating specifics in the contracts. It means that the funding gets applied effectively And they trust us to make adjustments and be accountable still – but accountable at a higher level – for the outcomes rather than specifying every input. [SPC]

Similarly, the flexible programmatic funding enabled SPC to respond to natural disasters or other events in member countries. SPC participants provided examples of using the programmatic funding to respond to pest infestations and disease and natural disasters. In these examples, the funding was used to undertake technical assessments, support communications, convene emergency teams, and allocate staff to the response. For these events, the importance of having access to funding for a quick response was also highlighted.

Sometimes we need to support our members post disaster. This flexible funding allows us to do that. We're able to use the financing to support our members by way of technical assessments post-disaster, for example, if the need arises. We don't often have that funding as part of project funding, so this is very useful in that regard. [SPC]

If you don't have a project that allows you to respond to that and you don't have flexible funding it can take 6-12 months down track before being able to respond. In our very, very changing environment, access to flexible funding for responsiveness is critical. [SPC]

3.4 How has the provision of core funding contributed to outcomes? Could similar outcomes have been achieved in a different way?

3.4.1 The core funding makes a valuable contribution towards achieving outcomes in SPC's strategic plan

The review found the provision of the core funding was extremely valuable and useful in contributing to SPC implementing its strategic and divisional plans. In particular the

unstructured and flexible funding was highly valued in enabling SPC to allocate funding internally to help achieve the development and organisational objectives in its strategic plans.

Given the size of the issues we are working with in the region and the demand and the request from member countries, the flexibility of the funding has enabled SPC to do their work. [SPC]

All of the SPC interviews reported that the flexibility of the funding allowed SPC to use the funding to 'fill the gaps' at both a divisional level and an organizational level. The flexible funding also meant SPC avoided duplication of effort, ensuring work funded using the MFAT complemented what was being funded through other sources.

3.4.2 Divisions have flexible funding to help them achieve outcomes

The flexible programmatic funding is highly valued by SPC because it enables divisions to deliver on their business plans without relying on project funding. Some divisions have no other source of flexible funding, and value the ability to progress their plans this funding provides.

Some of the power of the programme funding is that it provided flexibility to some divisions that have never had that flexibility within their own programmes before So that funding really helps them to lean into not only to have the ownership of what they like to do, but this is how we can do it. And that helps them address their long-term issues which aren't attractive to development partners to fund directly. [SPC]

SPC participants provided examples of how divisions use the programmatic funding. The funding allows divisions to be flexible in planning, meeting strategic objectives, and meet with countries, and respond to their needs when opportunities arose. For example, putting additional staff through emergency response training or other capacity building activities and responding to member requests to contribute to regional meetings. These activities contribute significantly towards divisions achieving the objectives outlined in the business plans.

When members request events like Pacific Week of Agriculture and Forestry – it allows us to support some of those larger requests from members as they come up. [SPC]

SPC and MFAT participants stated that the low administrative requirements associated with the programmatic funding enabled efficiency. This meant that SPC could focus on delivery and meeting emerging needs without being required to go through additional processes to seek agreement for the use of the funds. For some funding sources, changing previously agreed activities can involve pre-approvals, contract amendments and considerable time before changes can be implemented. The low administrative requirements associated with the MFAT funding was also useful because divisions may "spread it...across lots of different things" and seeking approval for all these would add considerable burden. SPC participants noted the contrast between MFAT's approach and the approach of other donors.

It's nice to not have to account for every cent and where it goes every day, because the decisions about using it are often quite complex, balancing acts across multiple projects. The key measure for me, in terms of measuring effectiveness, is what wouldn't happen. [SPC]

3.4.3 SPC uses the funding to deliver better pieces of work

The review found that SPC used MFAT funding to augment existing work, particularly project work. This was done so that an “end-to-end” solution could be delivered for member countries. SPC participants described filling gaps in projects, either to supplement projects or because there was an opportunity to deliver a better, more complete project to member countries. These gaps may be a specific technical expertise, communications, or monitoring and evaluation.

Funding is useful in augmenting and delivering some of our project work. Where we have had priorities identified by our members ... the flexible funding has been able to add to the project funding that we already have within the divisions. Programmatically it allows us to deliver an end-to-end solution where sometimes the project money is tied to specific inputs and outputs. [SPC]

SPC participants also described using the MFAT funding within divisions to complement the funding from one or more donors.

If we don't blend our funding, in a lot of cases, we don't actually get the best result because donors have very different priorities about what they want to fund. And so they might fund one part ... one set of expertise, and another donor funds another bit. But the reality is, in terms of a result for a member, they need both sets of expertise together on this particular problem ... So programme funding is hugely helpful in that sense. [SPC]

3.4.4 The funding is used to retain technical expertise and build capacity

SPC participants also described using the MFAT funding to retain technical expertise and build the capability of staff. The MFAT funding allows SPC to fund the salary of a staff member who might be between projects or to allocate someone's time and expertise to a project they weren't originally funded for. Critical skill sets are retained in the region and staff with the relevant skill sets are able to work on various projects and share their expertise across the organization. This also provides greater contract security for staff themselves.

This reflects the value SPC places on its staff and the recognition of the role of staff expertise and knowledge as it works to progress all Pacific peoples' rights and wellbeing and respond to members' development priorities.

We have an agricultural specialist who is paid from a different project ... that project doesn't allow the flexibility to put them onto another piece of work for various reasons. So we can use programme funding to pay for their time on

this particular project so that we get that relevant expertise onto the project
[SPC]

3.4.5 The core funding arrangements both demonstrate and support innovation

The core funding partnership is a unique donor country-SPC agreement because it provides for membership and voluntary and flexible programmatic funding under one core funding agreement. In particular, the flexible programmatic funding for divisions is an innovation of value to SPC. Associated with this is the focus on aligning partnership reporting requirements with existing SPC accountability and reporting documents. As discussed earlier in this report, these flexible arrangements enable SPC to achieve regional objectives and deliver outcomes for members.

NZ was the first donor, for instance, to provide funding to the former social development programme and the regional rights team, they are now the human right social development division combined. They are also the first donor to provide programme funding to our climate change environmental sustainability programme as well. [SPC]

Other innovations of the core funding partnership identified in the interviews include the high-level joint consultations with DFAT and SPC, the commitment to developing and maintaining a partnership relationship, and the commitment to promoting the visibility of the partnership and the funding approach. An SPC interview participant noted that New Zealand “*is innovative and pushing things forward for us in (the programmatic funding) space*”.

The funding has also supported SPC to work innovatively, allowing SPC to take advantage of new opportunities and ideas as they emerge. SPC participants described responding to new opportunities without necessarily having existing funding in place. Here, technical expertise is allocated to develop an initial project, which is used to leverage the funding required to complete the project or integrate the response into divisional programmes. In this way, SPC enhances its responsiveness to member country needs.

It allows innovation – allows us to rapidly pivot capabilities to meet new opportunities, get started on them and then perhaps align a more traditional donor to shoulder the weight of the programme. It’s critical to allow a change in direction without waiting for fully developed funding to come into play.
[SPC]

3.4.6 Similar outcomes could be achieved differently, but with difficulty

Participants consistently reported that the funding arrangement was working well. SPC participants considered the funding partnership offered MFAT the benefit of existing country relationships, technical capability, management and other resources, a regional approach, and overall efficiency. MFAT participants considered the funding partnership to have provided economies of scale and enabled SPC to leverage other funds into the region. Participants also recognised the considerable extra effort that would be required to achieve similar outcomes working directly with multiple organisations and member countries, rather than through SPC.

Both MFAT and SPC participants considered that the flexibility of the funding arrangement was critical to enabling SPC to achieve organisational and member country outcomes. The flexibility of the core and programmatic funding sits in contrast to the more structured and specific contracts implemented through project funding agreements. MFAT and SPC participants both raised the difficulties that a greater focus on funding SPC through projects would present.

