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## GRANT ARRANGEMENT

This **GRANT ARRANGEMENT** expresses the understandings of the Government of Australia (represented by the Department of Foreign Affairs and Trade) (hereinafter referred to as "GoA") and Secretariat of the Pacific Regional Environment Programme (hereinafter referred to as "SPREP") (collectively referred to as "the Partners") regarding the provision of grant funding by GoA to SPREP for GoA support for core funding to SPREP (hereinafter referred to as the "Program").

This Grant Arrangement is made under paragraph 5 of the Partnership Arrangement between the Government of Australia and the Secretariat of the Pacific Regional Environment Programme 2021 – 2031 (the 'Partnership').

### 1. OBJECTIVES

1.1 The objective of the Program is for core funding support for SPREP to deliver services to SPREP Member countries in the Pacific, in line with SPREP's mandate. The specific objectives are as follows:

- (a) to promote cooperation in the Pacific region and provide assistance in order to protect and improve its environment;
- (b) to ensure sustainable development for present and future generations; and
- (c) strengthen gender and social inclusion mainstreaming across SPREP, maintain representation of women in senior roles and promote an organisational culture in which all women and men thrive.

### 2. DURATION OF GoA SUPPORT TO THE PROGRAM

- 2.1 GoA support for the Program will commence on or around 10 June 2021 (hereinafter referred to as the "Commencement Date").
- 2.2 GoA support for the Program will continue until no later than 30 June 2025 (hereinafter referred to as the "Completion Date") unless otherwise mutually determined by the Partners in writing.
- 2.3 SPREP will inform GoA in writing when the Program has been completed.

### 3. CONTACT REPRESENTATIVES

3.1 The contact representatives for each of the Partners will be:

- (a) For GoA:

**Contact Representative(s):**

Name: Kirsty McNichol  
 Position/Section: Director, Pacific Climate Change Section  
 Mailing Address: RG Casey Building  
 John McEwen Crescent  
 Barton ACT 0221 Australia  
 Telephone: +61 2 6178 5011  
 Email: Kirsty.McNichol@dfat.gov.au



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or other contact representative(s) and details as GoA may notify to SPREP in writing.

(b) For SPREP:

**Contact Representative(s):**

Name: Petra Suhren-Chan Tung  
 Position/Section: Director, Finance & Administration  
 Mailing Address: PO Box 240  
 Apia, Samoa  
 Telephone: +685 66228  
 Email: petrac@sprep.org

or other contact representative(s) and details as SPREP may notify to GoA in writing.

#### 4. THE CONTRIBUTION

4.1 GoA will contribute to SPREP a total amount of up to AUD \$17,200,000 (hereinafter referred to as "the Contribution") in accordance with the payment schedule outlined below:

Table 1: Payment Schedule

Indicative Date	Tranche Number	Tranche Release Conditions	Amount (AUD)
10 June 2021	1	<ul style="list-style-type: none"> <li>Submission of valid invoice</li> </ul>	6,300,000
15 November 2022	2	<ul style="list-style-type: none"> <li>Submission of valid invoice</li> <li>Prior submission of Program planning documentation and results framework (due within three months of the Commencement Date)</li> <li>Prior submission of annual progress report for calendar year 2021 (due by March 2022)</li> <li>Prior submission of financial acquittal for calendar year 2021 (due by March 2022)</li> </ul>	2,300,000
15 May 2023	3	<ul style="list-style-type: none"> <li>Submission of valid invoice</li> <li>Prior submission of annual progress report for calendar year 2022 (due by March 2023)</li> <li>Prior submission of financial acquittal for calendar year 2022 (due by March 2023)</li> </ul>	2,000,000
15 November 2023	4	<ul style="list-style-type: none"> <li>Submission of valid invoice</li> </ul>	2,300,000
15 May 2024	5	<ul style="list-style-type: none"> <li>Submission of valid invoice</li> <li>Prior submission of annual progress report for calendar year 2023 (due by March 2024)</li> <li>Prior submission of financial acquittal for calendar year 2023 (due by March 2024)</li> </ul>	2,000,000
15 November 2024	6	<ul style="list-style-type: none"> <li>Submission of valid invoice</li> </ul>	2,300,000
<b>TOTAL CONTRIBUTION AMOUNT</b>			<b>17,200,000</b>



