

Pacific Capacity Development Programme (PACD)

Evaluation Report

14 October 2022

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Acronyms

AFP	Australian Federal Police
AML	Anti-Money Laundering
APG	Asia Pacific Group on Money Laundering
AUSTRAC	Australian Transaction Reports and Analysis Centre
CFT	Countering Financing of Terrorism
DAC	Development Assistance Committee
DAPs	Donors and Providers
DIA	Department of Internal Affairs
DNFBP	Designated Non-Financial Business and Professions
EY	Ernst & Young
FATF	Financial Action Task Force
FIU	Financial Intelligence Unit
FSRB	FATF-Style Regional Body
IMF	International Monetary Fund
KYC	Know Your Customer
LEA	Law Enforcement Agency
MFAT	Ministry of Foreign Affairs and Trade
ML/TF	Money Laundering & Terrorism Financing
NPO	Non-Profit Organisation
OECD	Organisation for Economic Co-operation and Development
PACD	Pacific Capacity Development Programme
PTCCC	Pacific Transnational Crime Coordination Centre
RBNZ	Reserve Bank of New Zealand
TA&T	Technical Assistance and Training
UNODC	United Nations Office on Drugs and Crime
UNDP	United Nations Development Programme

1. Executive summary

1.1 Introduction

1. The Pacific Islands is a region of the Pacific Ocean comprised of three geographical groups—Melanesia, Micronesia, and Polynesia (the “Pacific”). The Pacific Islands Forum’s¹ vision is for a resilient Pacific, that enjoys “*peace, harmony, security, social inclusion and prosperity, to allow the population to lead free, healthy, and productive lives*”. Pacific leaders are committed to sustainable economic development and security, including the existence of diverse financial institutions with effective safeguards against criminal exploitation, that also encourage investment in Pacific Island economies. The Financial Action Task Force’s (“FATF”) international standards on combatting money laundering and the financing of terrorism and proliferation, are key safeguards, with the Pacific Island jurisdictions recognising their importance through ongoing implementation of the standards and membership of the Asia / Pacific Group on Money Laundering (the “APG”).
2. In 2017, the APG received funding from the New Zealand Ministry of Foreign Affairs and Trade (“MFAT”), to deliver a five-year technical assistance and training programme to improve implementation of Anti-Money Laundering/Countering Financing of Terrorism (“AML/CFT”) standards across 11 Pacific jurisdictions (the “Pacific Members”). The objective of the programme is to improve financial market confidence in the Pacific, encouraging banks and other financial service providers to continue to operate and invest in the region. In June 2021 the programme was extended for a sixth year and it is now due to conclude in June 2023, (the “PACD Programme”).
3. In March 2020, the World Health Organisation confirmed the COVID-19 outbreak as a global pandemic (the “COVID-19 Pandemic”). The resulting travel restrictions, social distancing and lockdowns, have significantly affected Pacific economies, particularly those heavily dependent on tourism. Based on discussions had with the APG and information received from the Pacific Members, it is clear that the COVID-19 Pandemic has also significantly impacted the delivery of technical assistance and training activities under the PACD Programme.
4. In March 2022, Ernst & Young (EY) (the “Evaluation Team”) was engaged to undertake an evaluation of the PACD Programme in accordance with the OECD DAC Network on Development Evaluation (EvalNet) six evaluation criteria² and MFAT’s evaluation operational policy (the “Evaluation”).
5. The purpose of this report is to outline the findings of the Evaluation, summarise the challenges faced, and provide recommendations that may benefit the rest of the PACD Programme and other future similar development programmes. In making the findings and recommendations, the Evaluation has considered the impact of the COVID-19 Pandemic on the Pacific Members and the PACD Programme.

1.2 Key Findings

6. The Evaluation assessed the performance of the PACD Programme to-date against the six OECD evaluation criteria. Detailed findings are presented in Section 4 of this report. In summary, the key findings are as follows:

¹ The Pacific Islands Forum is the region’s premier political and economic policy organisation. Founded in 1971, it comprises 18 members: Australia, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Kiribati, Nauru, New Caledonia, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

² OECD, Evaluation of development programmes, Evaluation Criteria, <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

Relevance - Extent to which the PACD Programme's objectives and design respond to APG Pacific Member's AML/CFT needs and MFAT's needs, policies, and priorities.

7. The Evaluation found the PACD Programme to be highly relevant.
8. The outputs and activities delivered under the PACD Programme were found to be mostly aligned with the priorities of the relevant Pacific Members and MFAT. In addition, all Pacific Members provided feedback that the technical assistance and training activities delivered to date were either fully relevant or very relevant, to addressing their AML/CFT requirements. However, despite the PACD Programme being very relevant to Pacific Members' needs, the Evaluation identified that some priorities have not been fully addressed, including Enforcement related priorities and IT technical assistance needs, among others.

Effectiveness - To what extent has the PACD Programme achieved, or is expected to achieve, its Outcomes and Outputs?

9. Based on the technical assistance and training activities delivered to-date, the Evaluation found the PACD Programme to be effective. A reasonable amount of technical assistance and training has been effectively delivered to Pacific Members. Furthermore, there is evidence to suggest that the assistance delivered has strengthened Pacific Members' capability and capacity to combat money laundering and terrorist financing.
10. However, the Evaluation also found that the significant disruption caused by the COVID-19 Pandemic, including delays or postponement of planned activities, and the lack of in-country mentoring and technical assistance, has significantly impacted the PACD Programme's effectiveness.

Efficiency - To what extent has the PACD Programme delivered, or is likely to deliver, results in an economic and timely way?

11. Despite the impact of the COVID-19 Pandemic, the Evaluation found the PACD Programme to be reasonably efficient. Activities to-date have been cost-effective in their delivery and implementation.
12. Resources appear to have been used appropriately and reasonably. The PACD Programme was able to pivot to the virtual delivery of training very efficiently, and a reasonable amount of technical assistance, training and other support was provided to the Pacific Members in a timely and reliable manner.

Coherence - How compatible is the PACD Programme with other AML/CFT related projects/activities in the Pacific and/or individual Pacific jurisdictions?

13. The Evaluation found the PACD Programme to be highly coherent.
14. The PACD Programme fits in with and complements AML/CFT initiatives undertaken by other agencies in the Pacific region. There were no suggestions that the PACD Programme conflicted with other initiatives, but rather it was found that the programme supports and aligns with other initiatives. However, some Pacific Members expressed that the training and assistance delivered by other Donors and Providers ("DAPs") can overlap, resulting in duplicate efforts.

Impact - To what extent has the PACD Programme generated or is expected to generate, significant positive or negative, intended or unintended, higher-level effects?

15. The PACD Programme has made a tangible positive impact to the Pacific Members and other stakeholders. Overall, Pacific Members indicated that through the support received under the PACD Programme and other DAPs, security and confidence in their financial institutions and Designated Non-Financial Business and Professions (“DNFPBs”) has improved.
16. However, given that the COVID-19 Pandemic has significantly changed the economic environment of the Pacific, and that the PACD Programme remains ongoing, there is limited data to comprehensively assess higher-level, long-term impacts - particularly around improving financial market confidence in the Pacific and encouraging banks and other financial service providers to continue to operate and invest in the region. In addition, the COVID-19 Pandemic has detrimentally impacted the PACD Programme's progress towards achieving its short and medium-term outcomes.

Sustainability - To what extent are the net benefits of the PACD Programme continuing, or are likely to continue?

17. The Evaluation found the PACD Programme to be partly sustainable.
18. The sustainability of benefits received under the PACD Programme is a challenging issue which is a key concern for almost all Pacific Members. Sustainability of benefits is impacted by several factors, including the size and limited resources of some Pacific AML/CFT agencies, the challenge of finding people with relevant financial crime experience in the Pacific, and differing levels of maturity across Pacific agencies in the region. In addition, members highlighted that there are limited systems and controls in place to enable Pacific agencies to maintain the benefits from the PACD Programme longer term. Challenges around insufficient resources and low levels of institutional maturity faced by Pacific agencies may limit long-term sustainability.

1.3 Recommendations

19. Based on the Evaluation's findings, several recommendations have been identified that may assist in addressing some of the challenges faced by the PACD Programme, and any similar future development programmes that support in building AML/CFT resilience across the Pacific. These have been summarised below:
 - ▶ As the COVID-19 Pandemic restrictions continue to lift, there should be an increased focus on providing in-country mentoring-based technical assistance to Pacific Members. Mentoring is the strongly preferred method of technical assistance delivery. Pacific Members feel that mentoring cultivates interaction and better learning, which in-turn increases the effectiveness of delivered activities. Effective virtual mentoring should be incorporated when in-country mentoring is not possible, or in situations where it can be used to supplement in-country mentoring. Despite the preference for in-country mentoring, it is noted there may be situations where a combination of both in-country and virtual delivery of mentoring is appropriate for particular technical assistance activities.
 - ▶ The delivery of virtual training could be more focussed and personally targeted. Where possible, conducting training and workshops with smaller audiences allows both content and delivery to be focused specifically on the participants. It should also help to create an environment that encourages greater involvement, interaction and peer engagement between Pacific Member participants. When arranging more focused training sessions with smaller audiences, consideration should be given to the respective needs of the Pacific Members involved, including the existing level of AML/CFT knowledge, cultural and language requirements, and subject matter priorities.

- ▶ To support long-term AML/CFT resilience, sustainability should be specifically assessed during the design stage of AML/CFT development programmes and activities, including what systems, processes or controls are required for Pacific Members to maintain the benefits from the delivered activities. Any proposed technical assistance and training activities should consider the relevant agencies' organisational capacity.
- ▶ Pacific involvement in the PACD Programme should be enhanced to include participation in all elements of the PACD Programme, not just technical assistance and training. In addition to being involved in the initial design of programme, ongoing regular feedback should be sought from Pacific Members on the PACD Programme's overall effectiveness. This includes developing feedback mechanisms to understand Pacific Members' views on whether outputs and outcomes, relevant to their jurisdiction, are being achieved. Feedback should also capture Pacific Members' suggestions to improve the design and delivery of technical assistance and training.
- ▶ The technical assistance and training priorities and plans should be fully defined, at the beginning of development programmes. Priorities, including what activities will be delivered, should be clearly communicated in advance to recipients of assistance and relevant stakeholders. Any changes to the plan or variations of scope, should be communicated to and agreed in a timely manner to confirm that the updated plans work for Pacific Members and relevant stakeholders.
- ▶ Consideration should be given to establishing an AML/CFT knowledge repository for Pacific Members. This will serve as a reference asset for Pacific Members that can be used to access and utilise technical assistance and training materials at any time.
- ▶ There should be increased coordination between the APG Secretariat and Pacific Members when scheduling training and technical assistance delivered to Pacific Island AML/CFT agencies. The impact of the COVID-19 Pandemic on Pacific jurisdictions' priorities, and the increasing amount of aid and development programmes being delivered in the Pacific, highlights the need for increased coordination efforts. Because some agencies have limited staff availability, it can be challenging for them to adapt to changing circumstances and accordingly there should be more emphasis on planning and coordinating the delivery of activities to minimise disruption to Pacific Member agencies' workplans.
- ▶ Input into future aid programmes' priorities, design and development should be sought from planned recipients of the training and technical assistance to be delivered.
- ▶ Consideration should be given to the role of the private sector in any future AML/CFT programmes. This could include engaging with the private sector in the Pacific (including financial institutions and other service providers) to assist in better informing future AML/CFT development programmes' objectives, outputs and outcomes.

2. Background

2.1 Evaluation Background and context

The APG

20. The APG is an autonomous, multilateral body established by agreement between its 41 member jurisdictions, across the Asia-Pacific region. The purpose of the APG is to promote a consistent global response to combating money laundering, the financing of terrorism and proliferation financing. The APG Secretariat provides administrative policy support to the APG Co-Chairs, the APG Governance, Mutual Evaluations, and Operations Committees and the APG membership.
21. The APG core functions are as follows:
 - 21.1. **Mutual evaluations** - The APG reviews and assesses the levels of compliance by its member jurisdictions with global, AML/CFT standards through a mutual evaluation (peer review) programme. As part of this assessment, the APG assesses the member jurisdiction's compliance with the FATF recommendations
 - 21.2. **Technical assistance and training** - The APG facilitates technical assistance and training in the Asia-Pacific region for its member jurisdictions in order to improve compliance with the global FATF standards
 - 21.3. **Typologies research** - Research and analysis into money laundering and terrorist financing methods and trends across various sectors and industries
 - 21.4. **Global engagement** - International AML/CFT policy development including active engagement with the global network of FSRBs and FATF working groups, and
 - 21.5. **Private sector engagement** - Active engagement with financial and non-financial institutions, NPOs, training centres and universities in the Asia-Pacific to better inform the general public and specialists, about global issues relating to money laundering, terrorist financing and proliferation financing.
22. To assist in carrying out its technical assistance and training function, a high level voluntary consultative group of members and observers called the Donors and Providers group (referred to as the "DAPs") provide funding and/or technical expertise to address the AML/CFT needs of APG jurisdictions through the provision of technical assistance and training across the Asia-Pacific region.
23. Since 2002, DAPs have met at least once a year during the APG's Technical Assistance and Training Forum (the "TA&T Forum") to share details of their AML/CFT related assistance to APG Pacific members and to discuss common opportunities and challenges across the region. The TA&T Forum also includes: (i) the Pacific sub-regional meeting where Pacific members and DAPs identify and discuss Pacific AML/CFT issues and needs, and (ii) individual meetings between DAPs and each member focused on their AML/CFT needs and priorities.

The PACD Programme

24. The PACD Programme is a dedicated technical assistance and training programme which is being delivered for the following Pacific Member jurisdictions.

Cook Islands	Niue	Solomon Islands
Fiji	Palau	Tonga
Marshall Islands	Papua New Guinea	Vanuatu
Nauru	Samoa	

25. The APG is implementing the PACD Programme in accordance with the Australian Federal Police (the “AFP”) Hosting Arrangement (the AFP provides administrative support to the APG) and a Grant Funding Arrangement (the “Grant Agreement”) with MFAT. Under the Grant Agreement, MFAT committed to provide the AFP (on behalf of the APG Secretariat) up to NZD3,600,000 in funding to facilitate the PACD Programme. The agreed outcomes and outputs for the programme were included in the Grant Agreement and are explored further below. In June 2021, the PACD Programme was extended for an additional year, until 30 June 2023. To manage and deliver the PACD Programme, a dedicated group of three APG staff members was formed and funded by the grant (the “Pacific Cell”).

The key drivers and objectives of the Programme

26. At the time of inception of the PACD Programme, APG and MFAT recognised that the risk to sustainable economic development created by the AML/CFT capacity in Pacific Islands jurisdictions was significant. It was identified that:
- 26.1. Pacific Island jurisdictions were vulnerable to financial crimes such as corruption, which can direct funds away from public investment and/or facilitates further crime, and
 - 26.2. The laundering of the illicit proceeds of crime through Pacific financial institutions, undermines confidence in the financial sector throughout the Pacific.
27. While Pacific Members are committed to APG membership obligations, issues such as limited funds and the shortage of resources and technical expertise, impact their ability to implement AML/CFT standards. Without support to enhance AML/CFT capacity, Pacific leaders’ sustainable economic development and security goals may not be achieved, with flow-on effects in key sectors such as tourism, trade and remittance.
28. For these reasons, the PACD Programme was established to support economic stability in the Pacific region. In accordance with funding establishment and governance documents, the outcomes of the PACD Programme are (the “Outcomes”):
- 28.1. Pacific Island jurisdictions are more compliant with international anti money laundering standards, which improves confidence in Pacific Island jurisdictions’ economies
 - 28.2. Regulators and supervisors in Pacific Island jurisdictions have greater capacity to implement anti-money laundering regulations
 - 28.3. Law enforcement agencies in Pacific Island jurisdictions have greater capacity to investigate and prosecute financial crime, and
 - 28.4. Donors and providers across the Pacific region are providing assistance in anti-money laundering compliance in a coordinated way.

29. In achieving the above Outcomes, the APG was expected to deliver the following outputs (the “Outputs”):
- 29.1. Establish a dedicated Pacific unit within the APG Secretariat, to provide coordinated support to Pacific Island jurisdictions (the “Pacific Cell”)
 - 29.2. Provide or coordinate the provision of assistance and training in drafting relevant legislation to Pacific Island jurisdiction governments to improve compliance with AML regulations
 - 29.3. Provide or coordinate the provision of training and resources to regulators and supervisors of financial and non-financial institutions in Pacific Island jurisdictions, to support them to implement AML regulations
 - 29.4. Provide or coordinate the provision of training and resources to law enforcement agencies in Pacific Island jurisdictions to improve their capacity to investigate and prosecute financial crime, and
 - 29.5. Coordinate mentoring and exchanges between Pacific Island jurisdictions to build capacity and cooperation in implementing AML standards.
30. Shortly after commencing the PACD Programme in 2017, the APG Secretariat held scoping visits to each of the 11 Pacific Members. The purpose of these visits was to determine what the AML/CFT priorities were for each Pacific Member. Over the course of the programme, the APG Secretariat either delivered or facilitated various technical assistance and training activities aimed at addressing the Pacific Members’ priorities, including various technical workshops, training courses and the use of specialist consultants. Each year, Pacific Members’ priorities were re-visited as part of the APG’s TA&T Forum.
31. The COVID-19 Pandemic and the PACD Programme’s budget underspends (discussed below at paragraphs 78 to 79) were the key factors in the June 2021 decision to extend the PACD Programme by another year until June 2023.

