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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 a **grant** by GoA to SPREP for GoA support to the **implementation of “Activities to address Due Diligence Assessment Report Outcomes 2023** (hereinafter referred to as the **Project**) as further described and detailed in the **Project Proposal** and Proposal Matrix dated 7 October 2024 at **Annex 1** to this Arrangement (hereinafter referred to as the “**Project Proposal**”).

This 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 objectives of the **Project** is as follows:

- (a) support SPREP address and implement risk areas identified in the DFAT 2023 DDA Report, enabling it to improve and strengthen its policies, processes, systems, and capacity to effectively and efficiently manage, deliver, and achieve the SPREP Strategic Plan 2017 – 2026 strategic priorities.
- (b) support SPREP implement transformational changes of its governance and operations to support the achievement of SPREP’s strategic priorities and outcomes.

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

- 2.1 **GoA support for the Project** will commence on the **last date of signatories of this Grant Arrangement** (hereinafter referred to as the “Commencement Date”).
- 2.2 **GoA support for the Project** will continue until no later than **30 June 2026** (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 **Project** 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:	Bridgette Cottrill
Position:	Senior Policy and Development Officer
Section:	Pacific Climate Section
Street/postal	RG Casey Building, John McEwen Crescent Barton
Address:	ACT 0221, Australia
Email:	bridgette.cottrill@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: Easter Chu Shing  
 Position: Deputy Director General  
 Street Address: Avale Street, Apia, Samoa  
 Postal Address: PO Box 240, Samoa  
 Email: easterc@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 700,000** (hereinafter referred to as "the Contribution") in accordance with the payment schedule outlined below:

Table 1: Payment Schedule

Indicative Date	Tranche	Tranche Release Conditions	Amount (AUD)
30 January 2025	1	Payment within thirty (30) days of the Commencement Date. Submission by SPREP of a valid invoice	350,000
1 August 2025	2	Submission by SPREP of a financial statement, demonstrating acquittal of at least 75% of funds from the previous tranche, certified by the Comptroller of SPREP. Acceptance by GoA of activities and outcomes reported against the previous calendar year. Submission by SPREP of a valid invoice.	350,000
<b>TOTAL CONTRIBUTION AMOUNT</b>			<b>700,000</b>

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. 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.

4.3 GoA will deposit the Contribution into the following bank account:

**Name:** SPREP USD Working Account  
**Account Number:** 01-849599-07  
**Bank:** BSB (Samoa) Ltd  
**Bank Address:** Beach Road, PO Box 1860, Apia Samoa  
**SWIFT Code:** BOSPWSWS



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- 4.4 SPREP will immediately acknowledge to GoA in writing receipt of the Contribution.
- 4.5 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 PROJECT**
- 5.1 SPREP will administer the Contribution and the **Project** 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.
- 5.2 All expenses incurred by SPREP under the contribution will be directly aligned to the activities and budget in the approved **Project** planning documentation (paragraph 7) unless otherwise advised by GoA in writing. All staff positions funded under the Contribution will only work on activities directly aligned to the delivery of the **Project**.
- 5.3 SPREP will:
- (a) maintain a sound administrative and financial management system capable of verifying financial statements;
  - (b) keep proper detailed accounts and records and asset registers and adequate **Project** records, providing clear audit trails in relation to expenditure of the Contribution;
  - (c) use the Contribution as outlined in the **Project Proposal**; and
  - (d) 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 **Project** and, with a view to resolving the issue, will consult with GoA.
- 5.5 If, following consultation with SPREP, GoA is of the view that the Contribution has not been used as outlined in the **Project Proposal**, or 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 **achievement of the objectives of the Project**, 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 **Project**



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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 **Project** 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 **Project**, 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.

## 7. PROJECT PLANNING

- 7.1 SPREP will provide GoA with the following **Project** planning documentation in accordance with the following timeframe:
- (a) within one month of the Commencement Date, an implementation plan for the **Project** that outlines the activities, governance, coordination and monitoring arrangements and budget until the Completion Date; and
- 7.2 GoA will review and provide approval in writing of all Project planning documentation.
- 7.3 SPREP will update the risk management plan for the **Project** provided as part of the **Project Proposal** at least annually, based on performance information assessments. SPREP will provide GoA with updates to the risk management plan made during this Arrangement.

