



Twenty Fourth SPREP Meeting of Officials

17th – 19th September 2013
Apia, Samoa

Agenda Item 7.3: Multi-Year Funding

Purpose of the Paper

1. The purpose of the paper is to inform the Meeting of the SPREP Multi-Year Funding Arrangements with key Partners.

Background

2. SPREP, like other CROP agencies, receives annual funding support from key partners and donors. Funding support for SPREP covers three main areas:

- Core funding
- Programme funding
- Project funding

3. Core funding which is sourced from Membership contributions accounts for about 16% of the overall budget (2012 figures) whilst programme funding which is provided primarily by Australia (17%) and New Zealand (6 %) accounts for 23%. The balance of SPREP's budget comprises project funding provided by several donors with the bulk coming from GEF/UNDP for the PACC and PIGGAREP Projects.

4. For several years key partners and donors have been discussing the possibility of entering into longer term funding arrangements with CROP agencies. In 2009, both Australia and New Zealand indicated their interest in supporting SPREP under a multi-year funding arrangement.

5. Between 2010 and 2011, SPREP went through a 2 year period of change management which addressed the requirements of the EU institutional assessment, focussing on finance, human resource functions, accounting, auditing, internal control and procurement. A positive result was issued by the EU when SPREP was reassessed in 2011

6. The positive results of the EU assessment in 2011 and the increased delivery of services to Members resulted in the increased confidence of key partners and donors in SPREP's work. This is further evidenced in SPREP's budget increasing 3.5 times more from USD7 million in 2008 to a proposed budget of USD24 million for 2014.

7. On 25th February 2013, SPREP signed a multi-year funding (Partnership Arrangement) with the Government of New Zealand for the period 2013-2015. Key outcomes to be achieved under this new Partnership Arrangement included: implementation of SPREP's 2011-2015 Strategic Plan; and supporting SPREP to ensure it addresses members priority needs and environmental management at the national level.

8. Similarly, on 8th May 2013, SPREP signed another multi-year funding (Partnership) Agreement with Australia covering the period 2013-2015. Like the New Zealand Partnership Agreement, this 3 year period covers the time period of the SPREP Strategic Plan 2011-2015. The provision of the three year agreement under the Partnership Agreement aligns Australian funding arrangements with the current SPREP Strategic Plan bridging the annual funding cycle and allows for the review of partnership arrangements and of SPREP leading up to the development of the next 5 year SPREP Strategic Plan.

9. The multi-year arrangements between SPREP and the Governments of Australia and New Zealand enable SPREP to more effectively plan on a long term basis to better address the priority needs of Pacific Island countries and territories. Specifically, the funding under this agreement will be used to support SPREP on the delivery of its outputs identified in the Annual Work Plan and Budget as agreed by Members. At a broad level the Partnership Agreement between Australia and New Zealand with SPREP also underpins the close cooperation between SPREP and these countries.

10. This is the first time that SPREP has entered into multi-year funding arrangements with both Australia and New Zealand. SPREP is the only CROP agency which has multi-year funding arrangements with both Australia and New Zealand. The benefit of this new funding delivery mechanism is that allows for more certainty over the three year period and better delivery of services for Pacific Island Members of SPREP. It also reduces the quantity of project funding in favour long term support and facilitates service delivery that is more targeted to member country vulnerabilities and needs.

11. The Secretariat expresses its appreciation to the Australian and New Zealand governments for taking the initiative to enter into these new long term funding delivery mechanisms. It is hoped that the other "Metropolitan" Government Members of SPREP (France, USA, and UK) will also consider entering into similar arrangements with SPREP.

Recommendation

12. The Meeting is invited to:

- **note** SPREP's new multi-year funding arrangements with Australia and New Zealand;
- **encourage** other "Metropolitan" Government Members of SPREP and other donors and partners to consider multi-year funding arrangements for SPREP to ensure more effective support for Pacific Island countries and territories; and
- **express** its appreciation to Australia and New Zealand for its support to the Secretariat through the new multi-year funding arrangements.