

**PARTNERSHIP FOR DEVELOPMENT**

**BETWEEN**

**THE GOVERNMENT OF  
AUSTRALIA**

**AND**

**THE GOVERNMENT OF  
THE REPUBLIC OF THE MARSHALL ISLANDS**

## AUSTRALIA – MARSHALL ISLANDS PARTNERSHIP FOR DEVELOPMENT

### 1. Objectives and Principles

- 1.1 This Partnership for Development between the Government of Australia and the Government of the Republic of the Marshall Islands (RMI) establishes our shared vision to work together in close cooperation to meet our common challenges and to raise the standard of living for the people of the Republic of the Marshall Islands. In particular, this Partnership for Development seeks to advance the Republic of the Marshall Islands development vision as articulated in the Republic of the Marshall Islands Vision 2018 and make progress towards attainment of the Millennium Development Goals (MDGs) by 2015 and the Cairns Compact on strengthening donor coordination in the Pacific.
- 1.2 Reflecting the Government of Australia's *Port Moresby Declaration* on closer cooperation and engagement with the Pacific region, this Partnership for Development is founded on the principles of mutual respect and mutual responsibility for improved development outcomes.
- 1.3 In line with the policy objectives of the Governments of Australia and the Republic of the Marshall Islands, this Partnership for Development recognises the commitment of the Government of Australia to maintain and improve the effectiveness of current country allocations of development assistance and the commitment of the Republic of the Marshall Islands Government to improved public sector financial management, sustained macroeconomic stability, governance, public sector capacity development, enhanced private sector development, investment in economic infrastructure and improved access to quality health and education and community development.
- 1.4 This shared vision and these principles will underpin Australia's development relationship with the Republic of the Marshall Islands under the new *Australia – Republic of the Marshall Islands Partnership for Development* which we are establishing through this framework.
- 1.5 Reflecting the principles of mutual respect and mutual responsibility, the Governments of Australia and the Republic of the Marshall Islands acknowledge:
  - the Republic of the Marshall Islands' development challenges, including those related to its small size and scattered population, remoteness, vulnerability to economic and environmental shocks, including Climate Change and limited natural resource base;
  - the Republic of the Marshall Islands' leadership of its policies for improved governance and economic and social development, as articulated in key policy

documents, including Republic of the Marshall Islands Vision 2018 and the Medium Term Budget Framework;

- their joint resolve to advance regional collaboration, growth and development to accelerate progress towards achieving the Republic of the Marshall Islands Vision 2018, MDGs and to advance the *Pacific Plan*, the *Barbados Program of Action* and *Mauritius Strategy for Implementation*;
- the requirements of each Government to account to its Parliament and people on the contribution and utilisation of national resources to economic and social development;
- the need to track and report on results, including through joint, regular and evidence-based review of progress against the objectives and commitments of the Partnership and jointly-prescribed performance measures, reflecting the Republic of the Marshall Islands' own sector development strategies and plans.

## 2. Commitments

2.1 The commitments made by each Government will advance the objectives of the Partnership for Development, including by reinforcing the Republic of the Marshall Islands' leadership of development planning and coordination, and ensuring good international practice in development approaches.

### 2.2 **The Government of Australia hereby confirms its commitment to the Republic of the Marshall Islands Government to:**

- Support Republic of the Marshall Islands' pursuit of sustainable economic growth strategies, encompassing private sector development, economic reform and regional economic integration and ensure its development assistance reinforces the Republic of the Marshall Islands Government leadership of effective development strategies and programs for the benefit of the people of the Republic of the Marshall Islands;
- Deliver a jointly determined program of high quality technical, policy and financial support to assist the Republic of the Marshall Islands to implement national development strategies and activities, including by helping to develop effective national institutions and help strengthen the capacity of existing national institutions, where appropriate;
- Provide long term and predictable engagement with scope for increases based on performances against jointly determined targets;
- Facilitate common approaches and partnerships amongst donors under the Republic of the Marshall Islands coordination and leadership, including through implementing the Cairns Compact on Strengthening Development

Coordination in the Pacific, the *Paris Declaration on Aid Effectiveness* and *Accra Agenda for Action* (or any that supersede them);

- Support regional collaboration and build Republic of the Marshall Islands capacity to maximize the benefits from relevant regional programs, including Pacific Region Infrastructure Facility (PRIF), regional organizations, policy dialogue and people to people links.