## 8. PROJECT OUTPUTS AND OUTCOMES REPORTING

- 8.1 SPREP will provide GoA with the following **Project** reports in accordance with the following timeframe:
- (a) within three months of the Completion Date or any earlier termination of this Arrangement, a final report summarising the **Project** activities undertaken, key outputs, outcomes and achievement of or progress towards achievement of the **Project** objectives.
- 8.2 SPREP will provide GoA with the following **Project Progress and Outcomes** reports in accordance with the following timeframes (and as further detailed in **Annex 2**):
- (a) No later than **three months** after each calendar year semester (1 January to 30 June; 1 July to 31 December) during the period in which the Contribution is expended, a progress report summarising the activities undertaken, key outputs, outcomes and progress towards achievement of the **Project** objectives covering that calendar year semester (or since the Commencement Date if there is no previous progress report).

## 9. FINANCIAL REPORTING

- 9.1 SPREP will provide GoA with the following financial reports in accordance with the following timeframe (and as further detailed in **Annex 2**):



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- (a) within three months of the Completion Date or any earlier termination of this Arrangement, a financial statement covering the period from the Commencement Date to the Completion Date, certified by the Comptroller of SPREP and also independently audited.

## **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
  - (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



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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 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



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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.
- 14.3 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.
- 14.4 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.



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## **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 GoA may participate in any formal review or evaluation of the **Project** 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.
- 16.2 GoA may initiate a formal review or evaluation of the **Project**. GoA will inform SPREP of any planned formal reviews or evaluation and will invite SPREP to participate in such reviews or evaluations.

## **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 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.



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## 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

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

## 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 **Project**.

## 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).

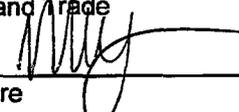
**26. FAMILY PLANNING AND THE AID PROGRAM**

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>.

**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

**FOR the Secretariat of the Pacific Regional  
Environment Programme:**

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Signature

MELISSA MORGAN  
\_\_\_\_\_  
Name

Easter Chu Shing  
\_\_\_\_\_  
Name

ALG DIRECTOR, PACIFICUMATE  
\_\_\_\_\_  
Position

Deputy Director General  
\_\_\_\_\_  
Position

19/12/2024  
\_\_\_\_\_  
Date

19/12/2024  
\_\_\_\_\_  
Date

**ANNEX 1**

**Project Proposal: Strengthening the effectiveness and resilience of SPREP's governance and operations**

**Date: 7 October 2024**

**1. Background**

The Secretariat of the Pacific Regional Environment Programme (SPREP) is a treaty based intergovernmental organisation established under the 1993 Agreement establishing SPREP. It is made up of 26 Member States, 21 of which are Pacific island countries and territories (American Samoa, Cook Islands, Federated States of Micronesia, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Nauru, New Caledonia, Niue, Northern Marianas, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu and Wallis & Futuna). and five metropolitan



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countries (Australia, France, New Zealand, United Kingdom and United States of America) with direct interests in the region also maintain membership.

SPREP is mandated to promote cooperation in the Pacific Region and provide assistance in order to protect and improve the environment and to ensure sustainable development for present and future generations.

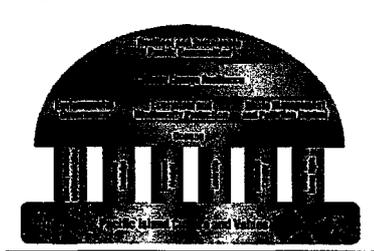
SPREP's work is guided by the SPREP Strategic Plan 2017-2026 which identifies four strategic priorities of climate change resilience, islands and ocean ecosystems, waste management and pollution control, and environmental monitoring and governance. Oceans is a cross cutting thematic area. Both climate change resilience and oceans are mainstreamed into the other regional goals.