2.2 Evaluation Purpose & Scope

32. The purpose of the Evaluation was to review and objectively assess the performance of the PACD Programme, including whether the programme to date has achieved its Outputs and/or Outcomes. In addition, the Evaluation examined the successes and challenges of the PACD Programme.
33. Furthermore, the Evaluation is intended to strengthen accountability of the PACD Programme’s results and provide possible future avenues for MFAT and the APG, to continue to partner in the delivery of AML/CFT technical assistance to APG Pacific Members.
34. The Evaluation was undertaken in accordance with the OECD’s evaluation criteria. The Evaluation analysed the “planned” and “actual” technical assistance and training activities of the PACD Programme to-date. The scope of the analysis was based on the OECD evaluation criteria. The key questions which the Evaluation looked at in the context of the OECD criteria are as follows:

OECD Criterion	Key Evaluation Question
Relevance	To what extent do the PACD Programme’s objectives and design respond to APG Pacific Member’s AML/CFT needs and MFAT’s needs, policies, and priorities?
Effectiveness	To what extent has the PACD Programme achieved, or is expected to achieve, its Outcomes and Outputs?

OECD Criterion	Key Evaluation Question
Efficiency	To what extent has the PACD Programme delivered, or is likely to deliver, results in an economic and timely way?
Coherence	How compatible is the PACD Programme with other AML/CFT related projects/activities in the Pacific and/or individual Pacific jurisdictions?
Impact	To what extent has the PACD Programme generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects?
Sustainability	To what extent are the net benefits of the PACD Programme continuing, or are likely to continue?

3. Methodology

3.1 Evaluation design and approach

35. The Evaluation was split up into three stages:

Stage 1: Evaluation scope and set-up

36. As part of this phase, the Evaluation's Terms of Reference (**Appendix A**) and the Evaluation Plan (**Appendix B**) were drafted.

37. The Evaluation Plan detailed the scope, schedule and execution of the Evaluation, and addressed the following areas, among others:

37.1. The type and source of information required to inform the Evaluation

37.2. The Evaluation schedule and deliverables

37.3. The Evaluation's key stakeholders and their roles

37.4. Ethical considerations regarding the Evaluation, including cultural considerations, confidentiality, participant learning and transparency, and

37.5. Limitations, risks and constraints.

Stage 2: Field work

38. The focus of the field work was to collect and review data and information to inform the Evaluation. Essentially, the field work consisted of document review, interviews with key stakeholders and surveys undertaken with the 11 Pacific Members (see paragraphs 43-49 below for more detail)

Stage 3: Analysis and Reporting

39. Information and data collected from the field work was collated and measured against the OECD evaluation criteria.

40. A scoring methodology was created to assess performance against each criterion based on the review and analysis of the field work results.

3.2 Scoping of Evaluation criteria

41. As part of the Evaluation Plan, the key evaluation questions were broken down into a number of "Areas of Focus". The purpose of this exercise was to narrowly define the scope of each key evaluation question and allow the Evaluation team to take a targeted approach when collecting relevant data and information.

42. The "Areas of Focus" underlying each key evaluation question are outlined in the table below.

Key Evaluation Question	Areas of Focus
Relevance: To what extent do the PACD Programme's objectives and design respond to APG Pacific Member's AML/CFT needs and MFAT's needs, policies, and priorities?	<ul style="list-style-type: none">▶ Whether the technical assistance activities undertaken addressed the AML/CFT needs of Pacific Members.▶ How aligned were the delivered PACD activities and outputs with the priorities of the relevant Pacific Members and MFAT?

Key Evaluation Question	Areas of Focus
	<ul style="list-style-type: none"> ▶ Were all relevant members and stakeholders taken into consideration during the design and development of the programme to ensure completeness?
Effectiveness: To what extent has the PACD Programme achieved, or is expected to achieve, its Outcomes and Outputs?	<ul style="list-style-type: none"> ▶ Whether the planned technical assistance and training activities have been implemented in accordance with the PACD Programme's objectives (expected vs actual). ▶ Whether the technical assistance and training delivered met the AML/CFT requirements of the relevant Pacific Members. ▶ The degree to which technical assistance delivered strengthened Pacific Member's ability to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction and other profit motivated criminal offending.
Efficiency: To what extent has the PACD Programme delivered, or is likely to deliver, results in an economic and timely way?	<ul style="list-style-type: none"> ▶ Were technical assistance and training activities cost effective in their delivery and implementation? ▶ Was the MFAT's funding used in an appropriate and reasonable manner? ▶ Was technical assistance, training and other support provided to the Pacific Members in a timely and reliable manner in accordance with the PACD Programme's timeline?
Coherence: How compatible is the PACD Programme with other AML/CFT related projects/activities in the Pacific and/or individual Pacific jurisdictions?	<ul style="list-style-type: none"> ▶ How well did the PACD Programme fit in relation to other AML/CFT initiatives that were undertaken or are presently still ongoing in the Pacific region? ▶ Does the PACD Programme complement and/or support other AML/CFT initiatives in the Pacific region and other relevant Pacific regional bodies/organisations, and vice versa? ▶ Does the PACD Programme undermine or conflict with other AML/CFT initiatives in the region, and vice versa?
Impact: To what extent has the PACD Programme generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects?	<ul style="list-style-type: none"> ▶ What tangible difference (expected and/or unexpected) has the PACD Programme made, or is likely to have, on the final beneficiaries including Pacific Member stakeholders.
Sustainability: To what extent are the net benefits of the PACD Programme continuing, or are likely to continue?	<ul style="list-style-type: none"> ▶ Was sustainability addressed at the design stage and during the PACD Programme, and what are the major factors (including risks) influencing sustainability? ▶ Are the necessary capacities and systems (financial, social, institutional, etc.) in place to sustain the project results over time? ▶ What follow-up activities, if any, are planned and/or required to sustain these results over time?

3.3 Data Collection

43. The Evaluation used a mixed methods approach to collecting, analysing and interpreting, data and relevant information. The various methods are outlined below:

Document review

44. A review of documents relevant to the PACD Programme was undertaken. The documents were sourced from the APG Secretariat, MFAT and publicly available sources. This included:

- 44.1. PACD Business Plans
- 44.2. APG Pacific Annual Reports
- 44.3. APG Pacific Technical Assistance Progress Reports
- 44.4. Pacific Technical Assistance Overviews

- 44.5. PACD Mid-grant Report
- 44.6. MFAT Activity Monitoring Assessments and Activity Design Document
- 44.7. PACD Grand Funding Agreement, and
- 44.8. APG Mutual Evaluation Reports and Follow-up Reports

Survey Questionnaires

- 45. The primary method used to collect relevant information from the 11 Pacific Members was via survey questionnaires. Questions relevant to each Pacific Member, addressing each of the six OECD evaluation criteria, were included in surveys sent to Pacific Members. Prior to sending the questionnaires, the Evaluation Team met with the Pacific Members and explained the purpose of the Evaluation to them, including their role in participating in the Evaluation through the survey questionnaires.
- 46. A mix of Likert scale, “yes/no” and free text questions were incorporated into the survey questionnaires.
- 47. All 11 Pacific Members responded to the survey. 10 members fully completed the survey and provided responses to all questions. One member partially completed the survey. The quantitative and qualitative data received from the responses were sufficient to support the Evaluation’s findings.

Interviews with key stakeholders

- 48. The Evaluation Team conducted interviews with various key stakeholders. As part of the Evaluation’s scope, interviews with key stakeholders were limited to other agencies who have either provided or facilitated the provision of AML/CFT technical assistance and training, to Pacific jurisdictions. In conjunction with the APG, we considered key stakeholders as part of the Evaluation process. In developing the list of stakeholders to interview, no private sector entities were considered to have had sufficient involvement with the PACD Programme to provide meaningful input in the Evaluation. However, it is recommended that private sector involvement is considered as part of future technical assistance and training programs (see Recommendation 10)
- 49. The purpose of meeting with key agency stakeholders was to explore the extent of their dealings with Pacific jurisdictions when undertaking similar AML/CFT initiatives in the Pacific, and to obtain any relevant insight they may have had in relation to the Evaluation’s approach and methodology. In addition, some agencies were asked to provide their input as to whether the PACD Programme complemented their AML/CFT technical assistance and/or training programmes, or whether they had experienced any conflict. The following key stakeholder agencies participated:
 - 49.1. Reserve Bank of New Zealand
 - 49.2. Department of Internal Affairs New Zealand
 - 49.3. The International Monetary Fund
 - 49.4. The United Nations Office on Drugs and Crime, and
 - 49.5. The Pacific Transnational Crime Coordination Centre.

3.4 Limitations

50. Some limitations were encountered during the Evaluation. The Evaluation Plan outlined some possible limitations that may impact the Evaluation. The Evaluation Team was able to mitigate most limitation risks identified in the Evaluation Plan, and the impact to the review results was minimal. Limitations encountered and their impact, are explored below:

50.1. **Incomplete Surveys:** One Member did not fully complete their survey. The APG Secretariat informed the Evaluation Team that the limited resources of this Pacific Member makes it harder for the member to receive technical assistance and training under the PACD Programme, when compared to other Pacific Members. Given this member's limited participation in the PACD Programme, for reasons outside of the control of the APG Secretariat, the impact of their incomplete survey on the results of the overall programme assessment was deemed to be minimal.

50.2. **No responses for some survey questions:** There were several questions that four Pacific Members did not provide a response to, as the answers to the questions were not held with the responding agency. Based on information obtained from the Pacific Members, this happened for one of two reasons:

- ▶ Persons at the responding agency that may have held information needed to respond to the question had since left the agency, or
- ▶ Information required was possibly held with another agency in the jurisdiction.

The number of questions that fell into this category was minimal and non-completion did not materially impact the performance rating for each criterion. Further, for some questions, we were able to mitigate this limitation and further minimise the impact on the Evaluation results. For example, if a jurisdiction had not attended a particular course or workshop and could not provide a response regarding the effectiveness of that workshop, the Evaluation Team would rely on responses received from other Pacific Members that attended the same workshop. This was particularly the case if the other Pacific Members that attended the workshop provided consistent responses (i.e., for instance, where the majority of members said the workshop was very effective).

50.3. **Misinterpretation of some survey questions:** There were three question responses from two Pacific Members in which it appeared that the questions had been misinterpreted. The team assessed the relevancy of the questions in the context of all the responses. The number of questions that fell into this category was minimal and did not materially impact the performance rating for each criterion. As above, the Evaluation Team determined it would rely on responses received from other Pacific Members, particularly if they provided consistent responses.

50.4. **Delays in obtaining survey responses:** There was a delay in receiving completed survey questionnaires from several Pacific Members. By design, due to budget and time constraints, this resulted in the Evaluation Team having limited scope to go back to Pacific Members and verify or clarify some of the responses received, particularly where responses to questions were not provided or questions were misinterpreted. However, the impact was mitigated in the following ways:

- ▶ Verifying information with the APG Secretariat, for some responses (where applicable), or
- ▶ Taking the approach described above in paragraphs 50.2 and 50.3.

4. Findings

51. This section details the findings of the Evaluation based on the review of relevant documents concerning the PACD Programme, key stakeholder interviews, Pacific Member responses to survey questionnaires and meetings had with the APG Secretariat. The findings are organised in accordance with the OECD DAC criteria - relevance, effectiveness, efficiency, coherence, impact, and sustainability.
52. Each finding addresses the key evaluation question relevant to each OECD DAC criteria. Where applicable, the findings correspond to the areas of focus that fall under each evaluation question (see table at paragraph 42 above)
53. For each OECD DAC criterion, the findings also provide a performance rating. The scoring methodology applied a mix of quantitative and qualitative analysis to derive a score on a scale of 1-5. The methodology applied was as follows:
 - 53.1. **Step 1** - Answers to the five-point Likert scale, and the “Yes/No” survey questions for each Pacific Member were tallied. For example, in response to a Likert question, an answer of “extremely satisfied” would score 5 while an answer of “extremely dissatisfied” would score 1.
 - 53.2. **Step 2** - Pacific Members’ individual scores were combined to give a cumulative score for each of the OECD DAC criteria, which was then expressed as a denominator of 5.
 - 53.3. **Step 3** - A subjective, qualitative assessment was undertaken of the free text responses to survey questions, and any relevant information ascertained from document review and key stakeholder interviews. If applicable, a positive or negative adjustment was made to the score calculated in Step 2 above, to arrive at a final score.³

4.1 Relevance

54. Addressing the relevance criterion requires an assessment of how well an intervention’s⁴ design and objectives respond to the beneficiaries’ and other relevant stakeholders’ needs and priorities. In essence, is the intervention designed to do, and is it actually doing the “right things”.⁵ A review of documents relevant to the PACD Programme’s setup, APG and MFAT reports, and survey responses from Pacific Members were analysed and an assessment was made as to how relevant the PACD Programme is. See findings below:

Rating: 4.31 - Highly Relevant

Key Evaluation Question: The extent to which the PACD Programme’s objectives and design respond to APG Pacific Members’ AML/CFT needs and MFAT’s needs, policies, and priorities.

Finding 1: While technical assistance and training activities continue to address the majority of the Pacific Members’ AML/CFT needs and requirements, the Evaluation did identify some gaps.

³ ‘Impact’ was the only OECD criterion that was subject to a qualitative assessment under Step 3. See paragraphs 98 to 104 for more detail.

⁴ Examples of interventions in the context of the OECD DAC evaluations can include a policy, strategy, programme, project or activity.

⁵ OECD (2021), Applying Evaluation Criteria Thoughtfully, OECD Publishing, Paris, <https://doi.org/10.1787/543e84ed-en> at p10

55. As part of the survey questionnaires, Pacific Members were asked to provide feedback around how relevant the technical assistance and training activities delivered to-date have been. Specifically, each training workshop, course and technical assistance activity undertaken for each jurisdiction was listed and Pacific Members were asked to what extent they thought that: (i) the activities were relevant to addressing their jurisdiction's AML/CFT needs and requirements, and (ii) how sensitive and unique to the AML/CFT context of the jurisdiction was the content of the activities. For most of the activities undertaken, all Pacific Members either said that the activities were fully relevant or very relevant to addressing their jurisdictions AML/CFT requirements. Similarly, the activities were fully or very sensitive and unique, to the AML/CFT context of each jurisdiction.
56. Pacific Members were also asked to comment on whether during the PACD Programme, any of their needs and requirements were not met, to which several members indicated some priorities were not addressed. Some of the common priorities Pacific Members highlighted as not addressed included:
- 56.1. IT technical assistance, including IT assistance for Financial Intelligence Units ("FIUs")
 - 56.2. Enforcement related priorities, including technical assistance and/or training for prosecutors and judges and law enforcement agencies, and
 - 56.3. Technical assistance and/or training around sectorial risk assessments.
57. The Evaluation Team identified several reasons why some priorities were not met:
- 57.1. The PACD Programme is still ongoing. It is expected that the remaining technical assistance and training to be delivered, will address some of the Pacific Members' outstanding priorities.
 - 57.2. Postponement or cancellation of technical assistance and training activities due to the COVID-19 Pandemic. Impacts of the COVID-19 Pandemic included (i) suspension of APG travel, (ii) border closures of APG Pacific Members, (iii) fluctuating prioritisation of AML/CFT issues and reforms due to the COVID-19 Pandemic health sector response and/or changing budgetary allocation of resources.
 - 57.3. AML/CFT is a niche area with limited available subject matter resources, particularly those with experience working in the Pacific. This also delayed the delivery of some activities.
 - 57.4. Pacific Members' AML/CFT needs change over time and some new needs were identified during the PACD Programme. Such needs may not necessarily be fully addressed under the programme.
58. The fact that a few priorities were not met needs to take into account the reasons outlined in paragraph 57 above. Also, the impact of priorities not being met to-date on overall relevance is mitigated, particularly since for most of the activities undertaken, all Pacific Members said that the activities were either fully relevant or very relevant, to addressing their jurisdictions' AML/CFT requirements.

Finding 2: The delivered PACD Programme activities and outputs were fully aligned with the priorities of the relevant Pacific Members and MFAT.

59. The Evaluation Team met with MFAT and reviewed MFAT's Activity Monitoring Assessments to assist in identifying how relevant the PACD Programme is to their objectives. MFAT expressed that the PACD Programme's strategic goals fully align with New Zealand's focus on strengthening the financial sector and supporting economic

stability in the Pacific. Improving AML/CFT regimes across the Pacific region is seen as one way (among others) of contributing towards addressing concerns surrounding economic de-risking of financial institutions that may damage Pacific economies.

60. As part of the surveys, Pacific Members were asked to provide their input on the relevance of each of the PACD Programme's Outputs to their jurisdiction. The majority of members found that the PACD Programme's Outputs were fully relevant.

Finding 3: Input from the Pacific Members was taken into consideration during the PACD Programme, however members had little to no direct input in the programme's initial design.

61. The majority of Pacific Members expressed that their input was considered in the initial setup of the PACD Programme. Shortly after the commencement of the PACD Programme, the Pacific Cell held meetings and undertook onsite scoping exercises with the members to discuss and understand deficiencies in their AML/CFT frameworks. As part of these scoping exercises, the Pacific Members outlined their AML/CFT priorities including what technical assistance and/or training they required to address their requirements. In addition, Pacific Members also submit their training needs and priorities at the TA&T Forum on an annual basis.
62. Based on survey responses, some Pacific Members were of the view that they had no direct input into the actual initial design of the PACD Programme. However, as per discussions with the APG Secretariat, the objectives of the PACD Programme (including the Outputs and Outcomes), were agreed between the APG Secretariat and MFAT as part of the original Activity Design Document, and was based on input from ongoing dialogue with Pacific Members, either via formal engagements such as the TA&T Forum, or through more informal meetings. So although Pacific Members had no direct input into the actual design and development of the PACD Programme, their views were considered through ongoing dialogue had with the APG Secretariat.