So, yes we might get there with some of these ideas eventually, but not within the timeframe to be useful and responsive to challenges in the region. If we spend all our time re-negotiating and re-shaping project-ised funding then we would do a lot less and spend more time negotiating, and secondly some of these innovations would not be possible in the short term. [SPC]

You could use the same amount of money and have the project-ised money like for example the EU does. But to have that amount of flexibility would require and awful lot of administration. You would have to constantly change contracts, have those conversation, And I think having the high trust, high communication model that we have is better than trying to do it in a more structured way. [MFAT]

3.5 To what extent does the core funding partnership enable SPC to implement effective gender and social inclusion programmes?

The programme funding to the recently formed HRSD division is the main mechanism for the core funding partnership to enable SPC to implement gender and social inclusion programmes. The funding supports this division to take a leading role in providing technical expertise across SPC and support PICT governments to implement a people-centred approach. This is a key approach in the Strategic Plan 2022-2031 and is articulated in SPC's Social and Environmental Responsibility Policy (SER Policy). It aims to place people and their environment at the centre of development planning, implementation, decisions, monitoring and reporting.

SPC's Strategic Plan 2022-2031 also identifies pathways towards achieving gender equality and social inclusion, including through promoting women in leadership internally, and continues the efforts SPC made during the previous strategic plan period to strengthen capability in this area. In 2020, almost a quarter of SPC projects were gender responsive or gender transformative. In 2021, 20% of results were reported against key focus area (KFA) 4 'equity, education and social development', of which some will be gender-responsive. The 2021 results report also highlights the integration of gender and human rights in programming across the divisions.

One SPC participant noted that using the funding for being gender and socially inclusive was expected, as a principle underpinning the core funding partnership. SPC anticipates a stronger focus in this area in the future "*going beyond what SPC has done traditionally*". The importance of flexible funding in combination with SPC's commitment to addressing gender and social inclusion was highlighted as a factor enabling SPC to implement the SER policy.

The New Zealand funding, because it is so flexible, allows us to be able to mainstream (gender and social inclusion) in a way that would be different if you had project-tagged funding that's not flexible and (means) you would have to build that in as part of your project from the start. (The flexible funding means) accepting that that the funding can be used broadly for development objectives in any sector... and could be in fisheries or public health ... but that are also underpinned by gender and social inclusion objectives. [SPC]

The programmatic funding to the other divisions would also be expected to contribute to the implementation of gender and social inclusion. This review found all division business plans included actions to address integrating and mainstreaming gender and social inclusion.

We're constantly dealing with gender and social inclusion and climate change, they're the two biggest cross cutting themes that ... underpin just about everything that we do [SPC]

One example provided from the FAME division is the publication of the second *Pacific handbook for gender equity and social inclusion in coastal fisheries and aquaculture* and associated training sessions to help integrate GESI into planning, programming and implementation. Although funded primarily by other donors³, MFAT's programmatic funding "chipped in to that project at different points in time". It also contributed towards funding territory participants to attend training sessions. Here the flexibility of the programmatic funding to contribute to projects enabled FAME to add value and complement the contributions of other donors.

A second example is the Rewa River project, a biodiversity project working with community-based aquaculture that is managed and operated by women harvesting oysters from mangroves. The project aims to improve the environment for the mangroves. Here, the MFAT funding is also used to fill gaps to achieve better results for member countries.

(There is a) gender and social inclusion component in terms of improving livelihoods, improving opportunities, improving quality of work.

The reason why I emphasise the story is a lot of what the programme funding from MFAT does is that it allows us to achieve cross cutting themes [gender and climate change] into pieces of work where the donor does not include them so we can deliver complete pieces of work." [SPC]

³ The handbook was developed through writing workshops funded by the Australian Government and the Australian Centre for International Agricultural Research (ACIAR), the United Nations Food and Agriculture Organization (FAO) Subregional Office (Apia), the European Union and the Government of Sweden through the Pacific European Union Marine Partnership Programme (PEUMP).

3.6 To what extent have the funding financial management arrangements offered value for money?

Participants considered that the value of the MFAT funding is in how it enables SPC to deliver services to members and achieve desired outcomes. This is supported by the alignment of funding with SPC's intended outcomes as set out in the strategic plans. The ability of SPC to use the flexible funding to respond quickly to COVID-19 and other emerging priorities and needs was identified as being of high value to both SPC and MFAT.

The real value for money is the delivery of services to members and having a technical agency that's able to deliver for members rather than members finding the resource to do the work themselves or contract it out ... from that perspective they offer extreme value for money to members [MFAT]

The intentionally low administrative burden associated with the flexible funding frees up SPC to deliver outcomes, is light for MFAT, and contributes to value for money. Although MFAT conducts due diligence by scrutinising budgets and financial reporting, the existing SPC accountability mechanisms are accepted for monitoring and reporting on the funding agreement. This means SPC resources are not used to deliver separate reporting activities to MFAT. These factors contribute towards an efficient and cost-effective way of managing the funding partnership.

MFAT looks at our annual results report in particular as the benchmark by way of judging whether or not the money has been spent well. I think the financial management arrangement has offered the value of money. ... It certainly provides value for money in terms of being lighter touch, in terms of the administrative tasks involved in managing the funds, rather than invest a huge amount of money in administering the money, we can invest time and implement the money in the field and we administer it in a way that's far more streamlined. [SPC]

SPC's role as a trusted partner and a key player in the region provides MFAT with reach, economies of scale, and greater regional and national level engagement and coordination around key areas of interest. The breadth and quality of SPC's relationships across the region means that it is able to coordinate across multiple countries and levels and convene officials and partners from across numerous sectors, for example Heads of Sector meetings, giving value to New Zealand's relationship with SPC. MFAT's contribution to SPC has increased over the years, demonstrating the value that both partners find in the partnership for achieving development objectives in the Pacific.

The arrangements have offered value for money from a communication and strategy perspective, in terms of assisting New Zealand's position as partner of the region ... and with certain values of cooperation that have been understood and appreciated not only by SPC but also by our members, through the work we have done to communication on that ... bodies to explain how we have gone about using the funding and how important the partnership is. [SPC]

Participants consistently stated that both a regional and bilateral approach is required to achieving development objectives in the Pacific, but the core funding provided to SPC as a regional organisation offers value to achieving regional aspirations. There was little evidence of any interest in moving away from the regional approach to funding. It reflects New Zealand's interests and the beliefs from both partners that a regional approach is more efficient.

If MFAT decided not to go regional and decide to go bilateral to get those outcomes, then absolutely that could be done, but it would take a huge amount of work that would require lots of resourcing and permission in the Pacific and for MFAT [SPC]

Funding regionally through SPC also supports capacity building in member countries in a way that bilateral funding might not be able to achieve.

Sometimes when implementing partners leave, they take capacity development and institutional memory with it. ... Whereas for example in public health, when we work with a country on an issue, because we are there (in country) for a long time we pass on capacity building when the country is capable of doing it and ability to deliver the activities themselves. [This is] a key thing about regionalism – because SPC is there for a long time the capacity over time is built in-country [SPC]

SPC's recent work to strengthen its institutional effectiveness and governance and accountability mechanisms, combined with the transparent approach from SPC to managing its relationship with MFAT, helps to ensure confidence that the funding provides value by being well managed, using good financial, risk management and monitoring and reporting processes. The ability of SPC to use the funding to avoid duplication of effort also contributes to providing value for money.

OBJECTIVE 2: ASSESS HOW THE STRUCTURE OF THE ARRANGEMENTS ENABLED AND/OR CONSTRAINED SUCCESS

This section examines how the structure of the core funding partnership, including the funding structure and the relationship and management arrangements, has contributed towards achieving the objectives set out in the funding partnership. It also describes how these arrangements enabled or constrained SPC delivering on regional and Pacific Island member development goals, as set out in SPC's Strategic and Divisional Plans.

3.7 What elements or qualities of the SPC-MFAT relationship and partnership management arrangements have enabled and/or constrained success?

The partnership objective set out in the GFA is that the partners work together to leverage opportunities, knowledge, networks and resources that support SPC to deliver results. For this objective, the GFA focuses on results in innovation, integrated programming, capacity development and MEL activities, and enhancing the broader engagement of New Zealand with SPC through the FiT incubation funding.