SPREP delivers its mandate through policy advice, technical assistance, capacity building and training, knowledge management and communication advocacy, engagement in international and regional for a, development and management of donor funded projects. To effectively and efficiently deliver on SPREP's mandate and strategic priorities, five Organisational Goals are identified in the Strategic Plan 2017-2026 on how SPREP will strengthen its policies, systems, processes and capacity.

Furthermore, the SPREP Strategic Plan 2017 – 2026 requires the Secretariat to strengthen its institutional capacities, competencies, and systems to deliver services to Member States in a more integrated, responsive, and cost-effective manner. This requires SPREP to undertake transformational changes to ensure it remains relevant, highly competitive, adaptive, responsive, and resilient. This includes nurturing and cultivating and enabling environment that focuses on:

- Integration of gender and human rights;
- Integration of traditional knowledge with technical capacity;
- Technical knowledge and communication;
- Environmental advocacy to increase awareness and understanding of environmental management priorities;
- Institutional capacity building; and
- Leadership at all levels committed to action.

*Figure 1: The 'Fale' concept depicting the interlinked components of the Strategic Plan*





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## 2. Context

The Secretariat of the Pacific Regional Environment Programme (SPREP) is a recipient of DFAT's official development assistance grant funding. In January 2023, DFAT completed a Due Diligence Assessment (DDA) of SPREP to:

- (a) To understand the corporate policies, procedures, and systems SPREP has in place to effectively deliver development objectives and manage DFAT funds;
- (b) To understand the internal control framework through which SPREP central functions ensure and monitor the performance and compliance with those systems; and
- (c) To identify any factors and risks that impact on the capacity and capability of SPREP to effectively manage DFAT funds to deliver the agreed objectives in accordance with policy and legislation, and to propose mitigating measures.

Table 1 provides a summary of the due diligence risk assessment ratings for SPREP against the seven criteria of the DFAT Due Diligence Framework and two criteria (A&B) of the DFAT Baseline Plus Due Diligence Operational Procedures.

*Table 1: Due Diligence Risk Assessment Ratings Summary*

CRITERIA	RISK RATING
CRITERION 1: ENTITY DETAILS	LOW
CRITERION 2: PAST PERFORMANCE	MODERATE
CRITERION 3: FRAUD AND CORRUPTION CONTROL	MODERATE
CRITERION 4: PROSCRIBED LIST CHECKS	MODERATE
CRITERION 5: INTEGRITY SYSTEMS CHECK	HIGH
CRITERION 6: CHILD PROTECTION	HIGH
CRITERION 7: PREVENTING SEXUAL EXPLOITATION, ABUSE, AND HARASSMENT	HIGH
CRITERION A: BRANDING AND ATTRIBUTION	MODERATE
CRITERION B: TRANSPARENCY	MODERATE

Whilst SPREP has policies, processes, and systems in place, the DDA Report highlighted key issues and challenges that SPREP would need to address to ensure its policies, processes, systems, and capacity are up to date, relevant, and meet universal best practice, including DFAT DDA requirements. These are summarised in Table 2 below:

<b>Criterion 2 Past Performance</b>	<ul style="list-style-type: none"> <li>• Challenges with SPREP's organisational capacity and performance for example, the People Strategy policies and procedures that are outdated.</li> <li>• Challenges with Results Planning, Performance Reporting and Learning Framework</li> </ul>
<b>Criterion 3</b>	<ul style="list-style-type: none"> <li>• Incomplete review of the Fraud prevention and whistle-blower Protection Manual.</li> </ul>