4.2 Effectiveness

63. Effectiveness involves an assessment of whether an intervention is achieving or is expected to achieve its objectives, including whether the planned activities under the intervention are being achieved.⁶ In assessing Effectiveness, the Evaluation Team reviewed the PACD Business Plans, PACD Annual Reports, the Pacific Technical Assistance Implementation Overviews and the survey responses from the Pacific Members. The findings have been summarised below:

Rating: 3.93 - Effective

Key Evaluation Question: The extent to which the PACD Programme has achieved, or is expected to achieve, its Outcomes and Outputs.

Finding 1: A substantial amount of the planned technical assistance and training activities have been delivered during the PACD Programme, although a lack of mentoring and the COVID-19 Pandemic impacted overall effectiveness.

64. A review of the PACD Business Plans against the PACD Annual Reports demonstrates that for most Pacific Members, planned technical assistance and training activities have been met. Examples of some activities that supported the PACD Programme's Outputs and Outcomes include:

⁶ Ibid at page 52

- 64.1. Workshops focussing on enhancing the capacity of law enforcement agencies to conduct financial investigations into money laundering relating to higher-risk predicate crimes
 - 64.2. Workshops focussed on AML/CFT supervision of banks, remittance providers and DNFBPs
 - 64.3. AML/CFT legislative drafting assistance in support of legalisation reforms to enhance compliance with FATF standards, and
 - 64.4. FATF Standards Training course hosted by FATF Training and Research Institute, APG and New Zealand, and webinars focused on compliance with FATF Recommendations.
65. However, there have been some exceptions regarding the delivery of technical assistance and training, mainly due to the disruption to the PACD Programme caused by the COVID-19 Pandemic. Activities were either postponed or cancelled due to travel restrictions which meant that subject matter resources, consultants, and other providers of technical assistance, could not deliver in-country assistance. Examples of activities cancelled or postponed include:
- 65.1. Legislation drafting project: A project focused on enhancing the Pacific Members' compliance with targeted financial sanctions for terrorism and proliferation (FATF Recommendations 6 and 7). The project will commence in the final quarter of FY22.
 - 65.2. Pacific de-risking toolkit: The aim of the toolkit was to support Pacific Members' implementation of an AML/CFT strategy to assist in mitigating de-risking. The project has been indefinitely postponed due to the COVID-19 Pandemic and the existence of other recent AML/CFT Pacific initiatives that are aimed at addressing de-risking issues.
 - 65.3. Solomon Islands Police Force Training: Technical assistance and mentoring on financial investigations and asset recovery was cancelled due to the COVID-19 Pandemic.
66. The majority of Pacific Members felt that the COVID-19 Pandemic impacted the effectiveness of technical assistance and training. In addition, a lack of mentoring during the programme was noted by many Pacific Members. Some members expressed that the use of mentoring to support technical assistance delivery would have enabled them to learn faster. Although virtual delivery of training was welcomed, having someone on the ground is preferred. We note that as per discussions with the APG Secretariat, the APG does offer some desk-based, virtual AML/CFT mentoring to APG members but uptake by Pacific Members has been less than expected.

Finding 2: Technical assistance and training activities delivered were effective in meeting particular AML/CFT requirements for Pacific Members.

67. For the technical assistance and training activities that were delivered under the PACD Programme to-date, most Pacific Members expressed that the activities were relatively effective in addressing their particular needs that were identified during scoping visits. The activities were also considered to have enhanced their capabilities in the area that the activity addressed (for example, a series of FATF workshops aimed at enhancing a jurisdiction's understanding of FATF standards). In general, the technical assistance and training activities were spread across the different areas that supported the Outcomes and Outputs. Key highlights include supporting Pacific Member jurisdictions to enhance their:

- 67.1. Understanding of FATF Standards
 - 67.2. Capability and capacity to regulate and supervise financial institutions and DNFBPs for AML/CFT purposes
 - 67.3. Capability and capacity to investigate and prosecute financial crime, and
 - 67.4. AML/CFT regulatory and legislative frameworks.
68. A few examples of AML/CFT capabilities that were enhanced as a result of the training and technical assistance include:
- 68.1. The establishment of a casino supervisory framework for Vanuatu. The project was organised by the Department of Internal Affairs with assistance from the APG pursuant to the PACD Programme
 - 68.2. Assistance provided to the National Reserve Bank of Tonga to develop an AML/CFT supervision manual for financial institutions and DNFBPs, a risk-based AML/CFT supervision strategy and supervision manual, a risk-based AML/CFT supervision strategy and work programme, and a risk profiling tool
 - 68.3. The “Cash Courier Project” and workshops aimed at targeting cash-smuggling in the Pacific
 - 68.4. Enhancement of legislative frameworks including financial sanction amendments to Fiji’s Public Order Act, and
 - 68.5. Development of a standard operating procedure for conducting terrorism financing investigations for Tonga.
69. However, as outlined above, there were some requirements and priorities that have not yet been fully met for the reasons noted. Two areas that were common across a few members were:
- 69.1. Training for law enforcement agencies, and
 - 69.2. Legislative drafting assistance for some jurisdictions, including policy-based training to support legislation drafting.

Finding 3: Technical assistance delivered has strengthened Pacific Members’ capability and capacity to combat money laundering and terrorist financing to varying degrees.

70. The Evaluation found that Pacific Members’ capability and capacity to combat money laundering and terrorist financing has improved. The extent of the improvement varied between Pacific Members. Members were asked to provide their opinion on the extent they feel support from the PACD Programme:
- ▶ Strengthened their AML/CFT legal and regulatory regimes
 - ▶ Developed their relevant AML/CFT legislation framework
 - ▶ Enhanced compliance with applicable international AML/CFT standards
 - ▶ Enhanced capability for law enforcement agencies to investigate and prosecute financial crime, and
 - ▶ Enhanced capability of supervisors to conduct risk-based AML/CFT supervision.

71. Responses were mixed. While some Pacific Members expressed that the above areas were fully strengthened or enhanced as result of support received under the PACD Programme, other members commented that areas had improved only somewhat. Within the Pacific Members' responses there were some common themes. For example, on average, the extent to which support from the PACD Programme enhanced the capability of supervisors to conduct risk-based AML/CFT supervision fared better than the extent to which the capacity for law enforcement agencies to investigate and prosecute financial crime had improved.
72. The results and feedback are also reflective of the training and technical assistance provided to-date, particularly the lack of law enforcement training. For context, the APG Secretariat explained that for the final two years of the PACD Programme, they are running two "Pillar Projects" which involve partnering up with providers who will address the AML/CFT legislation and supervision needs of the Pacific Members. Both the "Supervision Pillar Project" and "Legislation Pillar Project" commenced in 2021. The APG Secretariat had also planned to deliver an "Enforcement Pillar Project", however this project was cancelled because of delays and difficulties around finding suitable subject matter resources and consultants to deliver the work. Now, with a year of the PACD Programme remaining, law enforcement focussed introductory-level training courses on financial investigation of higher-risk predicate crimes, money-laundering investigations and asset recovery, will continue to be delivered along with desk-based support on an as required basis. The APG Secretariat anticipates that these activities will assist in meeting some of the Pacific Members' law enforcement training requirements.
73. To assist in measuring effectiveness, the Evaluation analysed the extent to which compliance with FATF Recommendations for Pacific Members had improved since the inception of the PACD Programme. On or around May 2020, it was reported that 27% of Pacific Members were compliant with at least 10 of the 13 key FATF requirements (up from 9% when the programme started). Increased compliance with FATF Recommendations is a key indicator of strengthened AML/CFT frameworks. The PACD Programme, along with other DAPs, continues to provide technical assistance to Pacific Members aimed at increasing compliance with FATF Recommendations (for example, a gap analysis of Niue's compliance with the FATF Recommendations ahead of its Mutual Evaluation, and legislative drafting of its AML legislation).

4.3 Efficiency

74. When examining efficiency, an assessment of how well an intervention's resources are being utilised needs to be undertaken. It essentially involves determining whether an intervention's resources, both from an economic and timeliness perspective, can be justified by its results.⁷
75. In assessing the efficiency of the PACD Programme, the Evaluation Team analysed the Grant Agreement, budget reports prepared by the Pacific Cell, MFAT Activity Monitoring Assessments as well as the PACD Business Plans and the PACD Annual Reports that outlined expenditure and the allocation of funding. See findings below:

Rating: 4.03 - Highly efficient

Key Evaluation Question: The extent to which the PACD Programme has delivered, or is likely to deliver, results in an economic and timely way.

Finding 1: Technical assistance and training activities delivered under the Programme to-date have been cost effective in their delivery and implementation.

⁷ Ibid at page 58

76. Under the Grant Agreement, MFAT allocated a maximum of NZD3,600,000 to fund the PACD Programme over a five-year period between 2017 to 2021.
77. A significant portion of the funding was dedicated to the training and technical assistance activities delivered under the PACD Programme. For these activities, the Evaluation review did not identify any indication of funds used to support the delivery of technical assistance and training being used inefficiently other than one instance when a consultant’s contract was terminated early. Aside from this one instance, no other instance of funds being used inefficiently was noted. In an effort to prevent this situation from re-occurring, the APG Secretariat put in place further controls around engaging suppliers and consultants, including: (i) ensuring that experience in working with Pacific Island jurisdictions and understanding of ML/TF risks and context of APG Pacific Members are mandatory requirements in all procurement processes, (ii) adding pre-activity and post-activity meetings between suppliers and APG as a contract requirement, and (iii) ensuring that all suppliers are signed off by APG’s Deputy Executive Secretary as part of the procurement process. In addition, as per discussions with the APG Secretariat, all consultants and subject matter resources engaged by the APG Secretariat are subject to the APG’s standard procurement procedures and guidelines. The procedures incorporate controls which are designed support the selection of service providers with skills and experience most relevant for the respective project, at a market appropriate price point.
78. The Evaluation confirmed there was an overall underspend of funding used to resource the technical assistance and training activities. A large portion of the underspend is attributed to: (i) the significant impact of the COVID-19 Pandemic which resulted in extended travel restrictions and the cancellation of planned activities for years 3 and 4, and (ii) delays in setting up the Pacific Cell which in-turn resulted in lower-than-expected technical assistance and training being delivered for year 1. See below Output 2⁸ summary:⁹

Output 2 - Technical Assistance & Training Budget and Expenditure				
Year	Budget	Actual Spend	Overspend/Underspend	Cumulative Overspend/Underspend
Year 1 (2017-2018)	NZD 198,000	NZD 98,180	NZD 99,820 underspend	NZD 99,820 underspend
Year 2 (2018-2019)	NZD 278,000	NZD 290,179	NZD 12,179 overspend	NZD 87,641 underspend
Year 3 (2019-2020)	NZD 298,000	NZD 209,347	NZD 88,653 underspend	NZD 176,294 underspend
Year 4 (2020-2021)	NZD 328,000	NZD 60,934	NZD 267,066 underspend	NZD 443,460 underspend
Year 5 (2021-2022)	NZD 306,000	NZD 357,291	NZD 51,291 overspend	NZD 392,169 underspend

79. In June 2021, MFAT agreed to use the remaining budget underspend, to fund an additional year (2022-2023) of the Programme.¹⁰

⁸ Output 2 is defined at paragraph 81.2 below

⁹ The “Budget” figures presented in this summary have been derived from the Grant Agreement. The “Actual Spend” figures have been derived from the PACD Annual Reports.

¹⁰ As per the PACD Annual Report (2021- 2022), the total PACD grant underspend was NZD787, 891. APG have advised that the total underspend will be used to fund the final year of the PACD Programme. NZD371,500 will be used to fund technical assistance and training activities under Output 2.

80. Despite the overall underspend, as part of MFAT's 2020 and 2021 Activity Monitoring Assessments, MFAT expressed that the PACD Programme is a well-run, effective activity that consistently achieves expected outputs. MFAT also commented in the 2020 Activity Monitoring Assessment that as this is the first long-term technical assistance project the APG has delivered, it was expected from the outset that there would be fluctuation in the budget over the duration of the PACD Programme. The COVID-19 Pandemic has only added to this.

Finding 2: MFAT's funding has been utilised in-line with the objectives and outputs of the PACD Programme

81. As part of the Grant Agreement, the allocated maximum of NZD3,600,000 was apportioned across the following costed outputs:
- 81.1. The establishment and operation of the Pacific Cell within the APG Secretariat (Output 1)
 - 81.2. Technical assistance and training (including legislative drafting assistance, assistance for supervisors, assistance for law enforcement agencies, and mentoring and exchanges) (Output 2), and
 - 81.3. Administrative costs (including contingency, monitoring and evaluation costs) (Output 3)
82. The PACD Annual Reports detail the use of funding for each financial year and variations between planned and actual spend are noted with an explanation of the cause. Between 2017 -2021, there has been a total grant underspend of NZD787,891 across all three outputs. As indicated above the primary cause of the underspend is due to a series of initial delays experienced at the start of the programme with respect to recruiting and establishing the Pacific Cell, and the significant delays, cancellations and/or postponements of technical assistance and training due to the COVID-19 Pandemic.
83. Based on a review of the detailed budget and accounting expenses that form part of the PACD Annual Reports against the activities undertaken against each of the outputs listed in paragraph 81 above, the Evaluation Team did not identify anything which suggests that the allocated funding was not used in-line with the objectives and outputs of the PACD Programme. Also, the annual budget outlining the distribution of funding in-line with the PACD Programme's objectives is reported to MFAT annually, and as part of the review of MFAT's Activity Monitoring Assessments, the Evaluation Team did not identify any issues raised by MFAT regarding the APG Secretariat's use of funding.

Finding 3: A considerable amount of technical assistance, training and other support was provided to the Pacific Members in a timely and reliable manner.

84. Notwithstanding the impact of the COVID-19 Pandemic, Pacific Members largely expressed satisfaction with the timely delivery of technical assistance and training. The July-December 2020 progress report by the APG Secretariat noted positive feedback received from Pacific delegates on the APG Secretariat's efforts to deliver activities remotely during the COVID-19 Pandemic.
85. This has been supported and corroborated by Pacific Members in their survey responses which provided positive feedback in relation to the efficiency of delivered activities. Despite the delays caused by the COVID-19 Pandemic, all but one member expressed that the technical assistance and training activities were delivered in a timely manner. The Pacific Members commented that APG pivoted to remote delivery well given the circumstances and no detrimental impacts were raised in the context of efficiency. Most Pacific Members noted that the virtual delivery of remote technical assistance and/or training activities during the pandemic was either extremely or very efficient. There were

some Pacific Members who noted that the efficiency was impacted by the quality of internet connectivity in their respective jurisdictions.

4.4 Coherence

86. Coherence involves assessing how well an intervention fits¹¹ and for the PACD Programme, this involved examining its compatibility with similar Pacific AML/CFT initiatives undertaken by other agencies. The primary source of information used to assess coherence was interviews conducted with key stakeholder agencies. See below findings:

Rating: 4.55 - Highly coherent

Key Evaluation Question: What is the extent to which the PACD Programme is compatible with other AML/CFT related projects and activities in the Pacific and/or individual Pacific jurisdictions?

Finding 1: The PACD Programme fits in relatively well and fully complements other AML/CFT initiatives undertaken in the Pacific region, however Pacific Members and the APG Secretariat acknowledge that there is potential for the duplication of technical assistance and training efforts.

87. During the Evaluation, interviews were conducted with various key stakeholder agencies to get their views on the PACD Programme from a coherence perspective. In summary, relevant agencies were asked to provide feedback on whether the PACD Programme complemented or conflicted with each respective agencies' AML/CFT initiatives. Where relevant, some of the key questions asked were:
- ▶ How well does the PACD Programme fit in relation to other AML/CFT initiatives undertaken or are presently still ongoing in the Pacific region?
 - ▶ Does the PACD Programme complement and support other AML/CFT initiatives in the Pacific region?
 - ▶ Does the PACD Programme undermine or conflict with other AML/CFT initiatives in the region, and vice versa?
 - ▶ Did the PACD Programme "get in the way", and cause resource or availability issues?
88. Some of the Pacific AML/CFT initiatives undertaken by other agencies and their views on compatibility with the PACD Programme have been summarised below. Please note, these are examples of AML/CFT technical assistance and training programs being run in the Pacific and not a complete list.

Reserve Bank of New Zealand (RBNZ)

89. With support from MFAT, the RBNZ ran the Pacific Remittance Project which finished at the end of July 2022. Part of the aim of the project was to improve access and reduce costs of remittances in the South Pacific. The project was broken up into two work streams: 1. looking at the ongoing changes required to AML/CFT frameworks to increase compliance culture, upskill remitters and increase banks' comfort with remitters to stem de-risking, and 2. focussing on developing a KYC facility.¹²

¹¹ Ibid at page 45

¹² [Pacific Remittances Project - Reserve Bank of New Zealand - Te Pūtea Matua \(rbnz.govt.nz\)](https://www.rbnz.govt.nz/pacific-remittances-project), 28 February 2022

90. The project was aligned with the objectives of the PACD Programme, particularly in relation to preventing de-risking, and better detecting and deterring financial crime, which are both key objectives of the remittance project, but also relevant to the PACD Programme. No conflicts were identified - neither in relation to the objectives of the initiatives, nor the availability of Pacific resources, given that both the project and the PACD Programme were being run concurrently.