3.7.1 The relationship is highly valued by both partners, and reflects shared values

The review found clear evidence that both MFAT and SPC highly value the relationship, and considered the relationship was going very well; that it was a "*positive and cooperative feeling in terms of the partnership*".

One of the factors supporting the relationship was that both partners share common Pacific values and bring these to the working relationship. The principles set out in the overarching Partnership Arrangement between MFAT and SPC are very similar to those described in SPC's Strategic Plan 2022-2031. One SPC participant considered the inclusion of kaitiakitanga | stewardship and aroha | care as guiding values in SPC's Strategic Plan 2022-2031 reflected the alignment between partners.

Participants considered that MFAT's engagement was meaningful and collaborative and reflected their intention to support the advancement of Pacific priorities

It's very clear with the engagement that it's about what's best for the Pacific ... not on what's best for us [New Zealand] in the Pacific [SPC]

New Zealand's philosophy is to listen to the Pacific, they really model that with how they have supported SPC [SPC]

3.7.2 The SPC-MFAT relationship is characterized by mutual trust and open communication, and that enables success

MFAT and SPC participants characterised the relationship as mature, involving high levels of trust and high levels of communication that had been built over time. Each considers the other a "*real partner*", or an "*equal partner*". The level of dialogue at the strategic level and at a day-

to-day level was identified as a critical part of the partnership. The trusted relationship was identified as being “very critical for the success of SPC in doing their work”.

I think there is a real maturity in how we engage with each other, at all levels ... I think it is demonstrated quite regularly in the way that we engage with each other. I think it is a highly trusting, highly respectful way, where I do feel that those relationship arrangements means that SPC talk to us as real partner [MFAT]

The trusting relationship keeps being reinforced ... the spirit of true partnership keeps being achieved [SPC]

Both partners provided examples of how the nature of the relationship both influenced and was subsequently influenced by the high-trust, collaborative approach to navigating difficult circumstances together.

There are many times when we have to engage ... on difficult issues but because we have that relationship capital, we can always draw on that and it is okay. [MFAT]

One of the first things that we do [when we have an issue] is have a chat to ... and the team and discuss how do we work together to resolve (this). [SPC]

3.7.3 Actions undertaken by both partners reinforce the relationship

Another factor supporting the good relationship was the high-level commitment and actions from both partners to upholding the intent and implementation of the partnership objective in the core funding partnership. Participants described intelligence sharing, ongoing and transparent communication, advocacy for SPC at international and other fora, avoiding administrative duplication, negotiating contracts early to provide certainty, and collaborative work towards lifting the visibility of the partnership as activities that strengthen the relationship. These activities demonstrate good faith, reinforce trust, and enable SPC’s success.

It is very genuine engagement supported by regular consistent sustained relationship arrangements, consultation and dialogue. [MFAT]

We have our single agreement, our core, programme funding, and the intent funding. They don’t look over our shoulders every day to keep checking on what we are doing. They have faith in our audit, our finance processes. They support the institutional development. They lean on SPC existing documentations, processes, that takes away a lot of time spent on administration. It is a high trust relationship. We can’t do that with low trust partners. [SPC]

3.7.4 The focal points strengthen the relationship

All participants noted the work to establish and maintain effective relationships by the focal points are key to the relationship. Focal points strengthened the relationship by being supportive, interested, knowledgeable, respectful, and trusted to engage as a real partner in a good working relationship. Both MFAT and SPC participants recognised the value of the focal points in enhancing the value of the work undertaken under the partnership. Participants considered that the ability of the focal points to access senior levels within the respective organisations provided benefit in terms of being able to elevate issues and resolve them, profile the partnership, advocate, and facilitate activities to strengthen the partnership. This ability relied on both the position of the focal points and the active support from MFAT and SPC for them to do this. Also key to these roles being successful were that the focal points understood the work and are willing to commit time and effort to the relationship.

The longevity and the depth of knowledge of having a person in New Zealand and the continuity of those people (in key roles) in New Zealand, is a huge benefit and value to us because of that. When things change for us, SPC is a complicated organisation to operate, we have a different form of relationship, which is unique, so it helps having people with deep knowledge and understanding about what SPC does. [SPC]

There's been good communication through the partnership process – the team in Wellington and the local representatives in Suva and Noumea have been very engaged with what SPC been doing on a day-to-day basis.[SPC]

3.7.5 New Zealand's role as an active member of SPC complements its role as a donor

New Zealand, as an active member of SPC participates in governance and planning processes as a way to contribute towards institutional effectiveness. MFAT's involvement in subcommittees, panels and other divisional and working groups means they are talking with other members frequently, have greater understanding of SPC's strengths and challenges, and the regional and national context.

Helps us know and understand the needs of other members and the drivers, as well as working with SPC [MFAT].

MFAT participants described ensuring these dual roles are managed with care, that it works to ensure it doesn't exert undue influence, and respects its position as only one of many SPC members. SPC participants did not consider there was any conflict in how MFAT managed its relationships as a member and a donor. The relationship appeared to be accepted at face value. SPC participants noted that having a member who was a donor was beneficial because it helped them understand the Pacific and what the priorities are.

Having members who are also donors allows you to craft a programme of work that is a much better fit with what the Pacific is saying it needs, because

(the donors) are hearing it from the horse's mouth rather than hearing it through a translated paradigm. So being around the table is really key. [SPC]

Although there is no financial benefit to metropolitan member countries, SPC considers there are other benefits for New Zealand.

With this partnership, we are also helping the metropolitan countries by enabling the delivery of their own foreign policies and development settings through the ... partnership we build with them, and that is informed by the needs of our member countries. They are able to achieve efficiently what they want to do in the region. [SPC]

3.8 How has the flexible and predictable multi-year funding enabled or constrained success

3.8.1 The flexibility of funding enables SPC to allocate resources to priorities and be adaptive

Both MFAT and SPC participants reported the flexible and predictable nature of the funding allowed SPC to allocate funding and prioritise its work and to be adaptive. The focus of the prioritisation is to align its work with the strategic and divisional plans and priorities articulated to SPC through governance mechanisms and their sectoral and bilateral engagements. This intent is a key aspect of the funding arrangements; it means SPC is not driven by New Zealand's priorities, but those of its member countries. SPC participants asserted this was the best funding model because it allows them to be much more agile and responsive to Pacific regional issues.

It is important we have the core funding provided in the way that we do because it enables the organisation to respond to the priorities of the wider membership rather than just the particular priorities of New Zealand ... which are not always the same thing [MFAT]

The really important enabler of this is ensuring that SPC isn't donor driven – this is making sure that SPC is able to make the decisions that members want them to make, not the decisions that donors want them to make. [MFAT]

3.8.2 The flexibility of funding cannot be separated from the high-trust high-communication relationship and the streamlined reporting arrangements. Combined, these are critical to the success of the funding partnership

Every participant identified the flexibility of the funding as critical to the success of the funding partnership and highly valued. SPC participants noted its value at the organizational level, the divisional level, and in the Funding with Intent (FiT) projects. This report has provided evidence for how the flexible funding allows SPC to be responsive, align work with its strategic plan, focus on member country priorities, and leverage opportunities. Flexibility of funding is also

practical within the Pacific context, where procuring equipment or services in some location may be challenging, for example to obtain three quotes for a piece of equipment.

In turn, the flexibility relies on the relationship built by MFAT and SPC over a number of years. The trust developed and the commitment to maintaining communication and working in line with shared values enabled the flexibility. MFAT participants described the commitment throughout their organisation to the relationship. This included a commitment to engagement at high-levels with SPC and their work, a commitment to providing senior-level management through the focal point roles and ensuring the relationship is maintained by people with the depth of understanding of the relationship, and taking an approach that is consistent with funding to Pacific priorities. The role of the intentionally streamlined reporting arrangements also enabled the flexibility and relies on the strength of the relationship. These characteristics of the funding arrangements cannot be separated.