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<b>Fraud and Corruption Control</b>	<ul style="list-style-type: none"> <li>Associated policies, processes, and systems such as risk management policy, risk management framework, risk register, and the internal function review are at different stages and not being implemented across the organisation for optimal results.</li> </ul>
<b>Criterion 4 Proscribed List Checks</b>	<ul style="list-style-type: none"> <li>SPREP does not have procedures or mechanisms to systematically check WB, ADB, AGD, and DFAT lists although SPREP does checks against the EU list.</li> </ul>
<b>Criterion 5 Integrity Systems Check</b>	<ul style="list-style-type: none"> <li>This was rated high because SPREP has outdated policies and systems although it was noted that the People Strategy have initiated the process for the review of HR policies, processes, and systems.</li> </ul>
<b>Criterion 6 Child Protection</b>	<ul style="list-style-type: none"> <li>Significant gaps exist in SPREP's Child Protection Policy when assessed against DFAT's minimum standards.</li> </ul>
<b>Criterion 7: Preventing Sexual Exploitation, Abuse, and Harassment (PSEAH)</b>	<ul style="list-style-type: none"> <li>SPREP does not have any formal policy or guidelines on PSEAH although these are addressed in an ad hoc manner.</li> </ul>
<b>Criterion A: Branding and Attribution</b>	<ul style="list-style-type: none"> <li>SPREP does not have established policies in place for example, there is no Communications Strategy although it does acknowledge Australia and other partners through its activities.</li> </ul>
<b>Criterion B: Transparency</b>	<ul style="list-style-type: none"> <li>SPREP website has some of the SPREP policies but not all. This needs to be strengthened to ensure all key policies and relevant information are publicly available on the SPREP website.</li> </ul>

### 3. Project Proposal

The proposed investment will support SPREP address and implement risk areas identified in the DFAT 2023 DDA Report enabling it to improve and strengthen its policies, processes, systems, and capacity to effectively and efficiently manage, deliver, and achieve the SPREP Strategic Plan 2017 – 2026 strategic priorities. This also contributes to the delivery and implementation of the Strategic Plan 2017-2026 Regional and Organisation Goals.

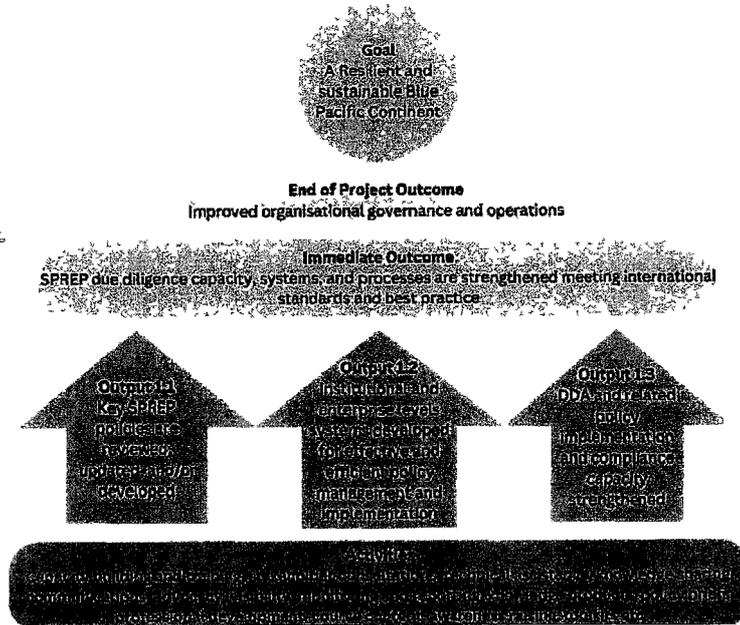
The Goal of the proposed investment is 'A resilient and sustainable Blue Pacific continent' which is aligned to the SPREP Strategic Plan 2017-2026 vision.

The Overall Objective of the proposal is to support SPREP implement transformational changes of its governance and operations to support the achievement of SPREP's strategic priorities and outcomes.

The project logic is summarised as follows:



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**4. Priority Focus**

The proposal will be delivered in two inter-linked Phases, with this Grant Arrangement covering off on **Phase One**.

**Phase One** will focus on the high-risk areas identified in the 2023 DDA Report which includes:

- a) A review of the Child Protection Policy.
- b) Developing of a Prevention of Sexual Exploitation, Abuse, and Harassment (PSEAH).
- c) Occupational, Health and Safety Policy.
- d) Upgrading and developing systems and processes including staff training to support implementation of the priority policies listed in a), b), and c).
- e) Developing information and knowledge products on the priority policies identified in a), b), and c) including training materials for staff training.