International Monetary Fund (IMF)

91. The IMF is actively involved in providing AML/CFT training including AML/CFT supervision-based workshops for Pacific jurisdictions at the IMF's Singapore Regional Training Institute.
92. Recently, the IMF's Legal Department commenced a donor funded technical assistance project aimed at addressing pressures on correspondent banking relationships by enhancing the capacities of supervisors to undertake risk-based supervision of higher risk sectors and enhancing the underlying legal supervisory framework. The assistance is currently being provided to three Pacific Island jurisdictions.
93. IMF expressed that the PACD Programme did not conflict with their project. In particular, the IMF welcomed the APG's supervision workshops run under the PACD Programme and mentioned that they would expect the APG workshops to increase Pacific Members' knowledge of AML/CFT Supervision, which in-turn benefits the IMF's supervision-based project.
94. Furthermore, the project's objective of addressing pressures on correspondent banking relationships aligns with and supports MFAT's priorities.

United Nations Development Programme (UNDP)

95. The UNDP is currently running the Pacific Anti-Corruption Project. The primary focus of the project is to strengthen implementation of anti-corruption measures at national, sub-regional and regional levels. Notwithstanding the project is focussed on anti-corruption, there are components of the project that have elements of AML/CFT, particularly around enhancement and/or awareness of financial investigations, asset confiscation, FIU intelligence reports and other AML/CFT related capacities. On that front, UNDP's project does align with the PACD Programme and the UNDP confirmed that there are no conflicts.

Pacific Members

96. In addition to interviews with key stakeholders, the Evaluation sought the Pacific Members' views on coherence regarding the PACD Programme. In response to survey questionnaires, all members expressed that the training and assistance delivered under the PACD Programme complements the assistance received from other DAPs. Furthermore, most members were of the view that the PACD Programme is highly compatible with AML/CFT assistance activities received under other aid programmes and/or initiatives in the Pacific.
97. However, some Pacific Members did express that training and assistance delivered by other DAPs can overlap resulting in duplicate efforts. To address this, they recommended better coordination and communication between agencies so that the training provided complements each other. From meetings had with the APG Secretariat and other key stakeholders, the risk of duplicating technical assistance and training is one that DAPs are aware of. Although agencies do try and take steps to minimise duplication, (for example, through different communication channels such as the TA&T Forum), it is challenging at times particularly given that conceptually, AML/CFT is very wide in scope and touches on other areas such as anti-corruption, among others.

4.5 Impact

98. At its core, impact is a measurement of what actual difference the intervention made. It requires an analysis around what the ultimate effect of the intervention and whether the desired change was achieved.¹³

Rating: 2.82* - Partly Impactful

99. Based on responses to the Pacific Member survey questionnaires, an assessment of "Impact" initially scored a performance rating of 3.82 (i.e. "Impactful") after the calculation in Step 2 of the rating methodology (see paragraph 53 above which outlines the methodology). In addition to the input from the survey questionnaires, the Evaluation Team considered further information including the latest PACD Annual Report (2021-2022) and input from discussions with relevant stakeholders. Based on all of the information, it was considered that the lack of progress towards achieving short-term and medium-term outcomes over the last two years during the COVID-19 Pandemic was not fully reflected in the answers to the survey questions (see examples from the PACD Annual Reports as summarised at paragraph 103 below). As such, the Evaluation Team concluded that the assessment of impact should be reduced to "Partly Impactful" rather than "Impactful", and applied a qualitative assessment at Step 3 of the rating methodology to reduce the rating from 3.82 to 2.82 (a reduction of 20%) to reflect a "Partly Impactful" rating. The findings concerning impact have been outlined below.

Key Evaluation Question: The extent to which the PACD Programme has generated, or is expected to generate, significant positive or negative intended or unintended, higher-level effects.

Finding 1: The PACD Programme has made some tangible impact and difference on the final beneficiaries, Pacific Members and stakeholders, however there is limited data to comprehensively assess higher level, long-term impacts.

100. In assessing impact, the Evaluation considered progress made against the short, medium and long-term outcomes of the PACD Programme.
101. As part of the survey questionnaires, the Pacific Members were asked to provide their views regarding some of the outcomes including whether, since the commencement of the PACD Programme, there has been an:
- ▶ Enhancement of each Pacific Member's AML/CFT regulatory regime
 - ▶ Increase in the number AML/CFT supervisory activities
 - ▶ Increase in the number ML/TF investigations, prosecutions, convictions etc
 - ▶ Improvement in confidence of each Pacific Member's jurisdictions institutions and DNFPB's, and
 - ▶ Improvement in security in each Pacific Member's jurisdiction.
102. A summary of the responses received from Pacific Members is outlined below:
- 102.1. Overall, members indicated that through the support received under the PACD Programme and other DAPs they feel that security and confidence in their financial institutions and DNFPB's had improved to a large extent.

¹³ OECD (2021), Applying Evaluation Criteria Thoughtfully, OECD Publishing, Paris, <https://doi.org/10.1787/543e84ed-en> at page 64

- 102.2. The majority of the members indicated that there was an enhancement in their AML/CFT regulatory regimes since the PACD Programme started.
- 102.3. Just over half of the members indicated that there was an increase in AML/CFT supervisory activities and/or ML/TF investigations prosecutions, and convictions since the PACD Programme started.
- 102.4. The overwhelming factor that all members mentioned when addressing the barriers to enhancing their ability to combat ML/TF was resourcing. Members cited that staff turnover, a lack of staff, and a lack of skills, knowledge, and capacity as underlying reasons for why they were not able to progress as expected in this regard.
- 102.5. When addressing why there was no increase in ML/TF investigations, prosecutions and convictions for their jurisdiction, one member cited a lack of Law Enforcement Agency training.
103. In surveying the Pacific Members, the Evaluation Team considered the progress made against short and medium-term outcomes as reflected in the latest PACD Programme Annual Report (2021-2022). The report highlights the significant impact that the COVID-19 Pandemic has had on progress towards achieving some of the outcomes during the second half of the programme. Restrictions on APG travel, border closures, and fluctuating priorities and resources of the Pacific Members due to the COVID-19 Pandemic having impacted progress. A few key highlights are summarised below:

Short-Term Outcomes

- ▶ Outcome: supervisors and regulators have improved capacity to enforce and regulate AML/CFT.¹⁴

As outlined in the PACD Annual Report (2019-2020), six of the 11 Pacific Members had developed risk sensitive frameworks for the AML/CFT supervision of financial institutions and DNFPB's, compared to only one member at the start of the PACD Programme.¹⁵ However, progress towards achieving this outcome has slowed over the past two years and based on statistics provided in the most recent PACD Annual Report (2021-2022),¹⁶ there has been no other member who has achieved this outcome since the beginning of the COVID-19 Pandemic.

- ▶ Outcome: improved money-laundering investigation capacity of LEAs¹⁷

While Pacific Members have made some progress in their capacity to undertake financial investigations of higher-risk predicate crimes since the start of the PACD Programme, the COVID-19 Pandemic has had a detrimental impact on its continued progress. Three of 11 Pacific Members have an established policy/strategy in place to pursue money-laundering investigations and asset confiscation and that figure has remained the same over the past two years.¹⁸

¹⁴ PACD Annual Report (2021-2022). Short-Term Outcomes, "Result 4" on page 18

¹⁵ PACD Annual Report (2019-2020). Short-Term Outcomes, "Result 4" on page 19

¹⁶ At page 18

¹⁷ PACD Annual Report (2021-2022). Short-Term Outcomes, "Result 5" on page 20

¹⁸ The figures in the PACD Annual Report (2021-2022) for this indicator in "Result 5" on page 19 are the same as the figures in the PACD Annual Report (2019-2020) in "Result 5" on page 20

Medium-Term Outcomes

- Outcome: strengthened national AML/CFT regimes¹⁹

Since the commencement of the PACD Programme, the Pacific Members have increased their compliance with international AML/CFT standards. Three of 11 Pacific Members are now largely compliant or compliant with at least 10 key FATF Recommendations compared to one member at the start of the programme. Further, 10 of the 11 Members have demonstrated an understanding of their ML/TF risks compared to four members at the start of the programme. However, the COVID-19 Pandemic has impacted progress and these figures have remained the same in the last two years, resulting in no additional members having demonstrated progress in meeting this outcome.²⁰

104. With respect to higher-level, long-term outcomes, as outlined above, one of MFAT's key drivers for the PACD Programme is to help improve financial market confidence in Pacific Island jurisdictions, encouraging banks and other financial service providers to continue to operate and invest in the region, and reducing financial sector risks, particularly in areas such as the remittance sector. The Evaluation Team was unable to determine whether the PACD Programme to-date has contributed towards achieving this long-term goal given the following:
- 104.1. The PACD Programme is still ongoing
 - 104.2. The COVID-19 Pandemic shifted priorities of Pacific Members, significantly impacted Pacific economies and has also delayed the delivery of technical assistance and training under the PACD Programme, and
 - 104.3. Such broader, high-level impacts will likely take more time to eventuate and require a collective effort amongst other agencies and DAP's. Programmes such as RBNZ's Remittance Project and the IMF's supervision project (see above at paragraphs 89 to 94) are other examples of development projects that have similar overarching objectives in terms of stemming de-risking in the Pacific.

4.6 Sustainability

105. Sustainability essentially looks at determining to what extent the benefits of an intervention will last, whether it be on a financial, social, economic or environmental level.²¹ See findings below:

Rating: 2.52 - Partly Sustainable

Key Evaluation Question: The extent to which the net benefits of the PACD Programme will continue.

Finding 1: Limited consideration was given towards whether Pacific Members had the capacity, financial resources and infrastructure to maintain the benefits of the PACD Programme.

106. The APG tries to encourage sustainability through working closely with different levels of government in participating countries to get buy-in for its mandate. Encouraging jurisdictions to see the importance of strong AML/CFT frameworks, in order to encourage

¹⁹ PACD Annual Report (2021-2022). Medium-Term Outcomes, "Result 1" on page 21

²⁰ The figures in the PACD Annual Report (2021-2022) for this indicator in "Result 1" on page 21 are the same as the figures in the PACD Annual Report (2019-2020) in "Result 1" on page 21

²¹ Ibid at page 71

their investment of resources and funding aimed at strengthening AML/CFT capacity and capability, assists in building sustainability in the longer term.

107. The APG technical assistance and training team collect information on the needs of jurisdictions and coordinate technical assistance activities with the DAP group. This provides the APG with a longer-term view of needs and technical assistance requirements across sectors and can help to build upon previous work in a sustainable way. Despite the APG's efforts, in practice, achieving and maintaining sustainability appears to be a challenging proposition, particularly for some Pacific Island jurisdictions who have small AML/CFT agencies with limited resources, infrastructure and capacity.
108. While some Pacific Members indicated that the PACD Programme did consider whether their jurisdiction had the capacity, financial resources and infrastructure to maintain the benefits of the delivered technical assistance and training, it was not clear to the Evaluation Team how these factors were considered - both at the design stage and throughout the programme.

Finding 2: Pacific members have little to no capacity and systems in place to sustain the results and benefits of the Programme over time.

109. Majority of members expressed they lack the necessary resources on multiple fronts (largely financial and infrastructure) to maintain the benefits of the PACD Programme and indicated that additional funding for AML/CFT is a priority over the next few years.
110. The relatively small size of agencies and respective resource limitations, has a detrimental impact on sustainability. Some Pacific Members outlined difficulties regarding retention of staff who leave and take AML/CFT knowledge and experience with them. Because of how small some of these agencies are, limited staff receive the benefits of technical assistance and/or training, and once they leave, so does the knowledge. Agencies encounter difficulties with recruiting staff with the right skills.
111. Further, approximately half of the Pacific Members indicated that they do not possess the necessary systems, controls and procedures to retain the benefits of technical assistance and training delivered, to ensure that the agencies can continue to benefit from the system in the future, particularly when staff leave.
112. Some Pacific Members also faced challenges in terms of balancing commitment to the PACD Programme against competing national priorities related to the COVID-19 Pandemic and restarting the economy, amongst other significant matters.

Finding 3: The PACD Programme has not yet planned for any follow-up activities to assist Pacific Members to sustain the results and benefits of the programme over time.

113. No follow-up activities have been identified across PACD Business Plans and Annual Reports to date, however the APG Secretariat has indicated a preference for Phase II of the PACD Programme to build on the momentum of the programme to-date. The Evaluation of the current PACD Programme will contribute to MFAT's consideration for Phase II.
114. MFAT expressed that the COVID-19 Pandemic had postponed a lot of work committed for 2021 into later years and doing so supports an already strong case for a Phase II of the PACD Programme.

5. Evaluation conclusion

115. The PACD Programme has made some progress towards achieving its objectives. The COVID-19 Pandemic has caused significant disruption which has impacted both the deliverables under the programme and the priorities of the Pacific Members. In addition, a lack of capacity and resources, among other institutional challenges faced by Pacific Members, has also impacted progress. Despite this, the technical assistance and training activities delivered to Pacific Members to-date have contributed to helping the PACD Programme achieve its Outputs and Outcomes. A clear indicator of this is the increase in the Pacific Members who are now complying with international AML/CFT standards. From 2017 to-date, three Pacific Members are either compliant or largely compliant with 13 key FATF Recommendations. Despite compliance rates slowing down during the COVID-19 Pandemic, the PACD Programme, along with other DAPs, continues to provide technical assistance to Pacific Members aimed at increasing compliance with FATF Recommendations.
116. The opening up of international borders as COVID-19 Pandemic restrictions ease, should further enhance the PACD Programme's effectiveness, and also provides an opportunity for the delivery of in-country technical assistance and training to resume.
117. The Pacific Members appreciate the importance of the PACD Programme given how relevant the majority of members feel the technical assistance and training activities are to addressing their jurisdiction's AML/CFT requirements. The high level of Pacific Member participation in survey questionnaires, and their valuable insight into the PACD Programme's successes and challenges, further underlines how important members view the programme.
118. Sustainability of the PACD Programme's benefits is a critical factor that needs more attention. Maintaining the benefits of the programme in the long term is a challenge for Pacific Members due to a myriad of issues primarily driven by a lack of resources and capacity. Finding ways to mitigate sustainability risks during both the design and delivery of the programme's activities is key to its ongoing success, and that of any future technical assistance and training initiatives.

119. The overall performance of the PACD Programme was measured by taking the rating scores given to each individual OECD DAC criterion and allocating an overall weighted average score. Based on this assessment, the programme has been rated as “Successful”. A summary of this assessment is depicted below:

Overall Programme Assessment					
Criterion	Cumulative scores of Pacific Member survey responses	Final scores after any applicable qualitative assessment	Weight (%)	Weighted overall score	Overall programme rating
Relevance	4.31	4.31	20%	3.74	Successful**
Effectiveness	3.93	3.93	20%		
Efficiency	4.03	4.03	15%		
Coherence	4.55	4.55	15%		
Impact*	3.82	2.82	15%		
Sustainability	2.52	2.52	15%		
<p>* 'Impact' was the only criterion that was subject to a qualitative assessment which reduced the cumulative score derived by the Pacific Member survey responses from 3.82 down to 2.82 (see paragraph 99 of this report for further information)</p> <p>**Rating definitions: Highly successful: 4-5 Successful: 3-4 Partly successful: 2-3 Unsuccessful: 1-2</p>					

6. Lessons learned

120. The Evaluation has identified a number of challenges relevant to the PACD Programme. The challenges provide some lessons learned and create an opportunity for improvement across several common themes identified throughout the evaluation process.

Lesson 1: Difficulties around the delivery of virtual training and technical assistance

121. A considerable number of Pacific Members found the transition to virtual delivery of training and workshops to be challenging. Reasons for this included unstable internet connections, differing time zones and difficulty engaging with virtual presentations.
122. Members have expressed an overwhelming preference for in-country, in-person training and assistance. While they understand this was not possible during periods of COVID-19 Pandemic restrictions, they would like to revert to in-country sessions once circumstances allow. Despite the strong preference for in-country, Pacific Members appreciate it is not always feasible and do value the delivery of virtual training.

Lesson 2: Lack of on-site mentoring throughout the programme

123. A considerable number of Pacific Members indicated that in-country mentoring increases the effectiveness and productivity of technical assistance.
124. In parallel with their preference for in-person training, Pacific Members have stressed the importance of mentoring to the success of delivering AML/CFT technical assistance. Where in-country mentoring is not possible, effective virtual delivery of mentoring will also be welcomed. It is noted that there are situations where the use of both in-country and virtual mentoring is required, particularly long-term activities in which sustained in-country mentoring during the entire period is not possible. In such circumstances, effective virtual mentoring to supplement in-country mentoring may be required.

Lesson 3: Issues arising from shortage of resources and infrastructure challenges

125. The majority of Pacific Members reported challenges associated with insufficient resources and levels of institutional maturity. For example, many relevant AML/CFT agencies across the Pacific are small and do not have enough staff to attend training and workshops, while maintaining their day-to-day work responsibilities. In some locations, technical assistance and training activities can take time out of the working day for the entire office.
126. Some Pacific Island jurisdictions have poor internet connectivity which makes it difficult to sustain virtual delivery of live training and workshops.
127. From a sustainability perspective, many Pacific Members also lack the overall capacity and resources to retain the results and benefits of the PACD Programme in the long-term.

Lesson 4: Cultural and language awareness of Pacific Members

128. Some Pacific Members expressed that there were instances where they felt training and workshops delivered lacked a Pacific focus. For example, Pacific Members expressed that some technical assistance and training activities were not tailored to the context of their specific jurisdiction and therefore not relevant to the specific AML/CFT challenges faced.
129. Given that English is not the first language for many Pacific Members, there should be an increased focus on the language requirements for training and/or technical assistance as some members found it difficult to understand the content of activities delivered during the PACD Programme.