I think sometimes it is a bit of chicken and egg scenario. The ... flexibility does change the relationship a little bit. It takes both partners working in certain ways. ... The delivery, the trust, the open book approach has given us more confidence to be more flexible where it is working. [MFAT]

New Zealand is willing to take risks because they take the approach that deeply focuses on outcomes that is why their funding is flexible, worrying less about the steps taken to get there, and putting trust in their partners to get there. [SPC]

This is a very high trust situation. And so long as you can maintain that high trust environment, then is this really is the best possible sort of funding model because it allows us to be that much more agile and responsive to issues and members [SPC]

3.9 To what extent have the monitoring and reporting arrangements aligned with the regional and organisational contexts, and provided evidence for improved programme management and accountability for results?

The core funding partnership accepts SPC's annual results reporting and budgetary documents for the reporting and accountability requirements as part of the partnership arrangements. The annual results reports are the culmination of organisation-wide MEL processes and are presented to the CRGA Subcommittee on the Implementation of the Strategic Plan for endorsement. The reports outline results against SPC's strategic objectives and highlight the progress made addressing regional issues and priorities, including the SDGs, member country priorities, and organisational objectives. This means the funding partnership monitoring and reporting arrangements are highly aligned with regional and organisational contexts.

The intent behind these streamlined reporting arrangements is to reduce the administrative burden on SPC and avoid duplication of effort. It also reduces administrative burden for MFAT. As discussed earlier in this report, this alignment in reporting goes hand-in-hand with the high-

trust, high-communication relationship and flexible funding. SPC participants reported that the alignment in reporting is “incredibly helpful”.

One of the reasons why the partnership has enabled SPC is that we have visibility of all the funding arrangements coming through New Zealand, we have been able to align our reporting obligations and timeframes. .. New Zealand has been very supportive of us using our own internal reporting framework, our internal evaluation framework, our policies such as the MEL framework, aligning our reports to NZ against that framework. [SPC]

Overall, MFAT participants reported being satisfied with the reporting SPC provides and noted the sophistication of the monitoring and evaluation frameworks that SPC has developed. This review found evidence of monitoring and reporting activities, including use of theories of change, results frameworks, and organisational MEL activities, reported in business plans, the results reporting, and the Pacific Data Hub. Evidence from the evaluation of the Strategic Plan 2016-2020 and the 2020 and 2021 results reports indicate SPC continues to strengthen its monitoring and evaluation processes and practices for improved programme management.

SPC’s FAME division provided an example of the way the MFAT funding has contributed to improved monitoring and reporting and greater accountability within its division.

We were able to use the funding to produce results and the results dashboard, which is now available on our website for our Heads of Fisheries and also for our stakeholders including the development partners like MFAT. Without this flexible funding, we wouldn’t have been able to do that. This adds value ... so. it kind of adds the extra taste to the whole results team. [FAME]

The funding also supported our staff to collect data from community members .. to share stories – to tell the stories we want to tell. So, it helps us to go and, you know, collect that data and tell the stories that we want to tell through the SPC reporting process but also through FAME’s own Heads of Fisheries and a broader audience – so it gives us that flexibility

Both MFAT and SPC participants also reported that ongoing communication and engagement contributes to understanding and assessing the contribution of the core funding partnership, and that evidence of progress is not limited to the reporting documentation. Frequent, verbal communication enables updates to be provided, gaps in information to be addressed and issues discussed.

The other thing that works really well, they can provide us with update information and to other donors as well. So, the impact of COVID-19 on their work, they were quick to tell us what does it mean for their programme, what they are deferring, what they are delaying. That shows transparency in their approach, which is highly valued. [MFAT]

3.10 What outcomes have the innovative funding modalities had, both for SPC's innovation capabilities and for member countries?

The FiT programme is a sub-programme funded by MFAT, formalised for the first time in the 2020-2024 funding partnership. The FiT programme is intended to systematically and intentionally increase capabilities in innovation, capacity development, and applying integrated, multi-sectoral approaches to development challenges. It builds on previous peer-to-peer collaboration and work to support innovation through an incubation fund. The FiT programme is managed by the SPL unit, in cooperation with the partnerships team in the Integration and Resource Mobilisation Office (IRMO).

There are four components to the 2020-2024 FiT programme:

1) Competitive innovation incubation funding

This funding supports SPC staff with seed funding over 10 months for innovative proof of concept projects. This funding is managed through an annual round, where SPC staff pitch for project funding, and receive support throughout the design and implementation of projects if successful.

The projects must meet selection criteria and demonstrate innovation through design, technology, processes, or approaches. Projects are tested in SPC Pacific Island member countries at small scale.

2) Competitive amplify funding

Incubation projects that demonstrate potential for scaling up may apply for additional funding at the end of their first year. This is to amplify the success of the first phase, continue activities, and support efforts to receive further resourcing from other sources.

3) Capacity development or peer to peer funding.

This funding was intended to be used to support travel for peer-to-peer learning opportunities between members and improving capability development. COVID-19 meant that this funding was re-focused to support and add value to additional projects that demonstrated innovation in capacity development under the competitive innovation funds.

4) Integration funding

This component supports the design and development of integrated programming at SPC by investing in activities that address specific programme needs. The 2021 Transition Plan and the 2022-2031 Strategic Plan recognised that greater integration of its scientific, social, cultural and technical capabilities was required to achieve its long-term goals for sustainable development and a resilient Pacific. The FiT programme supported integrated programmes in the areas of food systems, climate action, and planetary health.

The FiT programme was specifically negotiated to ensure funding was allocated to supporting innovation. This aligns with the intent in the 2021 Transition Plan and the 2022-2031 Strategic Plan: *Sustainable Pacific development through science, knowledge and innovation*. KFA 7

describes funding internal innovation as one pathway towards transforming institutional effectiveness.

The following sections discussing the innovative funding focus on the competitive incubation funding. The funding component supporting the integrated programming has been used to facilitate the further development of SPC's integrated programmes and fund activities that support member engagement. These activities have included support around programme design and member engagement in the Food Systems regional programme, including hosting virtual regional dialogues. In this sense, the funding was used to fill in gaps, similarly to the programmatic funding discussed earlier in this report. The FiT funding was also used to support SPL staff to manage the overall FiT programme including the reporting and MEL activities.

3.10.1 The Funding with Intent programme has successfully enhanced innovation in SPC

The FiT programme has supported two annual cohorts of competitive incubation funding (in 2021 and 2022). In 2021 eight projects were funded, of which two received additional funding under the amplify funding, one is seeking further funding from other sources, three were extended for six months, and two were deferred. In 2022, 12 projects were funded and 11 are in progress. Funding was provided to project teams from all eight SPC technical divisions, although half of the projects are being led by staff in the FAME division.

The FiT programme itself successfully demonstrates an innovative approach to responding to member country priorities. It is based on criteria that reflect SPC's focus on delivering to regional and national priorities and the key focus areas in its strategic plan, but the pitch process, the availability of funding for middle-tier SPC staff to practically respond to gaps and opportunities or to develop ideas, and the built-in design and learning approach are new for SPC. The involvement of the recently established IRMO in supporting these projects to seek additional resources in a systematic way is also a new approach for SPC.

Both MFAT and SPC participants considered the FiT programme funding has been successful in supporting innovative ideas being generated and implemented. This includes the development of projects that may support members in significant ways and have been scaled up and integrated into divisional programming. The four competitive incubation projects selected for this case study demonstrated innovation in different ways. One project used existing and emerging technologies in new situations to strengthen real-time ocean observation, one tested an innovative model of professional development and capacity building across the arts and cultural sector, one project developed an online training resource to increase access, and one project took an innovative approach to developing the tourist sector in response to COVID-19 through the development of national geoparks.

With MFAT the only organisation that gives us money for seed funding and innovation for projects it's allowed us to meet some needs that would normally not be met. [SPC]

It's been a relatively innovative idea. Over the past few years that seed money has been a catalyst for us to develop quite significant projects ...