2.3 **The Government of the Republic of the Marshall Islands confirms its commitment to the Government of Australia to:**

- Consistent with the Constitution and laws of the Republic of the Marshall Islands, pursue sustainable growth strategies, encompassing private sector development, broad economic reform and growth and regional economic collaboration and develop and implement national and sector-level development plans and policies that clearly outline development objectives and targets for the country and ensure these plans are reflected in national budget allocations;
- Improve the quality and coverage of development statistics as a means to improving policy and budget formulation;
- Optimize the use of aid to achieve improved development outcomes through the effective coordination of development programs and monitor reporting by donors including Australia, and to implement the commitments under the Cairns Compact;
- Continue to work towards improved performance against the MDGs and related development targets specific to the Republic of the Marshall Islands.

2.4 Consistent with the Partners' commitment to the principle of joint and evidence-based review of progress against the objectives and commitments of the Partnership for Development, both Governments commit to measuring performance and progress using mutually-prescribed performance measures.

3. **Partnership for Development Priorities**

3.1 The Governments of the Republic of the Marshall Islands and Australia will pursue mutual commitments to achieve specific Priority Outcomes and targets which meet the objectives of this Partnership for Development. These priority outcomes are listed in Attachment A.

3.2 In addressing **Priority Outcomes**, the Republic of the Marshall Islands and Australia accept that the Partnership for Development should initially focus on:

- Affordable, accessible and sustainable **energy** provision (The core objective of the National Energy Policy and Action Plan);
- Affordable, accessible and sustainable **water** provision (support establishment and operation of a new National Water Office).

3. 3 Implementation strategies for the Republic of the Marshall Islands Priority Outcomes will be outlined in schedules to the Partnership for Development, which will describe the nature of the Partners' mutual commitments towards mutually determined outcomes, how progress towards intended results will be measured, financing and other contributions from both Governments, and a timeframe for action. These strategies will build on existing development programs and promote coordinated action with all of Republic of the Marshall Islands' development partners.

3. 4 Both Governments intend that the scope of the Partnership for Development will develop incrementally and over time may address different Priority Outcomes and encompass other elements of the Republic of the Marshall Islands' long-term development challenges. As further Priority Outcomes are jointly decided they will be included in the schedules to the Partnership for Development. The Partners will consider positively new requests for the progressive strengthening and extension of this Partnership, through jointly-decided arrangements for governance and review.

#### 4. **Governance and Review**

4. 1 Annual Partnership Talks between senior officials of the two Governments, reporting to Ministers, will ensure joint, regular and evidence-based review of progress against the objectives and joint commitments of the Partnership for Development and the jointly-determined Priority Outcomes as set out in Attachment A.

4. 2 Attachments and schedules to the Partnership for Development will be reviewed and changes or additions will be jointly determined at the Annual Partnership Talks, or as mutually determined by designated senior officials of both Governments. Where possible, these talks will be scheduled to coincide with the Republic of the Marshall Islands budget planning and donor coordination meetings.

4. 3 The Priority Outcomes and targets detailed in Attachment A provide the basis for the review of progress to be completed at the Annual Partnership Talks. The review process will also utilise existing and emerging independent sector review processes.

5. **Levels of Development Assistance**

- 5.1 The Governments of the Republic of the Marshall Islands and Australia note the intention by Australia to make long-term and predictable commitments of development assistance, affirmed on an annual basis, taking into account progress against Partnership for Development commitments, targets and progress indicators.
- 5.2 Specific financing commitments will be stated in the schedules to this Partnership for Development and will reflect multi-year financial commitments from both Governments (subject to budget considerations).

6. **Other Development Partners**

- 6.1 Consistent with commitments under the *Paris Declaration on Aid Effectiveness* and the *Accra Agenda for Action* (or any that supersede them), Australia recognises the development assistance provided to the Republic of the Marshall Islands by other development partners. Australia will emphasise, where possible, alignment of development assistance with the Republic of the Marshall Islands' strategy, policy, planning and finance processes, and will encourage other donors to work in common ways in support of the Republic of the Marshall Islands' development efforts.
- 6.2 The Partnership for Development acknowledges the existing development relationships and coordination arrangements within the Republic of the Marshall Islands Government. Both Australia and the Republic of the Marshall Islands commit to an effective dialogue with other development partners, using appropriate mechanisms for engaging domestic stakeholders, including business and civil society.