Lesson 5: Initial scoping of priorities against technical assistance and training activities not sufficiently defined at the beginning of the PACD Programme

130. The Evaluation found it was difficult to determine which Pacific Members' priorities, technical assistance and training activities were planned to be funded and run under the PACD Programme, as opposed to activities run by other DAPs. Further, it appears that the initial scoping of activities may have created unintended expectations for Pacific Members around the number of activities that would be delivered under the PACD Programme and the timeframe in which they would be completed in.
131. Adequate scoping is essential for the effective and efficient delivery of activities under the PACD Programme. Having a clear and in-depth understanding of the priorities and needs of Pacific Members allows for structured and resourceful planning of the programme and activities in line with outputs, objectives and available funding. This also allows for better communication and management of expectations of members and relevant stakeholders.

Lesson 6: Duplication of AML/CFT training and technical assistance efforts

132. Duplication risk is a challenging issue as AML/CFT is wide in scope with links to different areas, for example it covers issues associated with drug trafficking, digital identity, data privacy laws, bribery and corruption, while also being associated with financial sector regulation issues. As the number of AML/CFT technical assistance providers increase in the Pacific, so will the risk of duplication.
133. Pacific Members have indicated that some technical training assistance provided overlapped with assistance received from other DAPs. There needs to be a greater emphasis on ensuring training activities are coordinated between the DAPs to avoid duplication of effort.
134. Duplication of training and technical assistance creates inefficiencies and impacts resources for both Pacific Members and DAPs, that could be better utilised elsewhere. This is especially the case for AML/CFT agencies in the Pacific Island jurisdictions that have limited resources and need to balance day-to-day work priorities against training and technical assistance needs.

Lesson 7: Limited feedback sought from Pacific Members throughout the programme

135. The Evaluation identified that Pacific Members' feedback was not formally sought during the PACD Programme. Some Pacific Members also expressed that they did not have an opportunity to provide feedback during the programme.
136. Although feedback was sought for some individual activities delivered during the PACD Programme, this Evaluation is the first time Pacific Members have been asked to provide their overall views on the programme - particularly in the context of its Outcomes and Outputs, including areas where the programme could be improved. Constructive feedback received from the survey questionnaires may not have come to light if not for the formal mechanism this Evaluation had provided.
137. Had feedback been sought earlier on, certain elements of the PACD Programme, including technical assistance and training may have been re-designed or modified, for better delivery and greater effectiveness.

Lesson 8: Pacific Members did not provide direct input into the initial design of the PACD Programme

138. The APG Secretariat meets with Pacific Members through formal channels such as TA&T Forums but also more informally via general meetings. This ongoing dialogue assisted the APG in understanding Pacific Member's AML/CFT needs and priorities, and helped inform the PACD Programme's Outputs and Outcomes.
139. Despite the APG Secretariat's efforts, the Evaluation identified that Pacific Members felt they did not have any direct input into the design of the PACD Programme. Consequently, they would not have had an opportunity to provide their views on the PACD Programme's specific objectives, including whether the Outputs and Outcomes were appropriately scoped, and how the activities would be delivered.

Lesson 9 - Difficulties in identifying appropriate subject matter resource or consultants with requisite AML/CFT knowledge and experience in delivering technical assistance and training in the Pacific.

140. During the PACD Programme, the APG Secretariat encountered difficulties in finding appropriate subject matter resources and consultants to deliver some of the technical assistance or training activities. This resulted in some activities being either delayed or cancelled.
141. AML/CFT is a niche area with a limited pool of subject matter resources, particularly those with experience working in the Pacific. This makes it challenging to find the right people to deliver activities. Despite this, to the extent possible, measures should be put in place to try and mitigate the risks this challenge poses.

7. Recommendations

142. Based on the findings, including the conclusions and challenges drawn from them, the Evaluation has identified the following ten recommendations that not only the PACD Programme, but also any future AML/CFT Pacific aid programmes or initiatives may benefit from.

Recommendation 1: Increase focus on providing mentoring-based technical assistance to Pacific Members

Priority: High

143. As the COVID-19 Pandemic and border restrictions start to ease, focus should shift to face-to-face and in-country technical assistance and mentoring for the remainder of the PACD Programme.
144. A number of Pacific Members emphasised how important they feel mentoring is to Pacific jurisdictions in the context of technical assistance. In response to survey questionnaires members expressed that they wanted more *"hands on"* technical assistance delivery as they feel this increases *"interaction"* and they *"learn faster this way"*.
145. The key stakeholder interviews identified that an increased focus on mentoring was identified as a priority for Pacific aid programmes run by other agencies. In addition to the Pacific Members, other key stakeholders also identified the challenges around delivering technical assistance virtually in the Pacific.
146. In the absence of in-country, face-to-face mentoring, greater consideration should be placed on incorporating virtual mentoring and how to make virtual mentoring more effective. Despite the preference for in-country mentoring, it is noted that there may be situations where a combination of both in-country and virtual delivery of mentoring is appropriate for particular technical assistance activities. Effective virtual mentoring should be incorporated when in-country mentoring is not possible, or in situations where it can be used to supplement in-country mentoring.
147. Furthermore, where possible, there should be a focus on using Pacific based resources who are familiar with the Pacific landscape to provide mentoring-based technical assistance to Pacific Members.

Recommendation 2: Greater emphasis on assessing sustainability risk during the design stage of development programmes

Priority: High

148. Sustainability of benefits received under the PACD Programme has emerged as a key concern for almost all Pacific Members. The majority of members expressed that they do not have the necessary resources to retain the results and benefits of the PACD Programme in the long run.
149. More thought needs to be placed around what measures can be implemented to address the resource and sustainability issues that Pacific Members experience. A greater emphasis on mitigating risks associated with the lack of resources and systems, at the beginning of the programme is required to ensure members can continue to maintain the net benefits of technical assistance and training in the long term. This includes working with Pacific Members to identify what systems and controls they need to have in place to help them maintain benefits. This is particularly important with small Pacific Island agencies who have limited staff and high key person dependency.

150. Part of this may include creating a knowledge repository as referenced below in Recommendation 6, among other measures.

Recommendation 3: Well-defined technical assistance and training priorities set at the beginning of development programmes with better and more immediate feedback mechanisms to ensure these meet members' needs.

Priority: High

151. As outlined above, it was unclear to Pacific Members, which technical assistance and training activities were planned to be provided directly under the PACD Programme as opposed to other DAPs outside of the programme. Further, the initial scoping of activities created unintended expectations regarding the volume and timeliness of delivered activities.
152. To mitigate this issue, scoping exercises at the initial stages of future development programmes should be more focused. The programme's priorities and key needs of recipients that will be addressed by the activities should be clearly defined. It should be clearly communicated to recipients of technical assistance and relevant stakeholders at the beginning of the programme what training activities are included in the scope and are planned to be delivered during the programme. It should also be made clear, what is not in scope. Any changes to the plan or variations of scope, should be communicated to and agreed in a timely manner to confirm the updated plans work for Pacific Members and relevant stakeholders

Recommendation 4: Proactively seeking feedback from members throughout the programme

Priority: High

153. In addition to obtaining feedback on individual courses or workshops, throughout the PACD Programme, feedback should be sought from Pacific Members on the *overall* delivery and effectiveness of the programme. This includes developing feedback mechanisms to understand Pacific Members' views on whether the Outputs and Outcomes relevant to their jurisdiction will be achieved, and whether they have suggestions on improving the design and delivery of technical assistance and training under the programme.
154. Where possible, Pacific Members' input and experience should be considered in the planning and delivery of future training and technical assistance.
155. Members should be encouraged to provide honest and transparent feedback with the understanding that feedback should not have any negative implication on future training and assistance provided to them during the PACD Programme, or for future programmes. This can be achieved through ongoing dialogue with key Pacific Member representatives in which an environment of trust and transparency is continuously encouraged. Facilitators of future training and technical assistance initiatives need to continue to work on building stronger relationships, and must emphasise that constructive feedback (where relevant) is necessary, and in-fact valued, so that future activities are more effectively designed and delivered.

Recommendation 5 – For future development programmes, key recipients of technical assistance and training should have direct input into the activity's design and development.

Priority: High

156. Where appropriate, direct input into future aid programmes' priorities, design and development should be sought from key recipients of the training and technical assistance to be delivered.

157. Engaging key recipients in the programme's initial design may provide several benefits including: (i) empowering recipients through obtaining their "buy-in" regarding the set-up and delivery of activities under the programme, (ii) recipients will have a better understanding of the drivers, priorities and long-term objectives of the programme, and (iii) agencies and DAPs involved in developing the programme may also benefit from an additional perspective or insight which could help better inform the programme's outputs or outcomes.

Recommendation 6: Establishment of a knowledge repository available for access by members

Priority: Medium

158. Several Pacific Members raised infrastructure issues such as poor internet connectivity as a barrier to the effective delivery of virtual technical assistance and training. Other institutional difficulties faced by Pacific Members around lack of staff availability and resources to attend training, were also raised.
159. Creating a knowledge repository comprised of materials such as recordings of training sessions/workshops, training manuals or technical assistance handbooks may alleviate such concerns. Members will be able to access and utilise the relevant information at their own convenience.
160. Of note, other key stakeholders interviewed as part of the Evaluation mentioned that a core element of their technical assistance was developing handbooks and manuals that recipients of their technical assistance training programmes can rely on. These could be kept in the proposed online knowledge repository.

Recommendation 7: Facilitation of more focussed virtual training sessions

Priority: Medium

161. Conducting training and workshops with smaller audiences allows for a more focused approach, and should create an environment that encourages greater involvement, interaction and peer engagement between Pacific Member participants. Also, training consultants/subject matter resources will have more time to respond to questions that may arise in greater detail, contributing to a better understanding of the content by members.
162. This was an issue that was identified by other key stakeholder who were interviewed during the Evaluation. When delivering complex training or technical assistance with a larger audience, it is difficult for consultants to "read the room" and identify whether the recipients of the training and/or technical assistance truly understand the content.
163. This recommendation may also help alleviate the cultural and language issues some Pacific Members raised (see paragraph 128 to 129 above). When arranging more focused training sessions with smaller audiences, consideration should also be given to grouping Pacific Member participants who have similar levels of AML/CFT knowledge and capacity, cultural and language needs, and priorities.

Recommendation 8: Increased coordination when scheduling training and technical assistance delivered to Pacific Island AML/CFT agencies

Priority: Medium

164. Given the small size and limited capacity of Pacific Island agencies, it can be difficult to ensure appropriate staff are available to attend training and workshops. Quite often, staff are stretched thin and having the right people available to attend training and/or engage in technical assistance can be challenging. Also, the impact of the COVID-19 Pandemic on Pacific Island jurisdictions' priorities and the increasing amount of aid and development programmes being delivered in the Pacific, poses further challenges for Pacific Island agencies.
165. Increased coordination and alignment of training and/or technical assistance schedules to Pacific Members' work schedules and priorities can be achieved through ongoing communication and cooperation to develop a flexible technical assistance and training plan. Because some agencies tend to be small and have limited staff availability, it can be challenging to adapt to changing circumstances. Accordingly there should be more emphasis on planning and coordinating delivery of activities to minimise disruption to Pacific Member agencies' workplans.

Recommendation 9 – Working with stakeholders to secure subject matter resources and consultants in advance of the delivery of technical assistance and training, and if possible, during the design stages of future development programmes.

Priority: Medium

166. To alleviate difficulties in identifying appropriate subject matter resources or consultants with requisite AML/CFT knowledge and experience in delivering technical assistance and training, an increased effort to secure resources as early as possible, including in the design stages of future development programmes should be considered. As per discussions with the APG Secretariat, a large number of subject matter resources with the right experience are contracted to AML/CFT government agencies. Accordingly, facilitators of future development programmes should consider entering into more formal arrangements with relevant Pacific AML/CFT agencies which allows access to suitable AML/CFT subject matter resources that can be engaged to deliver technical assistance and training.

Recommendation 10 – consider seeking input from the private sector when developing future technical assistance and training programmes.

Priority: Medium

167. Where appropriate, engaging with relevant private sector stakeholders may assist in informing future development programmes' objectives, outputs and outcomes.
168. Financial institutions and other service providers that are subject to AML/CFT obligations offer a valuable perspective given that they deal with and are accountable to both AML/CFT agencies in the jurisdiction they operate in as well as, their customers.
169. By way of example, with respect to the Pacific region, major global financial institutions may offer unique insights into some of the challenges and factors that are driving banks, remittance providers and other institutions to withdraw their services. This may assist facilitators of future AML/CFT aid programmes while scoping objectives, outcomes and outputs.

Appendix A PACD Programme Evaluation (Terms of Reference)

29 April 2022

1 Background

1. The Asia Pacific Group on Money Laundering (“**APG**”) is an autonomous, multilateral body established by agreement between its 41 member jurisdictions across the Asia Pacific region. The purpose of the APG is to promote a consistent global response to combating money laundering, the financing of terrorism and proliferation financing. In accordance with the Asia/Pacific Group on Money Laundering (APG) Terms of Reference (see <http://www.apgml.org>), the APG Secretariat provides administrative/policy support to the APG Co-Chairs, the APG Governance Committee and the APG membership.
2. In 2017 the APG Secretariat received funding from New Zealand Ministry of Foreign Affairs and Trade (“**MFAT**”), to deliver a five-year technical assistance programme to address illicit financial flows and improve implementation of the anti-money laundering and countering finance of terrorism (“**AML/CFT**”) standards across APG Pacific members - the Pacific Capacity Development programme (the “**PACD Programme**” or the “**Programme**”). In June 2021, the PACD Programme was extended for an additional year, until 30 June 2023.
3. The APG implemented the PACD Programme in accordance with the Australia Federal Police (**AFP**)/APG Hosting Arrangement (the AFP provides administrative support to the APG) and a Grant Agreement with MFAT. In accordance with funding establishment and governance documents, the objective of the PACD Programme is to support economic stability in the Pacific. The outcomes of the programme are:
 - 3.1. Pacific Island jurisdictions are more compliant with international anti money laundering standards, which improves confidence in Pacific Island nations’ economies.
 - 3.2. Regulators and supervisors in Pacific Island jurisdictions have greater capacity to implement anti-money laundering regulations.
 - 3.3. Law enforcement agencies in Pacific Island jurisdictions have greater capacity to investigate and prosecute financial crime.
 - 3.4. Donors and providers across the Pacific region provide assistance in anti-money laundering compliance in a coordinated way.(the “**Outcomes**”)
4. As part of the Programme, APG are expected to deliver the following outputs:
 - 4.1. Establish a dedicated Pacific unit within the APG Secretariat, to provide coordinated support to Pacific Island jurisdictions
 - 4.2. Provide or coordinate the provision of assistance and training in drafting relevant legislation to Pacific Island jurisdictions’ governments to improve compliance with AML regulations
 - 4.3. Provide or coordinate the provision of training and resources to regulators and supervisors of financial and non-financial institutions in Pacific Island jurisdictions to support them to implement AML regulations

4.4. Provide or coordinate the provision of training and resources to law enforcement agencies in Pacific Island jurisdictions to improve their capacity to investigate and prosecute financial crime, and

4.5. Coordinate mentoring and exchanges between Pacific Island jurisdictions to build capacity and cooperation in implementing AML standards.

(the “**Outputs**”)

5. In March 2022, EY were engaged (the “**Evaluation Team**”) to undertake an evaluation of the PACD Programme in accordance with the OECD DAC Network on Development Evaluation (EvalNet) six evaluation criteria²² and the MFAT evaluation operational policy (the “**PACD Evaluation**” or the “**Evaluation**”)

2 Purpose

6. The purpose of the Evaluation is to:

6.1. Objectively assess whether the PACD Programme has been achieving its strategic goals and Outcomes to-date

6.2. Identify the successes but also the challenges that the PACD Programme has faced

6.3. Identify any key lessons to be learnt from the PACD Programme, and

6.4. Provide any recommendations that the PACD Programme may benefit from for the remainder of the Programme.

7. The Evaluation serves to meet APG’s requirement for an “Activity Evaluation Report” of the PACD Programme in accordance with the MFAT’s Evaluation Operational Policy and other guidance materials, the OECD’s development programme evaluation criteria, and the agreed Activity Evaluation Terms of Reference.

8. Furthermore, the Evaluation is intended to strengthen accountability of the Programme’s results, and provide possible avenues for MFAT and the APG Secretariat to continue to partner in the delivery of AML/CFT technical assistance to APG Pacific members.

3 Scope of the Evaluation

9. The Outputs of the Programme (see paragraph 4 above) are expected to be delivered in accordance with the following four strategic goals:

9.1. To be an effective technical assistance cell supporting implementation of the FATF standards and the work of the AML/CFT network in the Pacific

9.2. That Pacific Members’ national AML/CFT regimes are strengthened

9.3. That AML/CFT regulation for the Pacific Members is improved and enforced, and

9.4. The Increased detection, investigation, and prosecution of ML/TF for the Pacific Members.

(the “**Strategic Goals**”)

²² <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

10. To meet the Strategic Goals, the APG are required to implement and deliver various planned technical assistance activities for the relevant Pacific Members. The focus of the Evaluation will be to assess the planned activities as included in the PACD Programme's business plans against the actual activities that were achieved.
11. The Evaluation will assess the progress made for each one of the 11 Pacific Members, looking at what technical assistance was provided for each member against the Programme's objectives.
12. The assessment will cover progress made for each year of the program to-date.
13. The assessment of the Programme's activities will be undertaken in accordance with the OECD DAC Network on Development Evaluation (EvalNet) six evaluation criteria²³, and the MFAT evaluation operational policy. As per OECD guidance and the principles defined for evaluation criteria use, the evaluation criteria will be considered within the broader context of the PACD Programme review. Use of the criteria will be applied only where fit for purpose for the activity evaluation as outlined in Evaluation's Project Plan (the "Evaluation Plan"). The fundamental areas of exploration are: relevance, coherence, effectiveness, efficiency, impact, and sustainability. These criteria and how they will be applied as part of the Evaluation is further explored in the Evaluation Plan.