*which meet a big need not just for the organisation but also for the countries.
[SPC]*

Consistent with the findings presented in the earlier part of this report, the flexibility of the FiT programme funding has also enabled incubation project managers to work in a responsive and innovative way; allowing them to take opportunities for doing things differently and testing the effectiveness of this. The challenges presented by events in the region, including COVID-19, also prompted innovative solutions in some projects, such as developing online learning platforms and content, extending or adapting projects or shifting locations.

This modality of funding has been really useful – flexible and the way it was presented and opened up to staff, which basically asked us to have innovative ideas. It has given us the opportunity to cultivate these ideas. When doing something new you don't know yet the vision so it allows you to change things and be dynamic. The funding modality has been relatively flexible, allowing us to adapt to the situation and be able to use the funds within the vision, principles, and the outcomes we are looking for. So this is really good for MFAT to base their trust in us to use the funds [Geo Parks]

Despite the challenges relating to the current world situation, we were able to promptly respond to various requests from in-country collaborators and partners and wrote a concept paper integrating the various requests. Within 6 months, we successfully managed to supply a whole bunch of equipment in the offices of Cook Island, Fiji and Noumea. These are ready to be trialled. This would not be made possible if the funding was restricted. [Hi-FAD]

We have lots of flexibility to work with individual teams and best respond to the issues that were coming up and keep within the one year cycle. [SPL]

3.10.2 Enhanced responsiveness to member countries priorities

All funding components of the 2020-2024 FiT programme are designed to ensure SPC effectively delivers outcomes to member countries. The competitive incubation component also included a focus on supporting countries to recover from COVID-19. Three of the four incubation projects included in the FiT case study developed their project idea and design in consultation with member country sector officials or representatives and tested their projects in various countries. Some projects were developed in response to requests from countries, and some used the funding opportunity to work with existing networks to identify and design a project. Project managers continued to work with countries involved in the project to develop, test and refine their idea. Member countries benefited from the knowledge and capability built through their participation in the projects. Some projects, such as the e-agriculture training generated further interest from partners for more modules, indicating the relevance and usefulness of the projects.

The e-agriculture training was accorded one of the top priorities from SPC member countries after consultation with focal points with livestock divisions of each of the countries. Because of the impact of the Covid-19 pandemic

we decided to develop online learning, which we piloted in Fiji and Vanuatu with about 70 participants attending, and a great online participation from livestock offices. This year we are continuously getting requests from countries to continue PARAVet training online and on the ground. The training is open to all to all SPC member countries. [Animal health].

The Pacific Geo-tourism project is a good example of how projects responded to SPC member country needs.

With the Pacific tourist sector affected by Covid-19 travel restrictions and border closures, the Pacific Geoparks project was an innovative response to developing a sustainable and long-term approach to re-establishing tourism and recover from COVID-19. UNESCO Global Geoparks are designated sites focused on celebrating earth heritage and sustaining local communities. They provide tourism and employment opportunities and offer a platform for PICTs to manage and celebrate their culture and heritage, land and other resources sustainably. The Pacific Geoparks project was designed to support PICTs to develop the first Pacific regional Geopark. The project team adjusted how they worked with communities and governments in the partner countries based on their needs around engagement, timeframes, and approvals required.

It was during COVID-19 so it was innovative thinking and we thought of what we can do from a geological perspective to support member countries to recover from the situation. Geo tourism and geoparks were not on our agenda at the time. We spoke to UNESCO, who was very supportive of the idea, we did the groundwork for prospective locations in consultation with SPTO who was supportive, and we identified diversification of the sector as a recovery strategy. Together, we approached those prospective locations (both tourism and geology departments). Whilst these projects were implemented during Covid, work was led by countries themselves with remote support from SPC, thus impacting on member countries capacity building and leadership. [Geoparks]

3.10.3 The Funding with Intent programme has resulted in greater collaboration and integration within SPC

The capacity development or peer-to-peer funding component of the FiT programme was unable to be used due to COVID-19 and the funding was incorporated into the competitive incubation funding. This is expected to be restored in the 2022 funding round.

This review found the FiT programme incubation funding has supported greater collaboration and integration across SPC. There were 20 projects competitive incubation projects funded over 2020 and 2021, involving project team members from all divisions. Team members provided different sets of expertise and worked collaboratively across all phases of the project. During the 2021 round of incubation projects, SPL supported the project teams through the project process as a group, including through facilitating design workshops for project teams.

What the innovation has been able to do has been facilitate collaborations across operational boundaries that might not have happened otherwise [SPC Exec]

For example, using the cohort approach, and allowing divisions across the organisation working together designing and implementing their project at the same time helps cross organisational learning. [SPL]

One of the four competitive incubation projects in this case study demonstrated how collaboration has increased as a direct result of the project activities. This project, which developed a real-time ocean monitoring system, worked with three countries. In addition to the implementation of the project, the project resulted in cross-divisional collaboration within SPC, and sparked interest and facilitated knowledge sharing to SPC staff outside of the project team.

The Hi-FAD project has impacted on integration across the scientific and technical divisions in SPC. (It involved) the geo science and maritime science, and fisheries and marine ecosystem working together, resulting in cross-organisation learning.

We also see other flow-on effects of our project, for example, a lot of other people in SPC within fisheries, but not part of our initial project plan, wanting to link up with our project, to utilise some of our existing skills and knowledge. This has resulted in a cost-saving and a neat fast-moving cross-divisional project. [Hi-FAD]

Finally, the Hi-FAD project, through its collaboration with member countries has enhanced relationships with member country fisheries departments and technology suppliers, and brought together member country departments who were not working well together before.

Another benefit of the project is that it is bringing together some departments who were not working well together before. We have tried for many years to get fisheries and meteorological departments talking to each other. We had a big project meeting Initially there was tension, but later it resulted in positive outcomes in terms of making decisions together about where they will deploy some of the equipment for the trial, revealing locations of moorings.

3.10.4 The FiT programme has contributed to enhanced capability within SPC

The FiT incubation programme contributes to SPC capability development through funding projects developed by middle-tier SPC staff and colleagues. This is a unique opportunity for staff at all levels to put forward ideas and for those at mid-level to take ownership of a project and develop skills in management, budgeting, design and monitoring and evaluation.

Normally the senior staff within divisions would determine what would be put forward for a funding request – but with the seed funding it's also allowed middle managers to put forward ideas [SPC]

Project leads work with staff from across the organisation and with different levels of expertise. SPL has noticed that greater emphasis on ensuring women participate in and lead these projects would support SPC's internal focus on gender mainstreaming and supporting women in leadership.

The Pacific artist in residence project is an innovative project trialling a cultural model of professional development for young Pacific artists. It uses existing cultural knowledge and visual arts skills to support the communication of SPC's scientific and technical work. The focus is on preserving the Pacific traditional arts and culture sector, while making them relevant in the modern digital technology at SPC and other Council of regional Organisations in the Pacific (CROP) agencies.

*Our work is a practical response to strategic needs from the Pacific highlighting the need to incorporate the value and significance of local and traditional indigenous knowledge ... In terms of the Regional Cultural Strategy 2010 to 2020, one of the things identified is the need for programmes which have improved human resource capability in the culture sector across the region. There is a lot of strategic work in this space that aligns with priorities involving cultural innovation, cultural heritage, and wellbeing capabilities. It is hard to find the right people with the right skills set, so we are working with all SPC's divisions to deliver the Pacific arts culture and knowledge. Whilst not working directly with specific countries, this work has indirect benefit for member countries and territories.
[Publishing]*

This project has raised awareness across SPC of how to programme art and culture, how local and traditional knowledge could be weaved into SPC's scientific and innovation aims, and how this is communicated with member countries and communities across the Pacific. It has provided a bridge between culture and art and scientific and technical expertise. It "*helps scientists tell their story better*". Two SPC participants recounted the impact the artist in residence had at a local fisheries workshop, engaging young fisheries officers and helping them connect their work to the wider situation.

For example, [the artist] has done a graphic drawing sessions as part of a stock assessment workshop – and actually drew throughout the workshop – drew the outcomes – it's not the only way to present outcomes, but it's interesting, visually appealing, and an easy way to look at workshop outcomes.