In implementing the identified priorities, SPREP will draw on the experience of its key donors and development partners including the Government of Australia – DFAT. It will also engage the services of technical experts in the priority focus areas to provide technical assistance and expert advice where such expertise is not available in-house.

The project will also ensure that there is closer alignment and integration with other related SPREP policies to avoid overlap and unnecessary duplication.

**5. Project Governance**

The Governance and Operations Team under the Deputy Director General's leadership and oversight will oversee the planning and overall delivery of project outcomes and results. The implementation of the priority policies will be led by the responsible leads with oversight and coordination by the Legal Team. The Senior Leadership Team is the ultimate decision-making body on SPREP Policies, Systems, and Processes.



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## 6. Project Implementation Arrangements

- a) SPREP Legal Team: responsible for overall project management oversight and coordination of project implementation with relevant SPREP teams. It will also be responsible for all project reporting.
- b) Relevant SPREP Teams will be responsible for the implementation of the following:

SPREP Lead	Responsibility
HR Department	<ul style="list-style-type: none"> <li>• Child Protection Policy</li> <li>• PSEAH</li> <li>• OHS Policy</li> <li>• Staff capacity building and training</li> </ul>
IT Team	<ul style="list-style-type: none"> <li>• Upgrade and development of systems</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Fraud Prevention and Whistleblower Protection Policy</li> </ul>
Department of Strategic Planning, Partnerships, and Resource Mobilisation	<ul style="list-style-type: none"> <li>• GESI Policy</li> <li>• Risk Management Policy and Manual</li> </ul>
EMG	<ul style="list-style-type: none"> <li>• ESS</li> </ul>
KM Team	<ul style="list-style-type: none"> <li>• Information and knowledge management</li> </ul>

## 7. Monitoring and Evaluation

At the strategic outcome level, the project M&E will follow the SPREP Performance and Implementation Plan and the SPREP Results Framework like the approach taken for the Government of Australia and SPREP Partnership Arrangement 2021-2031. Specific project progress reports will follow requirements that DFAT may put in place. The responsible SPREP lead unit/team will be responsible for preparing project progress reports and submit to DFAT. Financial Reports will be prepared by the SPREP Finance Team in line with the DFAT requirements. DFAT and SPREP will hold project review meetings based on an agreed schedule with further discussions during the annual Trilateral meeting.

## 8. Project Budget

The proposed project budget for **Phase 1 is AUD700,000 over a period of 18 months**. The indicative project budget breakdown includes:

Budget by Output	Indicative Amount (AUD)
Output 1.1 Key SPREP policies are reviewed, updated, and/or developed	50,000
Output 1.2 Institutional and enterprise levels systems developed for effective and efficient policy management and implementation	358,000
Output 1.3 DDA and related policy implementation and compliance capacity strengthened	170,000



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M&E	20,000
Audit	10,000
Project Management Fee (15%)	92,000
<b>TOTAL</b>	<b>700,000</b>

## 9. Project Risks

Potential risks are identified in the table below with mitigation measures to address them. Project risks will be monitored and reported to the Governance and Operations Team responsible for the overseeing the planning and overall delivery of the project. Management of risks will follow the SPREP Risk Management Policy guided by the SPREP Risk Management Manual. Any higher-level project risk will be escalated to the internal Risk Committee.

<b>Risk</b>	<b>Mitigating Measure</b>
Insufficient technical capacity within SPREP to implement and deliver project results.	Engagement of TA and external experts with specialised knowledge in the areas identified.
Project timeframe unrealistic to deliver and achieve project results.	Regular review of project progress and request for an extension to the project timeframe.
Staff not engaged in the implementation of the project.	Include staff consultations in the implementation of the project and share project information with staff as part of the staff capacity building and learning.
Inadequate budget to implement the project and achieve results.	Convene discussions with DFAT to consider options.

## 10. Project Planning and Reporting Timeframes

Project planning and reporting timelines will be guided by DFAT's requirements.