4 Methodology

14. The evaluation will be undertaken across various stages:

Stage 1: Initial Document review, agreed Terms of Reference and Evaluation Plan

15. An initial review of the PACD Business Plans, Annual Reports and Grant Funding arrangements will be undertaken, which will inform the Terms of Reference ("ToR") and Evaluation Plan.
16. Following the review of the initial documents, an agreed ToR and Evaluation Plan will be finalised and address the following:
 - 16.1. Background to the PACD Programme, including APG's role, MFAT's role, roles of other stakeholders and observers, the objectives of the Programme, the Programme's outputs and the purpose of the Evaluation
 - 16.2. Full list of documentation that needs to be reviewed
 - 16.3. Key evaluation questions to be assessed against the evaluation criteria (relevance, coherence, effectiveness, efficiency, impacts, sustainability)
 - 16.4. The various stakeholders (Reserve Bank of New Zealand, Department of Internal Affairs New Zealand, MFAT, Reserve Bank of Fiji - Financial Intelligence Unit, among other stakeholders) including their interest, role, and involvement in Evaluation
 - 16.5. Design and Methodology of Evaluation including details as to how information will be collected from all stakeholders including the 11 Pacific Members
 - 16.6. An analysis of the risks, limitations and constraints regarding the Evaluation
 - 16.7. A timeline of when different Evaluation stages and milestones are expected to be complete.

²³ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

Stage 2: Field work - further document review and data collection

Further document review

17. Once the ToR and Evaluation Plan have been finalised and shared with the relevant stakeholders, the Evaluation Team will commence a further, comprehensive review of additional documents in addition to the initial documents referred to above in paragraph 16. These include, but are not limited to:
 - 17.1. The Pacific Member Implementation/Technical Overview Plans
 - 17.2. Pacific Member Mutual Evaluation (ME) Reports
 - 17.3. Follow-up ME reports (where applicable)
 - 17.4. The PACD reports including quarterly reports made to MFAT and other stakeholders
 - 17.5. Relevant training and technical assistance material implemented as part of the PACD Programme
 - 17.6. Material obtained from relevant stakeholders as a result of any stakeholder meetings, and
 - 17.7. Any other documents which are relevant to the PACD Programme's activities.

Questionnaire

18. Based on the information collected and reviewed referred to above in paragraph 17, and following meetings with key stakeholders, the Evaluation Team will draft a questionnaire to send to the 11 Pacific Members. The purpose of the questionnaire is to obtain input from the 11 Pacific Members regarding their views on the technical assistance they have been provided from the Programme to-date. The information they provide will inform the OECD DAC assessment criteria for the Evaluation. The questionnaire will be the primary method of data collection.
19. The design and content of the questionnaire will be agreed with the APG. The questionnaires will be:
 - 19.1. A mix of "select the option" based questions but also questions framed in a way that will require a written and descriptive response from the Members, and
 - 19.2. Proposed questions will be different for each member jurisdiction depending on how developed their respective AML/CFT frameworks are and what specific technical assistance activities have been implemented for each member as part of the PACD Programme to-date.
20. The Evaluation Plan contains further detail regarding the mode and delivery of the questionnaire.

Follow up interviews or questions.

21. Depending on the quality of the responses received from the questionnaire, the Evaluation Team will either:
 - 21.1. Require the Pacific Members to provide written answers to follow-up questions, or
 - 21.2. Undertake targeted, focussed interviews with representatives from relevant Pacific Members.

Stage 3: Analysis of Findings and Evaluation Report

22. Once the Evaluation Team has received all required information from Stage 2, an analysis of the responses from the 11 Pacific Members will be undertaken. The analysis will form the basis of the Evaluation Report.
23. An initial draft report will be provided to the APG. A final report will be drafted incorporating any relevant feedback from the APG.

5 Evaluation timeline

24. Below is a table depicting the timeframe in which the Evaluation Team will deliver the key tasks for each stage of the Evaluation.

Key Tasks	Deliverables	Indicative Deliverable Dates
Stage 1 <ul style="list-style-type: none"> ▶ Initial document review and analysis ▶ Draft Terms of Reference and Evaluation Plan ▶ Agreement on final Terms of Reference and Project Plan 	Draft Activity Evaluation Terms of Reference and Evaluation Plan Final Activity Evaluation Terms of Reference and Evaluation Plan	14 April 2022 29 April 2022
Stage 2 <ul style="list-style-type: none"> ▶ Fieldwork ▶ Further comprehensive document review ▶ Design and distribution of survey questionnaire to Pacific Members ▶ Information and data collection from Programme stakeholders and Pacific Members 	Meetings with various stakeholders (MFAT, DIA, NZ RBA) Status meeting update with APG Draft Survey Questionnaire Final Questionnaire and kick off with members Final Survey Questionnaire sent to members Status meeting update with APG Interview questions (only if necessary, on an exceptions basis)	Between 6 April and 12 May 3 May 2022 12 May 2022 19 May 2022 26 May 2022 2 June 2022 20 June 2022
Stage 3 <ul style="list-style-type: none"> ▶ Analysis of field work data including questionnaire responses ▶ Drafting of findings report ▶ Presentation of findings ▶ Final evaluation report 	1 st Draft of Evaluation Report Status meeting update with APG 2 nd Draft of Evaluation Report Final Evaluation Report	1 July 2022 4 July 2022 7 July 2022 15 July 2022

6 Key Documents and Material

25. The APG Secretariat will provide to the Evaluation Team information, documents and particulars relating to the PACD Programme. These will include, but not limited to, the following:
 - 25.1. APG Annual Reports to MFAT
 - 25.2. PACD Programme Business Plans
 - 25.3. APG Mutual Evaluation Reports for Pacific Members

- 25.4. Follow up Mutual Evaluation reports (where relevant)
 - 25.5. PACD Programme grant funding agreement and grant variations
 - 25.6. Pacific Technical Assistance and Training Overviews, and
 - 25.7. Technical Assistance Implementation Plans (where relevant).
26. APG shall make available to the Evaluation Team any other reasonable requests for information and documentation relating to the Evaluation. The Evaluation Team is also expected to independently source other relevant material and literature.
27. Further, throughout the Evaluation, the team may obtain relevant material from MFAT and other stakeholders.

7 Evaluation Team

EY Team Composition

Nick Davison - Engagement Partner

28. Engagement Partner - project oversight and quality and risk management review.

William Saheli - Engagement Manager

29. Lead the delivery of the evaluation report, including defining evaluation success criteria and scoring methodology, running kick-off sessions with member jurisdictions, reviewing questionnaire responses and writing the evaluation report, day-to-day stakeholder management, running status updates, quality and risk management, financial crime subject matter expertise.

Cynthia Wu - Consultant

30. Project and risk management, engagement planning, preparation of questionnaire templates, liaising with member jurisdictions, co-ordinating and consolidating responses, supporting the Engagement Manager to draft and finalise the evaluation report.

Role of EY

31. The roles and responsibilities of EY in relation to this Evaluation are to:
- 31.1. Work with the APG to develop a strategy, ToR and project plan
 - 31.2. Design and develop a guide addressing the research requirements - including, but not limited to questionnaires and any targeted interviews
 - 31.3. Conduct fieldwork as referred to above in paragraph 17 to 21
 - 31.4. If required, lead a post-interview review and meeting (as soon as possible after questionnaires/interviews are completed)
 - 31.5. Provide two draft versions of the Evaluation Report
 - 31.6. Consult with APG after each delivery of the specific draft report
 - 31.7. If required, conduct a presentation with key APG staff with respect to the final Evaluation Report.

Role of the APG Secretariat

32. The role and responsibilities of the APG in relation to this evaluation are:
 - 32.1. In collaboration with EY, develop an evaluation strategy, ToR and Evaluation Plan
 - 32.2. Review draft and provide input into final questionnaire and/or any targeted interview guides
 - 32.3. Provide:
 - 32.3.1. Relevant background information of the APG and the PACD Programme to inform the research.
 - 32.3.2. Contact details of members, relevant stakeholders and research participants.
 - 32.3.3. Primary approach letter/email.
 - 32.3.4. Feedback, comments and direction on all draft versions of the Evaluation Report.
 - 32.3.5. Ongoing support, input, direction and clarification throughout the course of the Evaluation.
 - 32.4. If required, participate in post-interview reviews and meetings.
 - 32.5. If required, participate in the final presentation.
33. The roles and interests of the PACD Programme's key stakeholders and observers has been detailed in the Evaluation Plan

Appendix B PACD Programme Evaluation (Evaluation Plan)

24 May 2022

1 Introduction

1.1 Background and context

1. The Asia Pacific Group on Money Laundering (“**APG**”) is an autonomous, multilateral body established by agreement between its 41 member jurisdictions and observer jurisdiction across the Asia Pacific region. The purpose of the APG is to promote a consistent global response to combating money laundering, the financing of terrorism and proliferation financing. In accordance with the Asia/Pacific Group on Money Laundering (APG) Terms of Reference (see <http://www.apgml.org>), the APG Secretariat provides administrative/policy support to the APG Co-Chairs, the APG Governance Committee and the APG membership.
2. Part of the APG’s role is to facilitate technical assistance and training for its 41 members. To assist, a dedicated semi-formal group of members and observers called the Donors and Providers (“**DAP Group**”) provide funding and/or technical expertise to address the AML/CFT/CPF needs of lower capacity APG jurisdictions through the provision of technical assistance and training across the Asia/Pacific region.

The PACD Programme

3. In 2017 the APG Secretariat received funding from New Zealand Ministry of Foreign Affairs and Trade (MFAT), to deliver a five-year technical assistance programme to address illicit financial flows and improve implementation of AML/CFT standards across the following 11 APG Pacific members (the “**Pacific Members**”):
 - 3.1. Cook Islands
 - 3.2. Fiji
 - 3.3. Marshall Islands
 - 3.4. Nauru
 - 3.5. Niue
 - 3.6. Palau
 - 3.7. Papua New Guinea
 - 3.8. Samoa
 - 3.9. Solomon Islands
 - 3.10. Tonga, and
 - 3.11. Vanuatu

(the “PACD Programme” or the “Programme”)
4. A key driver underlying the Programme is to help improve financial market confidence in Pacific Island jurisdictions, encouraging banks and other financial service providers to continue to operate and invest and reducing financial sector risks in the region, particularly in areas such as trade, tourism and remittance. It is anticipated that strengthening the AML/CFT regulations and frameworks for the Pacific Members and improving compliance with international AML/CFT standards among Pacific Island jurisdictions, will boost confidence in local economies and create a more stable environment for international financial institutions to invest.

5. The APG is implementing PACD Programme in accordance with the Australian Federal Police (the “AFP” or the “Agency”) Hosting Arrangement (the AFP provides administrative support to the APG) and Grant Agreement with MFAT. Under the Grant Agreement, MFAT committed to provide the AFP (on behalf of APG Secretariat) up to NZD3,600,000 in funding to facilitate the PACD Programme. The agreed outcomes and outputs for the Programme were included in the Grant Funding Agreement and are explored further below. In June 2021, the PACD Programme was extended for an additional year, until 30 June 2023.

6. In accordance with funding establishment and governance documents, the objective of the PACD Programme is to support economic stability in the Pacific region. The outcomes of the Programme are:
 - 6.1. Pacific Island jurisdictions are more compliant with international anti money laundering standards, which improves confidence in Pacific Island jurisdictions economies.
 - 6.2. Regulators and supervisors in Pacific Island jurisdictions have greater capacity to implement anti-money laundering regulations.
 - 6.3. Law enforcement agencies in Pacific Island jurisdictions have greater capacity to investigate and prosecute financial crime.
 - 6.4. Donors and providers across the Pacific region are providing assistance in anti-money laundering compliance in a coordinated way.

(the “Outcomes”)

7. As part of the Programme, APG are expected to deliver the following outputs:
 - 7.1. Establish a dedicated Pacific unit within the APG Secretariat, to provide coordinated support to Pacific Island jurisdictions (the “Pacific Cell”)
 - 7.2. Provide or coordinate the provision of assistance and training in drafting relevant legislation to Pacific Island jurisdiction governments to improve compliance with AML regulations
 - 7.3. Provide or coordinate the provision of training and resources to regulators and supervisors of financial and non-financial institutions in Pacific Island jurisdictions to support them to implement AML regulations
 - 7.4. Provide or coordinate the provision of training and resources to law enforcement agencies in Pacific Island jurisdictions to improve their capacity to investigate and prosecute financial crime, and
 - 7.5. Coordinate mentoring and exchanges between Pacific Island jurisdictions to build capacity and cooperation in implementing AML standards.

(the “Outputs”)

The Evaluation

8. In March 2022, EY were engaged (the “Evaluation Team”) to undertake an evaluation of the PACD Programme in accordance with the OECD DAC Network on Development

Evaluation (EvalNet) six evaluation criteria²⁴ and the MFAT evaluation operational policy (the “PACD Evaluation” or the “Evaluation”).

1.2 Evaluation purpose

9. The Purpose of the Evaluation is to:
 - 9.1. Objectively assess whether the PACD Programme has been achieving its strategic goals and Outcomes to-date
 - 9.2. Identify the successes but also the challenges that the PACD Programme has faced
 - 9.3. Identify any key lessons to be learnt from the PACD Programme, and
 - 9.4. Provide any recommendations that the PACD Programme may benefit from for the remainder of the Programme.
10. The Evaluation also serves to meet APG’s requirement for an “Activity Evaluation Report” of the PACD Programme in accordance with the MFAT’s evaluation operational policy and other guidance materials, the OECD’s development programme evaluation criteria, and the agreed Activity Evaluation Terms of Reference.
11. Furthermore, the Evaluation is intended to strengthen accountability of the Programme’s results and provide possible avenues for MFAT and the APG Secretariat to continue to partner in the delivery of AML/CFT technical assistance to APG Pacific members.
12. In essence, the Evaluation will objectively assess and measure whether the PACD Programme has, to-date, achieved its Outputs, in accordance with the following PACD strategic goals in place for Pacific Members:
 - 12.1. **Strategic Goal 1:** be an effective technical assistance cell supporting implementation of the FATF standards and the work of the global AML/CFT network in the Pacific
 - 12.2. **Strategic Goal 2:** national AML/CFT regimes are strengthened
 - 12.3. **Strategic Goal 3:** AML/CFT regulation is improved and enforced, and
 - 12.4. **Strategic Goal 4:** increased detection, investigation and prosecution of ML/TF.

1.3 Scope of the evaluation

13. The PACD Evaluation will be carried out in accordance with the OECD DAC Network on Development Evaluation (EvalNet) six evaluation criteria.²⁵ The fundamental areas that the Evaluation will focus on, are as follows:
 - ▶ **Relevance:** The extent to which the PACD Programme’s objectives and design respond to APG Pacific Members’ AML/CFT needs and APG partner/institution’s needs, policies, and priorities.
 - ▶ **Coherence:** The compatibility of the PACD Programme with other AML/CFT related projects/activities in the Pacific and/or individual Pacific jurisdictions.

²⁴ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

²⁵ <https://www.oecd.org/dac/evaluation/daccriteriaforevaluatingdevelopmentassistance.htm>

- ▶ Effectiveness: The extent to which the PACD Programme has achieved, or is expected to achieve, its Outcomes and Outputs.
 - ▶ Efficiency: The extent to which the PACD Programme delivers, or is likely to deliver, results in an economic and timely way.
 - ▶ Impact: The extent to which the PACD Programme has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.
 - ▶ Sustainability: The extent to which the net benefits of the PACD Programme continue, or are likely to continue.
14. As per OECD guidance and the principles defined for evaluation criteria use, the evaluation criteria will be considered within the broader context of the PACD Programme review. Use of the criteria will be applied only where fit for purpose for the Evaluation.
15. The Evaluation will analyse “planned vs actual” technical assistance activities that have been implemented to-date as part of the Programme. The scope of the analysis will be based on the OECD evaluation criteria defined above.

What is not in scope?

16. The Evaluation will not be assessing whether the Outcomes and Outputs that were agreed between the APG and MFAT were appropriate to begin with (i.e. were the selected Outcomes and Outputs “the right ones” for meeting the underlying goals of the PACD Programme when the Programme was initially set up). However, the Evaluation will be assessing the *relevancy* of the PACD Programme’s objectives.
17. Furthermore, the Evaluation will not be assessing whether the drivers underlying the Programme, including whether the goal of improving the financial market confidence in Pacific Island jurisdictions, and encouraging banks and other financial service providers to continue to operate and invest and reducing financial sector risks in the region have been met. This wider, overarching objective is not in the scope of the Evaluation.

2 Evaluation Design and Methodology

2.1 Key evaluation questions

18. The following areas of focus / key questions will form the Evaluation criteria and will assist in preparing the proposed field work, including collection of information from the Pacific Members.

Relevance: To what extent do the PACD Programme’s objectives and design respond to APG Pacific Members’ AML/CFT needs and MFAT’s needs, policies, and priorities?

- ▶ Areas of focus/key question: whether technical assistance activities undertaken addressed the AML/CFT needs of Pacific Members.
- ▶ Areas of focus/key question: How aligned were the delivered PACD activities and outputs with the priorities of the relevant Pacific Members and MFAT?
- ▶ Areas of focus/key question: Were all relevant members and stakeholders taken into consideration during the design and development of the programme to ensure completeness.

Effectiveness: To what extent has the PACD Programme achieved, or is expected to achieve, its Outcomes and Outputs?