We also had more interest in teams from doing that, and even interest from teams who would like to use his skills to draw a journal article in a cartoon strip and communicate it that way, rather than a traditional essay or journal format. It is giving staff and divisions new ways of communicating, giving them more visual ways to communicate, it is really important. We are learning about skills opportunities and possibilities – it's a project of discovery.

3.10.5 Capacity building of member countries

One of the aims of the FiT programme is to share knowledge and skills and support capacity building in member countries. All of the projects working in collaboration with member countries will be contributing to strengthening the technical expertise and community development.

The e-agriculture training, developed in response to a member country requests, provided training to enhance knowledge and skills on animal health and production. This project focused on capacity development at the regional and national level through an online training platform, so that countries may manage livestock surveillance systems for prevention and control of disease and enhance sustainable food and nutrition security.

The training is relevant to the needs of countries to address the shortage of vets and increase animal disease surveillance in line with international standards. This is also important to improve quality of meat to be exported between islands. The project worked with national stakeholders to prioritise capacity building needs, worked with a provider who developed the training platform, and piloted the modules with member countries.

3.10.6 The FiT resulted in some unanticipated outcomes

The incubation projects resulted in several unanticipated and significant outcomes. Relationships with member country government departments, universities, scientific organisations, UN agencies, the private sector and private contractors, manufacturers and local communities have been developed or strengthened. SPC is now implementing projects through three Memorandums of Understanding with CROP agencies, the USP and CSIRO. These relationships “*stimulate and facilitate future relationships between SPC and development partners*”, with long-term benefits to SPC implementing its strategic plans. Some of the FiT projects have also leveraged off the projects’ success to bring funding into SPC as part of the scaling up and resource mobilisation efforts.

OBJECTIVE 3: ASSESS ANY RISKS, ISSUES OR ADJUSTMENTS NEEDED FOR THE FINAL TWO YEARS OF THE FUNDING ARRANGEMENT.

3.11 How might the core funding partnership and management arrangements be adjusted for better impact and alignment for the remainder of the current partnership, or for a future phase?

3.11.1 A shift in New Zealand's priorities would present a risk to the core funding partnership

All stakeholders considered that there was a risk New Zealand changes its priorities over how it invests in the Pacific region. Participants identified scenarios such as a change in government, or a shift in focus away from the Pacific and towards other regions, or towards domestic issues such as prioritising New Zealand's COVID-19 recovery efforts or responding to domestic climate change as potential reasons for that New Zealand government funding to SPC might change.

The risk of these scenarios eventuating was considered low by stakeholders, primarily because the New Zealand government has consistently articulated its intention to invest and have a role in the Pacific and demonstrated that it sees value in the relationship with SPC.

However, I believe that NZ with the strong relationship with the Pacific and Realm States will always have to look at what is happening in the Pacific – and the geo-political context – I think will mitigate the risk that NZ will reduce engagement with the Pacific. [SPC]

Participants also identified a shift from a regional funding approach to bilateral funding as a risk to the core funding arrangements. Again, the risk of this shift eventuating was considered low, because of the efficiency and value delivered by SPC working regionally.

You can't have one without the other ... and in this space there is a continuum... and in some countries they require more regional work and in some countries they require more bilateral work. On this continuum – finding out where the best fit is – the notion of regional public goods – these are better done regionally. It's not one or the other – both components are important. [SPC]

One mitigation factor identified to these risks is the role of clear communication to New Zealand government stakeholders and the public about why SPC is funded and what the benefits are to the New Zealand population, so that support for MFAT's engagement in the Pacific continues. This aligns with the purpose of the visibility plan, "to provide greater visibility to the substantial and positive impact that the partnership has provided and is continuing to provide to Pacific communities across the region".

It's important we keep communicating why SPC exists, its role in the Pacific, and how NZ's support is having impact ... to give MFAT the ammunition they need to explain what their funding is doing in the region and why important for NZ citizens. [SPC]

3.11.2 SPC's capacity to deliver is important to consider

Participants also identified the capacity of SPC to effectively and efficiently implement New Zealand funding as a factor that may influence future funding partnerships. The work undertaken by SPC to strengthen its institutional effectiveness was noted by both MFAT and SPC participants, and has enabled SPC to better focus on delivering outcomes for members. However, there are a number of factors that could influence this capacity. MFAT participants noted difficulties experienced by SPC in retaining experienced technical staff, and challenges in ensuring well-resourced and safe SPC offices throughout the region.

The institutional strengthening of SPC strategic plan, the work we do with the risk committee, the work with our legal services, our procurement services are efficient and fit for purpose. If we are not able to continue that in the future then it is a risk that may affect the future success of the funding arrangement [SPC]

Both MFAT and SPC participants discussed the upcoming review of the regional architecture initiated by the Pacific Islands Forum. This review is aimed at enhancing the governance and resourcing arrangements of the region's CROP agencies so that the regional architecture is fit-for-purpose in terms of being able to effectively deliver the 2050 Strategy for the Blue Pacific Continent.⁴ Potential implications of this for SPC may include a change in the size of its role or potentially aligning the delivery of some of its non-technical functions with other CROP agencies. It may also provide opportunities.

If there is anything that comes out [of the review] that radically transformed the place SPC has right now in the regional architecture, then that could constrain future success. But, conversely, if what comes out is reinforcing SPC's position as a key player in implementing the priorities that leaders set, then that could strengthen our capacity to deliver and it could strengthen the position of partnership. [SPC]

3.11.3 A change in personnel may influence the success of the relationship

Participants also recognised that people played a key role in the success of the partnership. Participants considered that changes in leadership and focal point roles may influence the partnership agreement. Both SPC and MFAT participants identified the importance of ensuring

⁴ <https://www.forumsec.org/2022/07/17/report-communique-of-the-51st-pacific-islands-forum-leaders-meeting/>

current and future relationship holders understand the values and characteristics of the partnership arrangements so that there is continuity of approach.

It is important that we make sure that we have people with the depth of the relationship to maintain the partnership between MFAT and SPC. It is not to rely on one or two people. [MFAT]

Without good handover of how this works there is a risk to the programme funding, and it's actually a risk on both sides. [SPC-FAME]

In particular, a change away from a partnership approach to managing the relationship towards an approach characterised by oversight, reporting, and seeking permission was considered by an SPC participant as a risk to the success of the funding. Here, the importance of the alignment of reporting and streamlined processes was highlighted.

This is a very high trust situation. And so long as you can maintain that high trust environment, this is this really is the best possible sort of funding model because it allows us to be that much more agile and responsive to issues and members. [SPC]

3.11.4 There were few potential adjustments to the funding structure suggested by participants

There was no immediate concern or need raised about the structure of the funding or the relationship arrangements by participants from either MFAT or SPC.

SPC noted the increase in funding was an indication of the value offered by the partnership. Both participant groups indicated they were satisfied with the current length at five years, and this review notes that the certainty this provides is valuable to SPC. As raised by one participant, this review notes that an extended funding period would be a progression in line with recent adjustments to the core funding partnership. Given the significance of the relationship arrangements to the success of the funding partnership, it would be important for MFAT to consider both the funding level and the state of the relationship together.

The issue of whether more project funding should be provided in place of programmatic funding was discussed and rejected because of the added administrative burden associated with project funding and because the flexibility of programmatic funding is a key part of the success of the current arrangements. Whether the allocation of programmatic funding should be removed entirely or not was not raised as a suggestion independently by SPC participants. When asked, MFAT and SPC participants considered the divisional allocation was also a valuable component of the arrangements, and an SPC participant noted the challenges of prioritising the programmatic funding if SPC received it in a lump sum. An MFAT participant noted a larger, unallocated sum of programmatic funding could alter the way the funding was perceived by New Zealand and could remove the line of sight MFAT has with the effectiveness and impact in terms of achieving outcomes.