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<b>Goal</b>	<b>A resilient and sustainable Blue Pacific continent</b>		
<b>Objective</b>	To support SPREP implement transformational changes of its governance and operations thus contributing to the achievement of SPREP's strategic priorities and outcomes.		
<b>End of Project Outcome</b>	Improved organisational governance and operations to achieve SPREP's strategic outcomes and results.		
<b>Intermediate Outcome</b>	SPREP due diligence capacity, policies, systems, and processes are strengthened meeting international standards and best practice.		
<b>Supporting outcomes</b>	<b>Outputs</b>	<b>Activities</b>	<b>Estimated Budget AUD</b>
<b>1. SPREP Policies are aligned to international best practice and standards</b>	<p><b>Selected SPREP policies reviewed, updated and/or developed</b></p> <ul style="list-style-type: none"> <li>• Updated Child Protection Policy and Procedures Manual approved</li> <li>• Updated Fraud Prevention and Whistleblower policy approved</li> <li>• Updated Gender Policy approved</li> <li>• Updated ESS Policy approved</li> <li>• Updated Risk management policy and Procedures Manual approved</li> <li>• Updated Governance Policy approved</li> <li>• Occupation Health Safety Policy and Procedures Manual approved</li> <li>• Prevention of Sexual Exploitation, Abuse and Harassment Policy and Procedures Manual approved</li> </ul>	<p><b>Review and update existing policies</b></p> <p><b>1.1.1 SPREP Child Protection Policy</b></p> <ul style="list-style-type: none"> <li>• Develop a TOR for an external expert/consultant to undertake the review of the policy</li> <li>• Engage the consultant</li> <li>• Undertake the review process</li> <li>• Consult internally with staff and externally with key stakeholders</li> <li>• Draft updated Child Protection Policy and Procedures Manual</li> <li>• Seek SLT endorsement of the updated Child Protection Policy and Procedures Manual</li> </ul> <p><b>1.1.2 Fraud Prevention and Whistleblower Policy</b></p> <ul style="list-style-type: none"> <li>• Finalise the updated FP&amp;W Policy</li> <li>• Seek SLT endorsement</li> </ul> <p><b>1.1.3 Gender Policy</b></p>	\$50,000

		<ul style="list-style-type: none"> <li>• Complete the review and update of the 2016 Gender Policy</li> <li>• Seek SLT endorsement of the final updated policy</li> </ul> <p><b>1.1.4 ESS Policy</b></p> <ul style="list-style-type: none"> <li>• Update the ESS to reflect changes to existing and new policies relevant to ESS</li> </ul> <p><b>1.1.5 Risk Management Policy and Manual</b></p> <ul style="list-style-type: none"> <li>• Undertake the review and update of the RM Policy and Manual</li> <li>• Consult widely internally with staff and externally with key stakeholders</li> <li>• Seek SLT endorsement of the updated RM Policy and Manual</li> </ul> <p><b>1.1.6 Governance Policy</b></p> <ul style="list-style-type: none"> <li>• Review and update the Governance Policy to reflect any changes to SPREP's core governance policies which includes the Fraud Prevention and Whistleblower Policy, the Risk Management Policy, Audit Committee Charter, Internal Audit functions, and Internal Control Framework</li> </ul> <p><b>Develop new policies</b></p> <p><b>Occupational Health Safety Policy and Procedures Manual</b></p> <ul style="list-style-type: none"> <li>• Engage an expert to develop a new OHS Policy and Procedures Manual building on work already undertaken under the People Strategy</li> <li>• Conduct consultations with SPREP staff and key stakeholders</li> <li>• Seek SLT endorsement of the policy and procedures/manual</li> </ul>	
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		<p>Prevention of Sexual Exploitation, Abuse, and Harassment Policy and Procedures Manual</p> <ul style="list-style-type: none"> <li>Engage expert to assist in developing a SPREP PSEAH Policy and Procedures Manual</li> <li>Conduct consultations with SPREP staff and key stakeholders</li> <li>Seek SLT endorsement of the final policy and procedures/manual</li> </ul>	
<p><b>2. Institutional and enterprise level systems developed for effective and efficient policy governance</b></p>	<p>An integrated policy system is developed and fully functional to effectively and efficiently manage SPREP policies including compliance, risk management, incident reporting, and support overall governance management.</p> <p>This builds on the Integrated Enterprise Management System being developed by SPREP as part of its digital transformation initiative.</p> <p>The e-learning platform could build on an existing platform where one exists and where relevant.</p>	<p><b>Design and develop an integrated policy management system</b></p> <ul style="list-style-type: none"> <li>Design and develop an integrated policy management module as part of the SPREP Integrated Enterprise Management System with key features that includes compliance management, risk management, incident reporting to support the management of core governance policies.</li> </ul> <p><b>Design and develop an e-learning platform for SPREP</b></p> <ul style="list-style-type: none"> <li>Engage an expert/consultant to design and develop an online/e-learning platform for SPREP staff learning, training, and continuous professional development.</li> </ul>	\$358,000
<p><b>3. Policy implementation capacity enhanced and strengthened</b></p>	<p>Staff capacity building and training specifically on core governance policies, Gender, OHS and PSEAH Policies developed and delivered</p> <ol style="list-style-type: none"> <li>Targeted training for SPREP staff on SPREP policies, systems, and processes.</li> <li>Training and learning modules on core governance policies, Gender, OHS and</li> </ol>	<p><b>Develop a capacity building and training programme for SPREP staff and key stakeholders</b></p> <ul style="list-style-type: none"> <li>Engage a consultant to develop content for targeted capacity building, training, and learning e-modules on risk management,</li> </ul>	\$170,000