- ▶ Areas of focus/key question: Whether the planned technical assistance and training activities have been implemented in accordance with the PACD Programme's objectives (expected vs actual).
- ▶ Areas of focus/key question: Whether technical assistance and training delivered met the AML/CFT requirements of the relevant Pacific Members.
- ▶ Areas of focus/key question: The degree to which the technical assistance delivered strengthened Pacific Members' ability to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction and other profit motivated criminal offending.

Efficiency: To what extent has the PACD Programme delivered, or is likely to deliver, results in an economic and timely way?

- ▶ Areas of focus/key question: Were technical assistance and training activities cost effective in their delivery and implementation?
- ▶ Areas of focus/key question: Was the MFAT's funding used in an appropriate and reasonable manner?
- ▶ Areas of focus/key question: Was technical assistance, training and other support provided to the members in a timely and reliable manner in accordance with the Programme's timeline?

Coherence: How compatible is the PACD Programme with other AML/CFT related projects/activities in the Pacific and/or individual Pacific jurisdictions?

- ▶ Areas of focus/key question: How well did the PACD programme fit in relation to other AML/CFT initiatives that were undertaken or is presently still ongoing in the Pacific region?
- ▶ Areas of focus/key question: Does the PACD programme complement and/or support other AML/CFT initiatives in the Pacific region and other relevant Pacific Regional bodies/organisations, and vice versa?
- ▶ Areas of focus/key question: Does the Programme undermine or conflict with other AML/CFT initiatives in the region, and vice versa?

Impact: To what extent has the PACD Programme generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects?

- ▶ Areas of focus/key question: What tangible difference (expected and/or unexpected) has the Programme made, or is likely to have, on the final beneficiaries including Pacific Member stakeholders.

Sustainability: To what extent are the net benefits of the PACD Programme continuing, or are likely to continue?

- ▶ Areas of focus/key question: Was sustainability addressed at the design stage and during the programme, and what are the major factors (including risks) influencing sustainability?
- ▶ Areas of focus/key question: Are the necessary capacities and systems (financial, social, institutional, etc.) in place to sustain the project results over time?
- ▶ Areas of focus/key question: What follow-up activities, if any, are planned and/or required to sustain these results over time?

2.2 Methodology

19. The Evaluation will use a mixed methods approach to collecting and analysing data - combining information obtained from document review, Pacific Member questionnaires, targeted interviews and meetings with relevant stakeholders.
20. The analysis and collection of data is broken up into 3 primary stages. Of note, there will be some overlap between the 3 stages given there will be ongoing tasks that will flow from one stage to the next.

STAGE 1 - Programme Scope and Setup

Initial Document review

21. To effectively draft the Terms of Reference and Evaluation Plan, a review of the PACD business plans, annual reports and grant funding arrangements will initially be undertaken.

Stakeholder meetings

22. There are a number of stakeholders including APG members and observers who have a direct or indirect involvement with the Programme. A table outlining each stakeholder and their role in the Programme has been summarised below at paragraph 42.
23. The evaluation team will meet with various stakeholders (see list of stakeholders in paragraph 42 below) to obtain any stakeholder specific information or documents that may be relevant to the objectives of the PACD Programme and the Evaluation, including but not limited to:
 - 23.1. Historical basis and drivers of the Programme
 - 23.2. Involvement in setting up objectives and outputs of the Programme
 - 23.3. Extent of dealings with Pacific Members, and
 - 23.4. Previous experiences working with Pacific Members on other similar development programmes.
24. As part of Stage 1, the evaluation team will draft and finalise an agreed Terms of Reference ("ToR") and Evaluation Plan.

STAGE 2 - Field Work

Further document review

25. Upon finalising the ToR and Evaluation Plan, the evaluation team will undertake a further comprehensive document review of additional material relevant to the PACD Programme. The primary objective of this review is to ensure all information that will assist in the scope and design of the Pacific Member questionnaires has been identified. As at the date of this Evaluation Plan, the additional documents that will form part of the review include:
 - 25.1. The Technical Assistance Overviews and member Implementation Plans (where applicable)
 - 25.2. APG Mutual Evaluation (ME) Reports for the Pacific Members
 - 25.3. Follow-up ME reports (where applicable)
 - 25.4. the PACD Programme reports including quarterly reports made to MFAT and other stakeholders

- 25.5. Training and technical assistance material implemented as part of the PACD Programme, and
 - 25.6. Any other documents which outline activities achieved as part of the PACD programme.
26. As the Evaluation progresses, it is anticipated that there will be other documents in addition to those identified above that will form part of the review. These documents will be referenced in the Final Evaluation report.

Survey questionnaire

27. The Evaluation Team will commence drafting a survey questionnaire for members. The questionnaires will:
- 27.1. Be based on a comprehensive review of the intended/planned technical assistance activities for each member against what activities were delivered/achieved
 - 27.2. Be a mix of “select the option” based questions but also written, descriptive based questions. Questions will be a combination of open, closed and probing questions
 - 27.3. Be, in some parts, different for each member jurisdiction depending on what activities have been undertaken for each specific member (for example, some have had more deliverables achieved, while some are more developed than others)
 - 27.4. Will take into consideration the relevant Pacific Member’s resources and how developed their AML/CFT frameworks are, and
 - 27.5. Inform the Evaluation questions identified above in paragraph 18.
28. The APG and stakeholders will have input into the final design and methodology of the agreed survey questionnaire (see table at paragraph 42 below).

Analyse responses from questionnaires

29. Once received, the Evaluation Team will analyse the questionnaire responses. An assessment will be made as to whether responses adequately address the questions, and sufficiently inform the Evaluation criteria.

Further follow-up questions or undertake targeted interviews

30. As outlined in the agreed Statement of Work (Work Order) between the APG and EY, it is anticipated that the responses obtained from questionnaires will be considered final. Accordingly, the questionnaires need to be drafted as accurately and efficiently as possible so to elicit the required information from Pacific Members.
31. However, the team acknowledges there is a risk that responses to the questionnaires may not be sufficient. If so, the team will then consider:
- 31.1. Requesting the relevant member(s) to provide additional context/information concerning any outstanding questions, or
 - 31.2. Conducting targeted, focussed follow-up interviews with the relevant member(s).
32. For any interviews held with Pacific Members, notes will be circulated back with the APG Pacific Cell to ensure outcomes have been captured accurately and completely.

STAGE 3 - Analysis and Reporting

Assess and analyse final responses

33. Once the Field Work in Stage 2 is complete, the team will then undertake a final analysis of the responses received from Pacific Members. A collective assessment of all the information obtained from Stages 1 and 2 will be collated and measured against the Evaluation criteria.
34. The Evaluation team will work closely with the APG to create a scoring methodology (aligned to the OECD criteria) which will be used to assess performance of the programme. The team will in this stage of the approach draft this methodology, to be iterated and agreed upon by APG prior to use as part of the review.

Draft and Final Evaluation Report

35. The team will draft an Evaluation Report containing its findings. The team will provide a draft report to the APG and stakeholders for their observations and hold a feedback session to go through the draft report. Where applicable and appropriate, the APG's and stakeholders' observations will be incorporated into the draft report and sent to the APG for their further review. Upon receiving a second draft, the team will incorporate any final, appropriate changes and finalise the report.
36. A "skeleton" structure of what the Evaluation Report may look like has been included at **Appendix A**. As the Evaluation progresses, it is anticipated that the final evaluation template may change.

2.3 Information collection

37. The following table summarises the type of information that will be required to answer the questions underlying the Evaluation criteria, the source of that information and how that information will be obtained.

Question	Type of Information required	Information source	Method of Data Collection
Relevance			
To what extent did the PACD's Programme's objectives and design respond to APG Pacific Members' AML/CFT needs and MFAT's needs, policies and priorities?	<ul style="list-style-type: none"> ▶ Whether the technical assistance activities undertaken addressed the AML/CFT needs of Pacific Members. ▶ How aligned were the delivered activities and outputs with the priorities of the relevant Pacific Members and MFAT? ▶ Were all relevant members and stakeholders taken into consideration during the design and development of the programme to ensure completeness. 	People <ul style="list-style-type: none"> ▶ APG Secretariat ▶ MFAT ▶ Pacific Members ▶ Secondary Stakeholder, where required Documents <ul style="list-style-type: none"> ▶ PACD Activity Reports ▶ PACD Annual Reports ▶ Grant Funding Agreements ▶ MFAT - NZ Aid documents relevant to the PACD Programme 	<ul style="list-style-type: none"> ▶ Documents: APG request for information and documents. ▶ Meetings: discussions with MFAT. ▶ Surveys: Pacific Member survey/questionnaires. ▶ Interviews: Pacific Member interviews on a targeted, exceptions basis. ▶ Survey and interviews with Secondary Stakeholder, where required
Effectiveness			

Question	Type of Information required	Information source	Method of Data Collection
<p>To what extent has the PACD Programme achieved, or is expected to achieve, its Outcomes and Outputs?</p>	<ul style="list-style-type: none"> ▶ Whether the planned technical assistance activities have been implemented in accordance with the PACD Programme's strategic goals (expected vs actual). ▶ Whether Pacific Members are satisfied with the level of technical assistance and training they received as part of the PACD Programme. ▶ Whether technical assistance delivered met the AML/CFT requirements of the relevant Pacific Members. ▶ The degree to which technical assistance delivered strengthened Pacific Member's ability to combat money laundering and terrorist financing, as well as the financing of proliferation of weapons of mass destruction and other profit motivated criminal offending. ▶ What evidence exists of achievement of the Programme's strategic goals and improved capability in countering ML/TF in the Pacific region? 	<p>People</p> <ul style="list-style-type: none"> ▶ APG Secretariat ▶ MFAT ▶ Pacific Members ▶ Secondary Stakeholders, where required <p>Documents</p> <ul style="list-style-type: none"> ▶ PACD Activity Reports ▶ PACD Annual Reports ▶ Pacific Island Jurisdiction Overviews ▶ MFAT quarterly reports ▶ FATF ME reports 	<ul style="list-style-type: none"> ▶ Documents: APG request for information and documents. ▶ Meetings: discussions with MFAT. ▶ Surveys: Pacific Member survey/questionnaires. ▶ Interviews: Pacific Member interviews on a targeted, exceptions basis. ▶ Survey and interviews with Secondary Stakeholder, where required
Efficiency			
<p>To what extent has the PACD Programme delivered, or is likely to deliver, results in an economic and timely way.</p>	<ul style="list-style-type: none"> ▶ Were initiatives and activities cost effective in their delivery and implementation? ▶ Could a similar level of productivity be achieved/maintained at a lower budget? ▶ Was the MFAT's funding used in an appropriate and reasonable manner? ▶ Were underspent resources effectively directed towards other pressing requirements? ▶ Was technical assistance, training and other support provided to the members in a timely and reliable manner in accordance with the Programme's timeline? 	<p>People</p> <ul style="list-style-type: none"> ▶ APG Secretariat ▶ MFAT ▶ Pacific Members ▶ Secondary Stakeholders, where required <p>Documents</p> <ul style="list-style-type: none"> ▶ PACD Activity Reports ▶ PACD Annual Reports ▶ Pacific Island Jurisdiction Overviews ▶ MFAT quarterly reports 	<ul style="list-style-type: none"> ▶ Documents: APG request for information and documents. ▶ Meetings: discussions with MFAT. ▶ Surveys: Pacific Member survey/questionnaires. ▶ Interviews: Pacific Member interviews on a targeted, exceptions basis. ▶ Survey and interviews with Secondary Stakeholder, where required

Question	Type of Information required	Information source	Method of Data Collection
Coherence			
How compatible is the PACD programme with other AML/CFT related projects/activities in the Pacific and/or individual Pacific jurisdictions?	<ul style="list-style-type: none"> ▶ How well did the PACD Programme fit in relation to other AML/CFT initiatives that were undertaken or is presently still ongoing in the Pacific region? ▶ Does the PACD Programme complement and/or support other AML/CFT initiatives in the Pacific region and other relevant Pacific Regional bodies/organisations, and vice versa? ▶ Does the Programme undermine or conflict with other AML/CFT initiatives in the region, and vice versa? 	People <ul style="list-style-type: none"> ▶ APG Secretariat ▶ MFAT ▶ DIA, NZRB, IMF ▶ Pacific Members 	<ul style="list-style-type: none"> ▶ Meetings: discussions with MFAT and other stakeholders and observers including DIA, NZRB, and the IMF. ▶ Surveys: Pacific Member survey/questionnaires. ▶ Interviews: Pacific Member interviews on a targeted, exceptions basis.
Impact			
To what extent has the PACD Programme generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects?	<ul style="list-style-type: none"> ▶ What tangible difference (expected and/or unexpected) has the Programme made, or is likely to have, on the final beneficiaries including Pacific Member stakeholders. 	People <ul style="list-style-type: none"> ▶ APG Secretariat ▶ MFAT ▶ Pacific Members Documents <ul style="list-style-type: none"> ▶ PACD Activity Reports ▶ PACD Annual Reports ▶ Pacific Island Jurisdiction Overviews ▶ MFAT quarterly reports 	<ul style="list-style-type: none"> ▶ Documents: APG request for information and documents. ▶ Meetings: discussions with MFAT. ▶ Surveys: Pacific Member survey/questionnaires. ▶ Interviews: Pacific Member interviews on a targeted, exceptions basis. ▶ FATF ME reports and follow up reports

Question	Type of Information required	Information source	Method of Data Collection
Sustainability			
To what extent are the net benefits of the PACD Programme continuing, or are likely to continue?	<ul style="list-style-type: none"> ▶ To what extent are the benefits of the project continuing, or are likely to continue over the longer term, after the end of the Programme/funding? ▶ Was sustainability addressed at the design stage and during the Programme, and what are the major factors (including risks) influencing sustainability? ▶ Are the necessary capacities and systems (financial, social, institutional, etc.) in place to sustain the project results over time? ▶ What follow-up activities, if any, are planned and/or required to sustain these results over time? 	People <ul style="list-style-type: none"> ▶ APG Secretariat ▶ MFAT ▶ Pacific Members Documents <ul style="list-style-type: none"> ▶ PACD Activity Reports ▶ PACD Annual Reports ▶ Pacific Island Jurisdiction Overviews ▶ MFAT quarterly reports 	<ul style="list-style-type: none"> ▶ Documents: APG request for information and documents. ▶ Meetings: discussions with MFAT. ▶ Surveys: Pacific Member survey/questionnaires. ▶ Interviews: Pacific Member interviews on a targeted, exceptions basis. ▶ APG ME reports and follow up reports.

3 Evaluation Schedule and Deliverables

3.1 Key tasks and deliverables

38. The following table outlines the key tasks to be completed and deliverables to be met over the Evaluation timeline.
39. Within each stage, there will be day-to-day tasks that fall under each of key tasks below. Timelines as to when these day-to-day tasks will be delivered are not specified in the following table, and will be determined and communicated to the APG Pacific Cell as the Evaluation progresses.

Key Tasks	Deliverables	Indicative Deliverable Dates
Stage 1 <ul style="list-style-type: none"> ▶ Initial document review and analysis ▶ Draft Terms of Reference and Evaluation Plan ▶ Agreement on final Terms of Reference and Project Plan 	Draft Activity Evaluation Terms of Reference and Evaluation Plan Final Activity Evaluation Terms of Reference and Evaluation Plan	14 April 2022 29 April 2022
Stage 2 <ul style="list-style-type: none"> ▶ Fieldwork ▶ Further comprehensive document review ▶ Design and distribution of survey questionnaire to Pacific Members ▶ Information and data collection from Programme stakeholders and Pacific Members 	Meetings with various stakeholders (MFAT, DIA, NZRB and the IMF) Status meeting update with APG Draft Survey Questionnaire Final Questionnaire and kick off with members Final Survey Questionnaire sent to members Status meeting update with APG Interview questions (only if necessary, on an exceptions basis)	Between 6 April and 12 May 3 May 2022 12 May 2022 19 May 2022 26 May 2022 2 June 2022 20 June 2022

Key Tasks	Deliverables	Indicative Deliverable Dates
Stage 3 <ul style="list-style-type: none"> ▶ Analysis of field work data including questionnaire responses ▶ Drafting of findings report ▶ Presentation of findings ▶ Final evaluation report 	1 st Draft of Evaluation Report Status meeting update with APG 2 nd Draft of Evaluation Report Final Evaluation Report	1 July 2022 4 July 2022 7 July 2022 15 July 2022

3.2 Reporting to APG

40. Ongoing and regular progress reporting will be provided to the APG to ensure the Evaluation is carried out in accordance with expectations, standards and budget. APG will be made aware of unanticipated and significant issues that may arise throughout the process of the Evaluation as soon as practicable.
41. Formal status communication updates will primarily take place through proposed monthly status update meetings, with the agenda to be agreed upon ahead of time with key stakeholders, and management information (MI) reporting produced to outline progress made to date, key next steps and activities, as well as identified risks, issues and dependencies with a pathway to timely resolution.

4 Evaluation Stakeholders

42. The following table outlines the Evaluation stakeholders, their role, interest, constraints and anticipated involvement in the Evaluation.

Stakeholder	Role and Interest	Issues/constraints/conflict of interest	Involvement/participation
New Zealand government ,through Ministry of Foreign Affairs and Trade (MFAT)	MFAT is the primary stakeholder of the Evaluation and donor of the PACD Programme.	<p>Possible conflict of interest risk given that MFAT is the primary donor and is funding the Programme, and accordingly has a vested interest in the success of the Programme.</p> <p>Risk is managed given that MFAT's role is to provide information that informs and supports the Evaluation process, and will not be involved in the assessment of information obtained as part of the Evaluation, including responses received from the Pacific Members.</p> <p>No known constraints/issues inhibiting the MFAT's involvement in the Evaluation.</p> <p>See also limitations, risks and constraints as discussed in paragraph 44.</p>	<p>MFAT's involvement will be to support the Evaluation team in understanding the history, background, and key drivers of the Programme, to provide information regarding the extent of its involvement with APG Pacific Members and experiences with Pacific Members as part of other development projects.</p> <p>MFAT's involvement to be facilitated by stakeholder meetings, and the provision of any relevant documentation.</p> <p>MFAT's involvement may also include review of key documents underlying the project deliverables.</p>
Pacific Members	Pacific Members are all primary stakeholders with respect to this Evaluation. Their role is to provide the Evaluation team with	Notable limitations, risks and constraints as discussed in paragraph 44.	The Pacific Members' will participate in kick-off meeting and survey questionnaires as well as any targeted interviews, if necessary.