Participants from both MFAT and SPC noted that member countries and other donor partners

may not be aware of the value and benefits experienced by SPC and MFAT through this type of funding arrangement. MFAT participants described advocating for the programmatic funding arrangements with other donors, and there was one example provided of another donor altering aspects of their approach after seeing the success of the MFAT programme funding arrangements. However, this review found that SPC used the core funding to augment pieces of work, including for projects primarily funded by other donors. Although donor funding regulations and processes vary, this could indicate that donors may not always be aware of what is required to deliver an effective, end-to-end solution for their projects or be in a position to easily provide additional funding. There may be room for adjustment of the MFAT-SPC visibility plan activities for greater visibility of the benefits of the MFAT-SPC funding arrangements and to encourage other donors to fund in this way.

Minor challenges were identified with the operation of the competitive innovation funding as part of the FiT programme. These related to internal SPC processes rather than to the management of the programme funding or funding principles. In particular, the one-year funding allocation for these projects was difficult for some project managers.

However, the biggest barrier in planning was that funding is restricted to the calendar years. By the time we have found someone and recruited the person, the funding was about to come to an end. SPC policies about hiring people from the Pacific can take time. If there is more flexibility around timing it would be advantageous.

The SPL team that manages the FiT programme has demonstrated its ability to learn and adapt and is still learning how best to support project managers. Providing flexibility for projects to develop while adhering to accountability processes such as internal procurement and HR processes within a one-year timeframe is a challenge. Another challenge is engaging development partners to assist in the scaling up and delivery of incubation projects. At this stage, the review considers these challenges are something to be worked through, rather than areas for adjustment.

4.0 CONCLUSIONS AND RECOMMENDATIONS

This mid-term review set out to assess two key aspects of the MFAT-SPC core funding partnership. Firstly, on the overall performance of the funding partnership in terms of its relevance, effectiveness, and efficiency in enabling SPC to deliver on its strategic and divisional plans. Secondly, on how the structure of the funding and relationship arrangements has enabled or constrained success. Overall, the evidence indicates that the core funding partnership has been highly relevant and effective in contributing towards SPC delivering on its strategic and divisional plans. The flexible nature of the membership fee and voluntary programmatic funding and the strong relationship between MFAT and SPC are critical factors underlying the success of the funding partnership.

This section also outlines recommended actions for MFAT and SPC as they consider possible adjustments for the remaining two years of the funding partnership and arrangements for future funding partnerships. It is important to note that this review has been conducted at the same time as two other pieces of work, and that the outcomes of all three review processes will be considered together by MFAT. The other pieces of work are the Australian DFAT-SPC partnership agreement review and a Friends of the Chair review assessing member country perspectives on SPC's services. The focus and terms of references for each of these pieces of work are different but will jointly provide findings that will be relevant for MFAT to consider.

It is also important to note that these conclusions outlined here are limited by the lack of member country representation in the review, in particular for the findings that relate to the performance of SPC in delivering on member country priorities plans utilising MFAT core funding.

4.1 Relevance of the core funding partnership

The core funding partnership is highly relevant. Two key factors enable this: the alignment of the core funding objectives with SPC objectives and the flexibility of the funding.

The core funding GFA intentionally aligns its service delivery objectives and performance framework with those articulated in SPC's Strategic Plans and Strategic Results Framework. SPC's development objectives focus on enduring development priorities in the region and achievement of the SDGs. These remain largely unchanged over SPC's strategic plan periods, although they have been re-framed as SPC's approach towards achieving them has been refined. SPC's current Strategic Plan 2022-2031 has continued the transition from division-focused development objectives to key focus areas, reflecting increased attention to integrated work based in members' needs and priorities and a focus on institutional effectiveness. The alignment of objectives reflects MFAT's principle of supporting and enabling SPC to respond to Pacific priorities as articulated by member countries and based in the MFAT-SPC partnership values. This alignment also enables streamlined reporting on the partnership because the results reports and CRGA accountability documents can be used to report on progress towards SPC objectives.

This review consistently found that the funding was being used to contribute towards achieving those objectives. Interview participants highly valued the ability to allocate resources according to the priorities and context of member countries, regional priorities, and divisional objectives that the flexible funding provided. The importance of being able to adapt and quickly

establish a response to events using the flexible membership and programmatic funding was demonstrated during the response to COVID-19, natural disasters, and other unexpected events.

The FiT programme was specifically negotiated to ensure funding was allocated to supporting innovation and is relevant to the greater focus placed by SPC on harnessing innovation to achieve its goals in the new Strategic Plan 2022-2031. The FiT incubation funding received strong support from interview participants for the potential this programme showed in terms of developing innovative responses to member country priorities. Evidence from the programme documentation demonstrates this programme has also received cross-organisational interest, with all divisions being involved in projects.

Recommendation 1: The GFA requires updating to reflect the goals in SPC's Strategic Plan 2022-2031 and associated strategic results framework, and to articulate the expected results of the core funding partnership.

Recommendation 2: The alignment of core funding partnership objectives and SPC goals works to ensure relevance and supports streamlined reporting and should continue to be used as a basis for updating the GFA.

4.2 Effectiveness of the core funding partnership

The objectives and intended outcomes of the core funding partnership are to support SPC achieve development and organisational objectives as outlined in their strategic and divisional plans and to test new ideas through the FiT programme. This review found that the core funding, the structure, and the relationship and management of the funding were effective in contributing towards SPC implementing its strategic and divisional plans.

During 2020 and 2021, SPC demonstrated progress towards achieving its strategic and transition plan objectives, regional commitments including the SDGs, and member country priorities despite the impact of COVID-19. This builds on previous work through the 2016-2020 period where SPC "contributed to an important extent in achieving development objectives at the regional and country level". While achieving development objectives in a complex environment relies on multiple actions and different factors, this review found clear evidence from interview participants that the MFAT funding contributed towards meaningful actions that helped SPC implement its plans and respond to national priorities. There was also clear evidence that the funding contributed towards actions that enabled SPC to strengthen its internal operating environment and capabilities, which in turn enhances its overall effectiveness in achieving development objectives.

This review found evidence that demonstrated the effectiveness of the FiT programme in enhancing innovation, building capability, and integrated programming. The competitive incubation funding component of the FiT programme showed that providing seed money for testing and developing ideas made a valuable contribution towards responding to member priorities, staff capability development, integrating innovation throughout SPC, and collaboration across divisions. SPC is developing experience in how to best manage these time-bound, discrete incubation projects. An interesting innovation has been linking the projects to resource mobilisation efforts to support scaling up of useful and relevant projects, and this would be expected to result in more projects being scaled up into division work

programmes in the future. With strong support for this incubation funding, a challenge for SPC will be in maintaining a size of the programme that matches its ability to manage it efficiently and ensuring opportunities that are taken up remain relevant to SPC's strategic and divisional objectives.

Other actions that supported SPC to effectively implement its plans included the streamlined reporting requirements, low administrative burden on the programmatic funding, strong support and commitment to the relationship from focal points, and the active membership role MFAT played and its support to governance and other processes.

An area of policy interest for MFAT is the extent to which the core funding partnership has enabled SPC to implement effective gender and social inclusion programmes. The review found that the programmatic funding to HRSD division, which has a lead role in implementing SPC's SER policy and people-centred approach, is the main mechanism for the funding partnership to achieve this. Similar to other objectives, the entirely flexible nature of the funding means that the effectiveness of the core funding in this area relies on SPC divisions being able to deliver on its objectives. The programmatic funding is distributed among the SPC divisions based on their size and scale and other factors, and in consultation with SPC. It is possible that the distribution of funding may influence some divisions' ability to achieve their objectives, but this was not raised by any participant as an issue that needed to be addressed in the future .

There is a significant gap in this review evidence due to the lack of member country perspective of the effectiveness of SPC's performance in responding to member country needs using MFAT core funding. There was limited evidence that responding to both member country priorities and regional issues was challenging for SPC, but without country perspectives, this was unable to be fully explored.

Recommendation 3: The FiT programme has been effective in supporting innovation and integration. 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.

Recommendation 4: Ensure that member country perspectives on the success of the funding partnership in meeting country priorities are gained through informal and formal 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 this funding partnership.