7. **Other**

- 7.1 This Partnership recognises the *Memorandum of Understanding on Development Cooperation* as a separate and related arrangement between both Governments on protocol and facilitation of Australia's development assistance contribution to the Republic of the Marshall Islands. This Partnership for Development is supported by related schedules which describe implementation strategies, performance measurement and donor coordination arrangements.

8. **Conclusion**

- 8.1 Through this Partnership for Development, the Governments of Australia and the Republic of the Marshall Islands establish their commitment to beginning a new era of cooperation, to work closely together to meet our common challenges and

to improve the quality of life for all people in the Republic of the Marshall Islands.

SIGNED AT PORT VILA

ON

4 AUGUST 2010

2010

For the Government of  
Australia

  
For the Government of  
the Republic of Marshall Islands

  
Minister of Foreign  
Affairs &  
Trade

## ATTACHMENT A: PARTNERSHIP PRIORITY OUTCOMES

### **PARTNERSHIP PRIORITY OUTCOME 1: Affordable, accessible and sustainable energy**

#### **Joint Commitments:**

The objective of the Republic of the Marshall Islands National Energy Policy 'improved quality of life for the people of the Marshall Islands through clean, reliable, affordable, accessible, environmentally appropriate and sustainable energy services' directly supports the national Vision 2018.

Australia supports the National Energy Policy's moves towards immediate and significant reorientation of the energy sector, with changes to reduce energy demand and diversify energy supply. The Partnership will support the Republic of the Marshall Islands to *improve energy efficiency* and shift reliance away from oil and move towards greater use of *affordable renewable energy* sources and also acknowledges that these efforts also form part of the nation's strategy to build resilience to climate change. Australia, primarily through the provision of high quality jointly determined technical assistance, will support the Republic of the Marshall Islands to meet the below targets.

#### **Target Results:**

The Partnership will support the Republic of the Marshall Islands to meet its targets as outlined in the National Energy Policy and Action Plan, namely:

- Electrification of 95 per cent of all urban households in Majuro and Ebeye and 95 per cent of rural outer atoll households by 2015;
- The provision of 20 per cent of energy through indigenous renewable resources by 2020;
- Improved efficiency of energy use in 50 per cent of households and businesses in Majuro and Ebeye, and 75 per cent of government buildings by 2020.



## **PARTNERSHIP PRIORITY OUTCOME 2: Increased access to clean water and sanitation**

### **Joint Commitments:**

As a country comprised of low lying coral atolls and islands, fresh water resources are extremely limited in the Republic of the Marshall Islands. A recent joint RMI- SOPAC study found the Republic of the Marshall Islands' finite and fragile fresh water resources are under increasing pressure from population growth, urbanization, economic development and other forces. Despite the critical nature of the problem, there has been no agency or body within government charged with responsibility for water policy or program.

The Partnership will support the Republic of the Marshall Islands to take forward a key recommendation from the joint study, namely to establish an integrated water resource management system in a bid to improve policy and program coordination and collaboration with external development partners and reduce the negative health, social and economic impacts on the population.

All atolls and islands, urban or rural, now face water quantity and quality challenges with data showing serious quantity and quality problems related to household drinking water (e.g. in 2001 nearly 85 percent of the household catchments tested were contaminated). Testing of groundwater wells, particularly in densely populated urban areas, show similar results. These findings suggest that a significant proportion of water sources throughout the Republic of the Marshall Islands are probably unsafe for human consumption.

### **Target Results:**

There is currently no national policy or action plan related to water resource management or sanitation. The Partnership will support the Republic of the Marshall Islands to establish a dedicated body to take forward development of a national policy and action plan. Interim partnership targets prior to the formalisation of a National Action Plan (or similar) are drawn from the recommendations from the Majuro and Kwajalein Atoll Household Water Survey Report (Feb 2010):

- Increase coverage of surveyed households on Majuro and Ebeye with limited or no access to clean water (either household catchments or municipal water) to 95 per cent by 2015;
- Establishment of a waterborne disease surveillance program
- Current levels of detected water borne illnesses reduced by 75% by 2015
- Water quality testing programs in use for testing and monitoring all household and commercial water supplies through routine and institutionalised programs by 2015
- All households to have access to information concerning water safety, water borne illnesses and water supplies as well as other environmental issues impacting water supplies by 2015
- Development and approval of National Action Plan for water resources;
- Establishment of a National Water Office (or similar) with mandate for policy and program coordination of water resource management.