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- 4.2 GoA will pay tranche number 1 within thirty (30) days of signature of this Arrangement by both Partners and GoA receiving a payment request from SPREP.
- 4.3 GoA will pay subsequent tranches on or around the indicative dates set out above, subject to GoA receiving a payment request from SPREP and SPREP making satisfactory progress as determined by GoA.
- 4.4 GoA will deposit the Contribution into the following bank account:

Account Name:	SPREP USD Working Account
Account Number:	01-849599-07
Bank Name:	Bank South Pacific (Samoa) Ltd
SWIFT Code:	BOSPWSWS

- 4.5 SPREP will immediately acknowledge to GoA in writing receipt of each Contribution.
- 4.6 Payment of the Contribution will be subject to GoA's budget allocation and the aid priorities of the Australian Government.

## 5. ADMINISTRATION AND UTILISATION OF THE CONTRIBUTION AND IMPLEMENTATION OF THE PROGRAM

- 5.1 The Program will support the core organisational and program management functions of SPREP. Subject to SPREP's ability to provide GoA with outcomes-focused performance reporting and transparent financial reporting at least annually and provided the Contribution is used in a manner consistent with the obligations and commitments in the Partnership, the Contribution is untied.
- 5.2 SPREP will administer the Contribution and the Program in accordance with SPREP's regulations, rules, policies and procedures including those relating to procurement, anti-corruption, prevention, detection and investigation of fraud and recovery of funds the subject of fraud.
- 5.3 SPREP will:
- maintain a sound administrative and financial management system capable of verifying financial statements;
  - keep proper detailed accounts and records and asset registers and adequate Program records, providing clear audit trails in relation to expenditure of the Contribution;
  - use the Contribution in a manner consistent with the provisions of this Arrangement; and
  - use any interest income earned on and attributable to the Contribution in accordance with SPREP's regulations, rules, policies and procedures.
- 5.4 SPREP will immediately inform GoA of any circumstance which may interfere or threaten to interfere with the successful implementation of the purpose for which the Contribution has or will be provided and, with a view to resolving the issue, will consult with GoA.



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- 5.5 If, following consultation with SPREP, GoA is of the view that the Contribution has not been used in a manner consistent with the provisions of this Arrangement, or if GoA is of the view that changes have occurred that could negatively affect the purpose for which the Contribution has or will be provided, GoA may:
- (a) withhold or suspend any further payments to SPREP, until GoA is of the view that the issue has been satisfactorily resolved;
  - (b) reclaim all or part of the Contribution already paid to SPREP that has not been disbursed or irrevocably committed by SPREP in accordance with this Arrangement; and/or
  - (c) terminate this Arrangement (in which case the paragraph headed 'Termination' will apply).
- 5.6 Any part of the Contribution and any interest income earned on and attributable to the Contribution that has not been expended on or committed for expenditure to the Program prior to the Completion Date will be refunded to GoA by SPREP with the final financial statement.
- 6. RECOGNITION OF THE CONTRIBUTION**
- 6.1 SPREP will acknowledge GoA's Contribution and any other relevant GoA support for the Program in any promotional material including speeches, media statements and publications. In doing so, SPREP will make it clear that SPREP is responsible for implementation of the Program, and that the Contribution is from GoA through the use of the Australian Aid identifier. Guidelines are available on the Department of Foreign Affairs and Trade's website.
- 6.2 Acknowledgment of Australian support for the Program will be guided by the Communications Plan under the Partnership.
- 7. PROGRAM PLANNING**
- 7.1 SPREP will provide GoA with the following Program planning documentation in accordance with the following timeframes:
- (a) within three months of the Commencement Date, implementation planning documentation for the Program that outlines the activities, governance, coordination, monitoring arrangements and budget, consistent with SPREP's Performance Implementation Plans and Strategic Plan 2017-2026; and
  - (b) within three months of the Commencement Date, a monitoring and evaluation results framework for the Program outlining key performance indicators, with clear annual targets and defined strategic outcomes, consistent with the Partnership and the Performance Assessment Framework attached to the Partnership.
- 7.2 SPREP will provide to SPREP Members for approval annually, either at the SPREP Meeting or SPREP Executive Board Meeting under the Work Programme and Budget agenda item, a forward annual budget for how the Contribution will be used.
- 7.3 SPREP notes a particular risk if GoA is unable to see value in engaging SPREP under this Arrangement and discontinues funding. In mitigating of this risk, SPREP will:



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- (a) cultivate and develop key relationships with partners in proposal development;
- (b) check in frequently with partners during implementation;
- (c) tightly monitor progress of programmes and projects, and ensures key achievements and challenges are included in the Annual Progress report;
- (d) manage its Project Coordination Unit to bring greater focus and structure to the way that SPREP develops and manages activities, providing an expert technical project design service for SPREP programmes and projects, and to support Members;
- (e) implement internal control procedures, such as budgets and expenditure checks; and
- (f) ensure its internal audit processes are fit-for-purpose.

7.4 GoA may reasonably request SPREP to provide, initiate or participate in any dialogue, planning, implementation, or progress reporting, in a format and within a timeframe mutually determined by both Partners, related to:

- (a) organisational reviews or assessments, for example but not limited to the:
  - (i) Independent Corporate Review of SPREP;
  - (ii) Mid-Term Review of the SPREP Strategic Plan;
  - (iii) Independent review of the Partnership; or
  - (iv) Department of Foreign Affairs and Trade's due diligence assessment.
- (b) SPREP corporate strategies or policies, for example but not limited to SPREP's:
  - (i) People Strategy;
  - (ii) Partnership Engagement and Resource Mobilisation Strategy;
  - (iii) Fraud Prevention and Whistleblower Policy; or
  - (iv) Gender Policy.

## 8. PROGRAM OUTPUTS AND OUTCOMES REPORTING

8.1 SPREP will provide GoA with the following Program Progress and Outcomes reports in accordance with the following timeframes:

- (a) within three months of the commencement of a calendar year in which the Contribution is expended, an annual progress report for that previous calendar year, guided by the results framework and summarising the activities undertaken, key outputs, outcomes and progress towards achievement of the objectives; and
- (b) within three months of the Completion Date or any earlier termination of this Arrangement, a final report guided by results framework and outlining key performance indicators summarising the Program activities undertaken, key outputs,



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outcomes and achievement or progress towards achievement of the Program objectives from the Commencement Date to the Completion Date.

## 9. FINANCIAL REPORTING

9.1 SPREP will provide GoA with the following financial reports in accordance with the following timeframe:

- (a) within three months of the commencement of a calendar year in which the Contribution is expended, an annual financial acquittal, including a summary of spending against SPREP's thematic priorities, for that previous calendar year, certified by the Comptroller of SPREP; and
- (b) within three months of the Completion Date or any earlier termination of this Arrangement, a final financial statement, including a summary of spending against SPREP's thematic priorities, covering the period from the Commencement Date to the Completion Date, certified by the Comptroller of SPREP.

## 10. PROCUREMENT

10.1 If the Contribution is used for procurement, SPREP will ensure that:

- (a) the procurement is undertaken in a manner that achieves value for money;
- (b) the procurement promotes the use of resources in an efficient, effective and ethical manner; and
- (c) decisions regarding the procurement are made in an accountable and transparent manner.

## 11. FRAUD

11.1 For the purpose of this paragraph, 'fraudulent activity', 'fraudulent' or 'fraud' means: dishonestly obtaining a benefit, or causing a loss, by deception or other means.

11.2 SPREP, its Delivery Organisations and its subcontractors will not engage in any fraudulent activity. SPREP is responsible for preventing and detecting fraud.

11.3 SPREP will report in writing within 5 working days to GoA any detected, suspected, or attempted fraudulent activity involving an Initiative.