4.3 Efficiency of the core funding partnership

This review found the funding structure and arrangements supported the funding to be used efficiently. Overall, the funding provided value for money to both MFAT and SPC in supporting the achievement of development objectives in the Pacific. The primary value in the funding was that SPC is enabled to deliver its services to achieve regional and member country priorities. This is supported by the alignment of funding objectives with SPC's plans and the streamlined reporting mechanisms. SPC's role and relationships in the Pacific ensure MFAT's funding supports regional approaches for achieving development objectives. SPC's work towards strengthening its institutional effectiveness provides confidence that the funding is

being well managed using good processes. There is also evidence that the funding enables SPC to use human resources efficiently, allowing SPC the flexibility to retain technical expertise and distribute this expertise across pieces of work, and supports capacity development in member countries.

The core funding partnership is advantaged by the existing understanding between partners, experience in and understanding of the regional context by MFAT, SPC's role in the regional architecture, and the trust and support demonstrated between the partners to-date. It is clear that the contribution the funding arrangements make to achieving MFAT objectives in the region would be difficult to achieve without the expertise, country support, and relationships across the region that SPC brings. Further, alternative arrangements that dilute the support provided to SPC, an established, well-regarded organisation in the region, would need to consider the message this would send, the practical implications of SPC undertaking its work, and how this would align with MFAT's principles of working in the Pacific.

This review notes the nature of the MFAT funding makes it difficult to attribute funding inputs to specific longer-term impacts. SPC's monitoring and reporting has become increasingly sophisticated and MFAT reported they were satisfied with both the formal and informal reporting they received under the core funding partnership. It is possible that greater insight into efficiency and effectiveness could be achieved with adjustments to how SPC monitors its work, although the benefits of this must be considered against the resources required to do this. This review also notes that the evaluation of Australia's DFAT ten-year partnership agreement with SPC includes a focus on value for money, with an objective of considering options to embed value for money and impact assessments into SPC MEL practices. This would be a progression of the improvements SPC has made in this space. If this is able to be achieved efficiently then it may have benefits for all donor partners.

Recommendation 5: Continue to support a regional approach to achieving development objectives through this core funding partnership.

Recommendation 6: Continue to support SPC's institutional strengthening, as a way to enhance the effectiveness and efficiency of the funding contribution.

4.4 Enablers and constraints to the core funding partnership

4.4.1 The flexibility of the funding enables SPC to be responsive to member country priorities and is critical to the success of the funding partnership

The flexible nature of the funding arrangements, including the flexible programmatic funding, was a critical factor in enabling SPC to implement its plans at the organisational and divisional level. It was also a key feature enabling the development of FiT incubation projects.

The flexible funding provided resource for SPC to plan, be strategic, understand member country priorities and to respond to unanticipated events and changes in context. The ability the flexible funding provided to respond quickly to events and country needs was highly valued by both SPC and MFAT. SPC used the flexible programmatic funding to augment existing work, retain technical expertise, mainstream gender and social inclusion, develop new ideas, and to ensure all PICTs in the region could benefit from project work. The funding is also used

for capacity and capability building within the divisions and has facilitated innovation and integrated programming across SPC.

The two highly valued features of the flexible funding were that the funding was not tagged to specific inputs and outputs, and that SPC was able to make decisions about how the funding should be allocated. These features were underpinned by the high-trust, high-communication relationship between MFAT and SPC, and the streamlined reporting arrangements.

In its' Strategic Plan 2022-2031, SPC has highlighted the importance of organizational flexibility and adaptability as it seeks to be a fit-for-purpose Pacific organization. The benefits of the flexible funding that were demonstrated in this review should provide strong support for MFAT and other donor partners to fund SPC in this way.

Recommendation 7: The flexibility of the funding should continue to be a feature of future core funding partnerships.

4.4.2 The relationship characterized by mutual trust and high levels of communication, and strengthened by the focal points, is also critical to the success of the funding partnership

A key finding from this review is that the relationship arrangements were as important as the funding structure in enabling the success of this funding partnership. Both partners characterized the relationship as mature and a genuine partnership, saw great value in the relationship, and expressed satisfaction with the relationship arrangements.

The relationship is strengthened by a long partnership history between MFAT and SPC, a depth of understanding about each other, shared values and MFAT's funding approach based on supporting actions that achieve results for the Pacific region. The importance of the relationship is demonstrated through high-level engagement activities between the partners, including at partnership discussions, high-level meetings, and in-country visits. Overall, the relationship clearly supported the relevance and effectiveness of the core funding partnership and contributed to SPC achieving intended outcomes.

The partnership focal points are critical in maintaining the relationship, navigating issues, and as points for collaboration. Both MFAT and SPC participants recognised the value of the focal points in enhancing the value of the work undertaken under the partnership. Participants considered that the ability of the focal points to access senior levels within the respective organisations provided benefit in terms of being able to elevate issues and resolve them, profile the partnership, advocate, and facilitate activities to strengthen the partnership. This ability relied on both the position of the focal points and the active support from MFAT and SPC for them to do this.

This emphasis on the relationship aligns with SPC's approach to engagement with partners and donors, and recognition that relationships are at the heart of SPC's success. The strength of the relationship, the streamlined reporting arrangements, and the flexibility of funding are all inter-dependent and work towards making the funding partnership a success. Both partners acknowledged that a change in the intent and characteristics of the relationship could impact the future success of the funding partnership.

Recommendation 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.

4.5 There are some minor adjustments that may be beneficial

Currently, the funding partnership is working well and there is no immediate need for adjustment. The amount and period of the funding is satisfactory to both, although the next obvious step is an extension in these, provided the relationship supports it and SPC can demonstrate the internal capacity and capability required to effectively manage it.

One area identified for possible improvement was the lack of visibility of MFAT's funding, although the review notes the intent behind MFAT's funding is not necessarily for greater exposure. Greater visibility may promote the benefits of the funding structure and arrangements to SPC and to MFAT, and may encourage greater flexible funding agreements with SPC from donors.

Recommendation 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.

Recommendation 10: Develop further actions to enhance visibility of the successes and benefits of the funding partnership, where visibility aligns with MFAT's intent and principles of the funding.

Recommendation 11: Continue to advocate for the flexible funding arrangements internally and to other donors and stakeholders.

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5.0 APPENDIX 1: REVIEW FRAMEWORK

Table 1: Review criteria and questions

Criterion	Review questions
1. Effectiveness of the funding partnership	1.1 How effectively has SPC implemented its Strategic and Divisional Plans?
	1.2 What factors relating to the SPC-MFAT funding or relationship arrangements have enabled or constrained the implementation of SPC's Strategic and Division Plans?
	1.3 How has the provision of the membership and programmatic funding components contributed to outcomes? Could similar outcomes have been achieved in a different way?
	1.4 To what extent have the monitoring and reporting arrangements aligned with the regional and organisational contexts, and provided evidence for improved programme management and accountability for results?
	1.5 What elements or qualities of the SPC-MFAT relationship and partnership management arrangements have enabled and/or constrained success?
	1.6 To what extent does the core funding partnership enable SPC to implement effective gender and social inclusion programmes?
2. Relevance	2.1 What adaptations have occurred, or could occur, to ensure the programme remains relevant and effective in light of the impacts of COVID-19 and other key shifts in the regional and global context? What evidence and decision-making processes allowed these adaptations?
3. Efficiency	3.1 To what extent have the funding financial management arrangements offered value for money?
4. Impact	4.1 How has the flexible and predictable multi-year funding enabled/constrained success, in terms of the objectives of the SPC-MFAT partnership (as described in the funding and partnership arrangements)?
	4.2 How has the flexible and predictable multi-year funding enabled/constrained success, in terms of regional and Pacific Island member development goals (as identified in the Strategic and Divisional Plans)?
	4.3 What outcomes have the innovative funding modalities had, both for SPC's innovation capabilities and for member countries?
5. Learning and improvement	5.1 How might the core funding partnership and management arrangements be adjusted for better impact and alignment for the remainder of the current partnership, or for a future phase?

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