	<p>PSEAH developed and available for staff and key stakeholders</p> <p>c. Lessons learnt captured, documented, and shared to inform policy review, system improvement and capacity building.</p>	<p>Fraud Prevention, Gender, OHS, and PSEAH</p> <ul style="list-style-type: none"> <li>Engage expert(s) to deliver in-person group training for SPREP staff including key stakeholders where relevant.</li> <li>Identify relevant short term training courses on targeted priority areas (for example, risk management, gender, ESS, OHS, PSEAH etc) for selected SPREP staff to undertake</li> </ul>	
<p><b>4. The project is managed effectively with expected outcomes achieved</b></p>	<p>Project management requirements are fully met.</p> <ul style="list-style-type: none"> <li>Annual Progress report</li> <li>Audit</li> <li>Final project report with overall achievements and lessons learnt</li> </ul>	<ul style="list-style-type: none"> <li>Establish project management arrangements within SPREP with roles and responsibilities clearly defined.</li> <li>Prepare and submit Annual progress and financial reports to DFAT</li> <li>Where required, engage an external auditor to audit the grant as required by DFAT that is, if it is not included in the overall DFAT partnership grant audit.</li> </ul>	<p>\$122,000 inclusive of the</p> <p>\$92,000 (15%) management fee</p>



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## ANNEX 2

**Project Planning and Reporting Timeframes**

This table clarifies the reporting planning and reporting requirements specified in paragraphs 7, 8 and 9 of the Arrangement.

Submission date	Submission requirements
One month from Commencement Date	Project planning documentation covering Commencement Date to 30 June 2025 (paragraph 7.1.a)
1 April 2025	Project planning documentation covering 1 July 2025 to 31 December 2025 (paragraph 7.1.b)  Project progress and outcomes report covering Commencement Date to 30 June 2025 (paragraph 8.2.a)
1 October 2025	Project planning documentation covering 31 December 2025 to 30 June 2026 (paragraph 7.1.b)  Project progress and outcomes report covering Commencement Date to 30 June 2025 (paragraph 8.2.a)  Financial statement covering commencement to 30 June 2025
1 April 2026	Project progress and outcomes report covering 1 January 2025 to 31 December 2025 (paragraph 8.2.a)  Financial statement covering 1 July 2025 to 31 December 2025
1 October 2026	Final financial statement covering Commencement Date to Completion Date (paragraph 9.1.a)  Independent audit of financial statement covering Commencement Date to Completion Date (paragraph 9.1.a)  Final report covering Commencement Date to Completion Date (paragraph 8.1.a)