11.4 In the event of detected, suspected or attempted fraud and in consultation with GoA, SPREP will develop and implement a strategy to investigate, based on the principles set out in the *Australian Government Investigations Standards*. SPREP will undertake the investigation at SPREP's cost.

11.5 Following the conclusion of an investigation, where the investigation finds SPREP, an employee or a subcontractor of SPREP, the Delivery Organisation, an employee or a subcontractor of the Delivery Organisation has acted in a fraudulent manner, SPREP will:

- (a) where money has been misappropriated, pay to GoA the full value of the Grant funds that have been misappropriated; or



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- (b) where an item of property has been misappropriated, either return the item to GoA or if the item cannot be recovered or has been damaged so that it is no longer usable, replace the item with one of equal quality;
  - (c) refer the matter to the relevant Partner Country police or other authorities responsible for prosecution of fraudulent activity; and
  - (d) keep GoA informed, in writing, on a monthly basis, of the progress of the recovery action.
- 11.6 Following the conclusion of an investigation, where the investigation finds that a person or entity other than SPREP, an employee or subcontractor of SPREP, the Delivery Organisation, an employee or a subcontractor of the Delivery Organisation, have acted in a fraudulent manner, SPREP will, at SPREP's cost:

- (a) make every effort to recover any Grant funds or funded property acquired or distributed through fraudulent activity, including without limitation, the following:
    - (i) take recovery action in accordance with recovery procedures, including civil litigation, available in the Partner Country;
    - (ii) refer the matter to the relevant Partner Country police or other authorities responsible for prosecution of fraudulent activity; and
    - (iii) keep GoA informed, in writing, on a monthly basis, of the progress of the recovery action.
- 11.7 If SPREP considers that after all reasonable action has been taken to recover the Grant funds or funded property and full recovery has not been achieved or recovery has only been achieved in part, SPREP may seek approval from GoA that no further recovery action be taken. SPREP will provide to GoA all information, records and documents sought by GoA to enable the GoA delegate to make a decision on whether to approve non-recovery of Grant funds or funded property.

## 12. COUNTER TERRORISM

- 12.1 Consistent with UN Security Council Resolutions relating to terrorism, including UNSC Resolution 1373 (2001) and 1267 (1999) and related resolutions, both GoA and SPREP are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism. It is the policy of GoA to seek to ensure that none of its funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, SPREP undertakes to use its best endeavours to ensure that funds provided under this Arrangement are not used to provide support to individuals or entities associated with terrorism. If, during this Arrangement, SPREP discovers a link with any organisation or individual associated with terrorism, it will inform GoA immediately.
- 12.2 SPREP acknowledges that the Australian Government has adopted a policy and laws consistent with relevant international counter-terrorism treaties and UN Security Council Resolutions 1267 (1999), 1373 (2001) and successor resolutions of not providing direct or indirect support or resources to organisations and individuals associated with terrorism.
- 12.3 SPREP will use its best endeavours to ensure that funding provided under this Arrangement is expended in a manner consistent with international counter-terrorism treaties, UN Security



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Council Resolutions on terrorism and related Australian laws. If, during this Arrangement, SPREP discovers any link whatsoever with any organisation or individual listed by the United Nations 1267 Committee or the Australian Government as associated with terrorism, it will inform GoA immediately.

### 13. ANTI-CORRUPTION

- 13.1 GoA and SPREP are committed to preventing and detecting corruption and bribery. SPREP through its employees, agents or representatives will not make or cause to be made, or receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any partner, as an inducement or reward in relation to the implementation of this Arrangement. SPREP will promptly notify GoA of any suspected or detected corruption or bribery affecting this Arrangement and actions taken by SPREP in response.
- 13.2 SPREP will use its best endeavours to ensure that any employee, agent, representative or other entity involved in under this Arrangement will also adhere with this paragraph headed 'Anti-Corruption'.
- 13.3 Following the conclusion of an investigation, where the investigation finds that a person or entity other than SPREP, an employee or subcontractor of SPREP, the delivery organisation, an employee or a subcontractor of the delivery organisation, have acted in a fraudulent manner, SPREP will, at SPREP's cost:
- (a) make every effort to recover any Grant funds or funded property acquired or distributed through fraudulent activity, including without limitation, the following:
  - (b) take recovery action in accordance with recovery procedures, including civil litigation, available in the Partner Country;
  - (c) refer the matter to the relevant Partner Country police or other authorities responsible for prosecution of fraudulent activity; and
  - (d) keep GoA informed, in writing, on a monthly basis, of the progress of the recovery action.
- 13.4 If SPREP considers that after all reasonable action has been taken to recover the Grant funds or funded property and full recovery has not been achieved or recovery has only been achieved in part, SPREP may seek approval from GoA that no further recovery action be taken. SPREP will provide to GoA all information, records and documents sought by GoA to enable the GoA delegate to make a decision on whether to approve non-recovery of Grant funds or funded property.