Stakeholder	Role and Interest	Issues/constraints/conflict of interest	Involvement/participation
	information that will inform the Evaluation.		
APG Secretariat	APG Secretariat is a primary stakeholder that is facilitating the Evaluation and is responsible for delivering the PACD Programme.	<p>Possible conflict of interest risk given that the Evaluation will be assessing whether the APG Secretariat has delivered the PACD Programme in accordance with evaluation criteria.</p> <p>Risk to be managed by limiting involvement of the key Pacific Cell staff responsible for managing the Programme.</p> <p>No known constraints inhibiting the APG Secretariat's involvement in the Evaluation.</p> <p>See also limitations, risks and constraints as discussed in paragraph 44.</p>	APG Secretariat to be involved in the Evaluation throughout its lifecycle. Participation includes but is not limited to, review of key documents underlying the project deliverables, facilitate contact with stakeholders, providing ongoing support, input, direction and clarification throughout the course of the project (see paragraph 47 for further details).
Department of Internal Affairs New Zealand (DIA)	<p>DIA is a key stakeholder with respect to this Evaluation.</p> <p>DIA is one of the government authorities responsible for AML/CFT regulation and supervision in New Zealand and has supported the delivery of technical assistance activities under the Programme.</p> <p>In addition, DIA provide a range of AML/CFT related assistance to APG Pacific members.</p> <p>As DIA provides a range of AML/CFT related assistance to APG Pacific members, the Evaluation's findings may be of interest to DIA.</p>	<p>Possible conflict of interest risk given DIA has supported the delivery of technical assistance activities under the Programme.</p> <p>Risks managed as DIA's input will be through key stakeholder meetings and focused on supporting the Evaluation Team apply the OECD criteria in the Pacific AML/CFT context.</p> <p>No known constraints/issues inhibiting the DIA's involvement in the Evaluation.</p> <p><i>Note: New Zealand may also be a secondary stakeholder under the general grouping of Non-Pacific APG Members/Observers and/or members of the APG's Donor and Providers Group (see below).</i></p>	<p>DIA's involvement will be to participate in stakeholder meetings with the Evaluation team. Key input from the DIA may include, but is not limited to: 1. Their involvement and/or experience with other AML/CFT development projects or initiatives in the Pacific; 2. Extent of their dealings with the Pacific Members and the most efficient way to facilitate information from any relevant members; and 3. Input or assistance in structuring/framing the member questionnaires.</p> <p>DIA's involvement may also include review of key documents underlying the project deliverables.</p>
Reserve Bank of New Zealand (RBNZ)	<p>RBNZ is a key stakeholder with respect to this Evaluation.</p> <p>RBNZ is one of the government authorities responsible for AML/CFT regulation and supervision in New Zealand and has supported the delivery of technical assistance activities</p>	<p>Possible conflict of interest risk given RBNZ has supported the delivery of technical assistance activities under the Programme.</p> <p>Risks managed as RBNZ's input will be through key stakeholder meetings and focused on supporting the Evaluation Team apply the OECD criteria in the Pacific AML/CFT context.</p> <p>No known constraints/issues inhibiting the RBNZ's</p>	<p>RBNZ involvement will be to participate in stakeholder meetings with the Evaluation team. Key input from the RBNZ may include but is not limited to 1. Their involvement and/or experience with other similar AML/CFT development projects or initiatives in the Pacific; 2. Extent of their dealings with the Pacific Members and the most efficient way to facilitate information from any relevant members; and 3. Input or assistance in structuring/framing the member questionnaires.</p> <p>RBNZ's involvement may also include review of key documents underlying the project deliverables.</p>

Stakeholder	Role and Interest	Issues/constraints/conflict of interest	Involvement/participation
	<p>under the Programme.</p> <p>In addition, RBNZ has an ongoing MFAT funded Pacific Programme focused on the remittance sector.</p> <p>As RBNZ provides a range of AML/CFT related assistance to APG Pacific members, the Evaluation's findings may be of interest to RBNZ.</p>	<p>involvement in the Evaluation.</p> <p><i>Note: New Zealand may also be a secondary stakeholder under the general grouping of Non-Pacific APG Members/Observers and/or members of the APG's Donor and Providers Group (see below).</i></p>	
Fiji Financial Intelligence Unit (Fiji FIU)	<p>Fiji FIU is a key stakeholder with respect to this Evaluation.</p> <p>Fiji FIU is the government authority responsible for financial intelligence and AML/CFT regulation and supervision functions in Fiji.</p> <p>Fiji FIU is a recipient of technical assistance under the Programme.</p>	<p>Possible conflict of interest risk given Fiji FIU has received technical assistance under the Programme.</p> <p>Risks managed as Fiji FIU's input will be through key stakeholder meetings and focused on supporting the Evaluation Team apply the OECD criteria in the Pacific AML/CFT context.</p> <p><i>Note: Fiji is also a primary stakeholder under the general grouping of APG Pacific members (see above).</i></p>	<p>Fiji FIU's involvement will be to participate in stakeholder meetings with the Evaluation team. Key input from the Fiji FIU may include but is not limited to 1. Their involvement and/or experience with other similar AML/CFT development projects or initiatives in the Pacific; 2. Extent of their dealings with the Pacific Members and the most efficient way to facilitate information from any relevant members; and 3. Obtaining feedback regarding the evaluation team's approach to obtaining information from the Pacific members</p> <p>Fiji FIU's involvement may also include review of key documents underlying the project deliverables.</p>
Cook Islands Financial Supervisory Commission (Cook Islands FSC)	<p>Cook Islands FSC is a key stakeholder with respect to this Evaluation.</p> <p>Cook Islands FSC is a government authority responsible for AML/CFT regulation and supervision functions in the Cook Islands.</p> <p>Cook Islands FSC has been the receipt of technical assistance activities under the Programme.</p>	<p>Possible conflict of interest risk given Cook Islands FSC has received technical assistance activities under the Programme.</p> <p>Risks managed as Cook Islands FSC's input will be through key stakeholder meetings and focused on supporting the Evaluation Team apply the OECD criteria in the Pacific AML/CFT context.</p> <p><i>Note: The Cook Islands is also a primary stakeholder under the general grouping of APG Pacific members (see above).</i></p>	<p>Cook Islands FSC's involvement will be to participate in stakeholder meetings with the Evaluation team. Key input from the Cook Islands FSC will include but is not limited to 1. Their involvement and/or experience with other similar AML/CFT development projects or initiatives in the Pacific; 2. Extent of their dealings with the Pacific Members and the most efficient way to facilitate information from any relevant members; and 3. Obtaining feedback regarding the evaluation team's approach to obtaining information from the Pacific members</p> <p>Cook Island FSC's involvement may also include review of key documents underlying the project deliverables.</p>
Non-Pacific APG Members/Observers and/or members of the APG's Donor and Providers Group	<p>Non-Pacific APG Members and/or members of the APG's Donor and Providers Group are secondary stakeholders with respect to this Evaluation.</p> <p>To differing degrees these stakeholders support APG technical assistance activities and/or provide AML/CFT technical</p>	<p>Possible conflict of interest risks given the history of support to the APG and/or ongoing projects in the Pacific.</p>	<p>Engagement of these stakeholders will be on a case-by-case basis (as agreed by the APG and the Evaluation Team) where required to support the Evaluation.</p>

Stakeholder	Role and Interest	Issues/constraints/conflict of interest	Involvement/participation
	<p>assistance to APG Pacific members (e.g., Australia).</p> <p>As these stakeholders provides a range of AML/CFT related assistance to APG members, the Evaluation's findings may be of interest to them.</p>		

5 Other Considerations in the Evaluation

5.1 Ethical considerations

43. The ethical considerations relevant to the Evaluation include:
- 43.1. Confidentiality: the Evaluation team will ensure that all information obtained from the Pacific Members will be kept confidential, and only used for informing the Evaluation findings.
 - 43.2. Culture considerations: the questionnaire and interactions with the Pacific Members will be respectful, warm and conducted in plain English, bearing in mind that English is not the primary language in many Pacific jurisdictions, and that many recipients of the questionnaire are senior officials, high ranking political figures or tribal leaders in their jurisdiction.
 - 43.3. Participant learning: The questionnaire and interactions with the Pacific Members will provide an opportunity for APG Members and Observers to engage and be a key contributor to identifying the successes, challenges and lessons learnt regarding the PACD Programme.
 - 43.4. Open and honest communication: reasonable efforts will be taken to try and create a transparent environment that will encourage APG Members and Observers to communicate openly and honestly regarding the PACD Programme's successes and challenges.
 - 43.5. Availability & Transparency: Evaluation findings are available to all stakeholders: the primary stakeholder for this report is the New Zealand government, through MFAT. The report will also be shared initially with the APG Secretariat, Pacific members, APG Co-Chairs and APG Donors and Providers Group Members.

5.2 Limitations, risks and constraints

44. The following table lists the limitations, risks and constraints concerning the Evaluation. Proposed mitigation mechanisms against potential or actual risks, limitations and constraints (e.g. around methodology, evaluation process), their likely effect on the evaluation and how they will be managed/mitigated.

No	Potential Risk/limitation/constraint	Proposed mitigation mechanism(s)
1	Differing risk profiles and levels of sophistication of APG Pacific members.	<ul style="list-style-type: none"> ▶ Agree up front the best way to engage with each Pacific Member, which will essentially be by written survey questionnaire. A kick-off session to be held with representatives from each member jurisdiction to go through the structure of questionnaire. ▶ Understand how questions may need to be tailored in some instances to account for different risk profiles of the Pacific Member (e.g. mandatory

No	Potential Risk/limitation/constraint	Proposed mitigation mechanism(s)
		<p>responses, optional extra questions, or inclusion of additional questions if relevant).</p> <ul style="list-style-type: none"> ▶ Take into key consideration how advanced is each particular Pacific Members' AML/CFT framework is. This can be informed by analysing the status of the APG Mutual Evaluations Reports, and by looking at the degree of technical assistance provided for each particular jurisdiction.
2	Risk that the quality of responses to survey questionnaires are not adequate.	<ul style="list-style-type: none"> ▶ Ensure that design of the survey/questionnaire is structured in a way that encourages focused answers (right mix of open, closed, probing and 'select the option' based questions). ▶ Consider undertaking targeted, focused follow-up interviews with Pacific Members.
3	Budget constraints - limited resources for undertaking comprehensive interviews.	<ul style="list-style-type: none"> ▶ As above, ensure that the design of the survey/questionnaire is structured in a way that encourages focused answers (right mix of open, closed, probing and 'select the option' based questions). ▶ Understand from Programme key stakeholders what their experiences are with Pacific Members and how to best facilitate information from relevant Pacific Members. ▶ In the event that interviews are required, ensure that questions are targeted and narrow in scope which focus on filling any 'gaps' identified from the responses to the questionnaires.
4	Availability of relevant stakeholders in Pacific Members.	<ul style="list-style-type: none"> ▶ Engage stakeholders as part of engagement kick-off activities, to give ample time and notice that their inputs will be required to perform the review, and to help them allocate resources and prioritise upcoming workloads. ▶ Agree with the APG Pacific Cell how to treat poor quality responses, and/or what to do in the event of no responses or poor-quality responses being received in line with specified timeframes.
5	Obtaining the right level of input and engagement from APG Pacific Members throughout the evaluation process.	<ul style="list-style-type: none"> ▶ Hold a kick-off meeting with the Pacific Members to explain the intent of the Evaluation and ensure they are brought along the journey with us. ▶ As part of the kick-off meeting, provide the members with as much information and context as possible to aid their response, including running through the structure of the questionnaire, providing some example answers to guide level of detail in response, and clearly outline timeframes for completion and resources available to assist. ▶ Involvement of secondary stakeholders in the evaluation process as outlined in paragraph 42.
7	Risk that pacific members may give favourable answers to ensure that future development programmes continue.	<ul style="list-style-type: none"> ▶ A key message to be delivered is that the implementation of future development programs is not contingent on the performance of the PACD Programme. ▶ Accordingly, Members will be encouraged to provide honest, open and transparent responses to any questionnaires and/or interviews. ▶ To re-enforce this point, it is recommended that representatives from MFAT and the APG explain to members at a kick-off meeting that: 1. The Evaluation seeks to identify both the successes and challenges of the Programme; and 2. Identifying areas of the PACD Programme which need improving is critical for both the remainder of the Programme, but also the success and performance of similar, future development programmes. Accordingly, Member feedback in this regard is highly valued.
8	Confirmation bias and ensuring Pacific views are reflected throughout the Evaluation life-cycle.	<ul style="list-style-type: none"> ▶ Involvement of MFAT, key and secondary stakeholders in the evaluation (as outlined in paragraph 42). ▶ EY's evaluation team will ensure that any report produced will be reviewed by an independent EY officer from another team that has not been involved in the evaluation of the PACD Programme.

5.3 Governance arrangements

45. The governance arrangements concerning the Evaluation are set out in the agreed Word Order between the AFP acting on behalf of the APG Secretariat and EY.

46. Set out below are the roles of both EY and the APG Secretariat, pursuant to the terms and arrangements of the Work Order.
47. The roles and interests of other stakeholders and observers has been summarised in paragraph 42 above

Role of the APG Secretariat

The role and responsibilities of the APG in relation to this project are to:

- ▶ Provide relevant background information to inform the research.
- ▶ Work with EY to develop a strategy, work plan and ToR.
- ▶ Provide relevant contact details for research participants where possible.
- ▶ Provide primary approach letter/email.
- ▶ Review draft and provide input into final questionnaire and/or interview guides.
- ▶ Participate in post-interview review and meeting (if required).
- ▶ Provide feedback, comment and direction on all draft versions of the Evaluation report.
- ▶ Participate in the final presentation (if required).
- ▶ Provide ongoing support, input, direction and clarification throughout the course of the project.

Role of EY

The roles and responsibilities of EY in relation to this project are to:

- ▶ Provide a quotation reflecting the requirements of the RFQ.
- ▶ Work with the APG to develop a strategy, work plan and ToR.
- ▶ Develop a guide addressing the research requirements including but not limited to questionnaires/surveys and/or interview guides if required.
- ▶ Conduct field work.
- ▶ If required, lead a post-interview review and meeting (as soon as possible after interviews are completed).
- ▶ Provide two draft versions of the Evaluation Report.
- ▶ Consult with APG after each delivery of the specific draft report.
- ▶ If required, conduct a presentation with key APG Secretariat/AFP staff with respect to the final Evaluation Report.

5.4 Evaluation team composition

Nick Davison - Engagement Partner

Engagement Partner - project oversight and quality and risk management review.

William Saheli - Engagement Manager

Lead the delivery of the evaluation report, including defining evaluation success criteria and scoring methodology, running kick-off sessions with member jurisdictions, reviewing questionnaire responses and writing the evaluation report, day-to-day stakeholder management, running status updates, quality and risk management, financial crime subject matter expertise.

Cynthia Wu - Consultant

Project and risk management, engagement planning, preparation of questionnaire templates, liaising with member jurisdictions, co-ordinating and consolidating responses, supporting the Engagement Manager to draft and finalise the evaluation report.

6 Communication Plan

6.1 Communications plan

Partner & Stakeholders & Observers	Interest in the evaluation	How best to communicate?	What?	Who?	When?
APG Secretariat	Primary stakeholder (see table at paragraph 42 above)	Remote stakeholder meetings Formal status updates In-person, face-to-face meetings Evaluation 'kick-off meeting' with Pacific members Email correspondence	ToR Evaluation Plan Survey Questionnaire Evaluation Report (Draft & Final)	APG Secretariat members. Primary contact point Erin Lubowicz and Sue Maggiore	Between March 2022 to July 2022
MFAT	Primary Stakeholder (see table at paragraph 42 above)	Remote stakeholder meetings Evaluation 'kick-off meeting' with Pacific members Email correspondence	ToR Evaluation Plan Survey Questionnaire Evaluation Report (Draft & Final)	Representatives of MFAT. Primary contact point Jess Minehan-Fitzgerald	Between April 2022 to July 2022
Pacific Members	Primary Stakeholders (see table at paragraph 42 above)	Initial Evaluation 'Kick-off' Meeting Questionnaire Interviews	Completion of Questionnaire and interview as needed. Final Evaluation Report	Representatives and key contact points from Pacific Members.	Between May and June 2022
Key stakeholders: DIA, NZRB, Fiji FIU, Cook Islands FSC	Key stakeholders (see table at paragraph 42 above)	Key stakeholder meeting(s) Email correspondence	Evaluation Plan Survey Questionnaire (if required) Evaluation Report (Draft & Final)	Representatives of agency as follows: DIA: Rocky Yuen; RBNZ: Darren Howells Fiji FIU: Caroline Pickering Cook Islands FSC: Cheryl McCarthy	Between April 2022 to May 2022

7 Dissemination plan

The Evaluation Report will be provided to MFAT, APG Co-chairs and the APG Secretariat. In accordance with paragraph 43.5, the APG Secretariat or MFAT may also share the report with other APG members and Observers.

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