### 14. AUDIT

- 14.1 The Contribution and all financial statements will be subject to the internal and external independent auditing procedures provided for in SPREP's financial regulations, rules, policies and procedures.
- 14.2 SPREP will promptly provide GoA with copies of its internal and external independent audit reports. If an audit report or auditing procedure reveals any irregularities relevant to the Contribution, SPREP will immediately bring the information to the attention of GoA.



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- 14.3 GoA and its authorised representatives may audit and inspect SPREP's financial records which relate to this Arrangement. SPREP will provide adequate facilities for audit and inspection of its financial records pertaining to this Arrangement at all reasonable times and allow copies and extracts to be taken.
- 15. ASSETS, EQUIPMENT AND SUPPLIES**
- 15.1 Ownership of any assets, equipment or supplies purchased with the Contribution will vest in SPREP. SPREP may transfer the ownership of those assets, equipment or supplies in accordance with its relevant policies and procedures.
- 16. MONITORING, REVIEW AND EVALUATION**
- 16.1 SPREP and GoA will be guided by the Performance Assessment Framework attached to the Partnership in monitoring and evaluating the use of the Contribution.
- 16.2 SPREP will continue to integrate the key indicators on innovation, gender and social inclusion mainstreaming in all reporting.
- 16.3 GoA may participate in any formal monitoring, reviews and or evaluation initiatives undertaken by SPREP. SPREP will inform GoA of any planned formal reviews or evaluation and will invite GoA to participate in such reviews or evaluations.
- 16.4 GoA may initiate a review of the Program or Partnership, consistent with paragraph 5 of the Partnership. GoA will inform SPREP of any planned reviews and will invite SPREP to participate in such reviews.
- 16.5 Where possible, GoA will utilise SPREP's current reporting mechanisms to support monitoring and evaluation progresses to minimise the reporting imposed on SPREP.
- 16.6 GoA will use annual progress reports and financial statements provided by SPREP to support internal annual performance review processes as required for development funding arrangements.
- 17. AMENDMENTS**
- 17.1 This Arrangement (including any annexes, attachments or the like) may be amended at any time as mutually determined between the Partners in writing by way of exchange of letters.
- 18. TERMINATION**
- 18.1 This Arrangement may be terminated at any time by either Partner by way of notice in writing to the other Partner.
- 18.2 Prior to terminating this Arrangement, the Partner contemplating termination will endeavour to consult with the other Partner.
- 18.3 If this Arrangement is terminated by either Partner, SPREP will continue to hold any unexpended amount of the Contribution paid to SPREP, until all payment commitments incurred, in accordance with this Arrangement, prior to the date of receipt of the notice of termination, have been satisfied. SPREP will promptly refund to GoA any part of the Contribution (including any interest income) that remains unexpended after any such payment commitments have been satisfied, unless GoA at its absolute and sole discretion



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decides formally in writing that SPREP may use any such funds for the same purpose and consistent with the provisions of this Arrangement.

## 19. STATUS OF ARRANGEMENT

- 19.1 This Arrangement serves only as a record of its Partners' intentions and does not constitute or create (and is not intended to create) obligations under domestic or international law and will not give rise to any legal process and will not be deemed to constitute or create any legally binding obligations (expressed or implied).

## 20. DISPUTE SETTLEMENT

- 20.1 Any dispute, controversy, or claim, which arises out of the interpretation or application of this Arrangement, will not be subject to adjudication or arbitration; but will instead be dealt with through amicable consultations and negotiations as the only method of achieving the peaceful settlement of that dispute, controversy, or claim.

## 21. REQUEST FOR PAYMENT

- 21.1 SPREP will submit to GoA a request for payment of the Contribution when due in accordance with this Arrangement, in a form identifying the Arrangement title, the Arrangement number and the Payment Event number(s) notified by GoA.
- 21.2 All requests for payment will be made to:

Chief Finance Officer  
 Department of Foreign Affairs and Trade  
 R.G Casey Building  
 John McEwen Crescent  
 Barton ACT 0221  
 AUSTRALIA

Copied to the following:

Counsellor, Regional Organisations, Climate Change and Humanitarian  
 Australian High Commission, Fiji  
 PO Box 214  
 Suva FIJI

- 21.3 Alternatively GoA will accept electronic requests for payment. These can be sent to: [accountsprocessing@dfat.gov.au](mailto:accountsprocessing@dfat.gov.au) and should also be copied to the GoA contact representative/s specified in this Arrangement.

## 22. GENDER, EQUITY AND SOCIAL INCLUSION PRINCIPLES

- 22.1 GoA has committed to supporting partners to integrate gender equality and women's empowerment into policies, legislation and programs and strengthen the collection and analysis of data to better track outcomes.
- 22.2 The integration of gender, equity and social inclusion principles is a priority of all Australian aid funded projects and consistent with paragraph 6 of the Partnership, the inclusion of



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Gender, Equity and Social Inclusion principles will be a key performance indicator for the Program.

## 23. PREVENTION OF SEXUAL EXPLOITATION AND HARASSMENT

- 23.1 GoA and SPREP have a zero tolerance approach towards sexual exploitation, abuse and harassment and accept to take timely action, including investigation, in accordance with their own regulations, rules, policies and procedures.
- 23.2 GoA and SPREP undertake to promptly inform the other partner of any credible suspicions, or actual incidents of sexual exploitation, abuse or harassment, against or by any person linked to the Program.

## 24. CHILD PROTECTION

- 24.1 GoA and SPREP have a zero tolerance approach towards child exploitation, abuse and or harm and undertake to act in a manner consistent with the principles of the Department of Foreign Affairs and Trade's Child Protection Policy accessible at: [www.dfat.gov.au/childprotection](http://www.dfat.gov.au/childprotection).
- 24.2 GoA and SPREP will abide by their own relevant policies, international declarations, conventions, agreements and domestic legal frameworks that relate to child protection and accept to take timely action, including investigation, in accordance with these commitments.
- 24.3 Where practicable, the SPREP will consult with GoA prior to the publication or release of information relating to Child Protection.

## 25. TRANSPARENCY

- 25.1 GoA and SPREP are both committed to principles of transparency. GoA will periodically publish detailed information about work under this Arrangement on the Department of Foreign Affairs and Trade's website. This will include information about SPREP's policies, plans, processes, the results of the SPREP's aid activities and evaluations of SPREP's performance. GoA and SPREP will consult prior to publication or release of information regarded as sensitive (for example, fraud or corruption matters).

## 26. FAMILY PLANNING AND THE AID PROGRAM

- 26.1 SPREP acknowledges and will act in accordance with the guideline titled Family Planning and the Aid Program: Guiding Principles accessible at <https://www.dfat.gov.au/about-us/publications/Pages/family-planning-and-the-aid-program-guiding-principles>.



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Signed by authorised officials of the Partners in duplicate in the English language

FOR the GOVERNMENT OF AUSTRALIA  
represented by the Department of Foreign  
Affairs and Trade

Dave Peebles  
Signature

DAVE PEEBLES  
Name

ASSISTANT SECRETARY  
Position

10/6/21  
Date

FOR the Secretariat of the Pacific Regional  
Environment Programme:

Kosi Latu  
Signature

KOSI LATU  
Name

DIRECTOR GENERAL  
Position

10/6/2021  
Date