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Australia-Federated States of Micronesia Aid Partnership Arrangement 2018 – 2022

1. The Arrangement

- 1.1. This Arrangement between the Government of Australia and the Government of the Federated States of Micronesia (the Partners) establishes the Partners' shared vision to ensure development cooperation contributes as effectively and efficiently as possible to sustained and inclusive economic growth and to reducing poverty in the Federated States of Micronesia (FSM).
 - 1.2. This Arrangement builds on the Federated States of Micronesia–Australia Partnership for Development signed in August 2010 and the Government of Australia's Aid Investment Plan (2016-17 to 2018-19) for FSM.
 - 1.3. The period of this Arrangement is from 5 June 2018 until 30 June 2022.
 - 1.4. The relationship between the Partners will be built on the principles of:
 - a. Equality, because it leads to respect;
 - b. Transparency, because it leads to trust;
 - c. Mutual benefit, because it leads to sustainability; and
 - d. Management for results.
 - 1.5. Reflecting these principles, the Partners acknowledge:
 - a. FSM's ownership and leadership of its own policies for improvement and growth;
 - b. their mutual responsibility for results, including through joint, regular and evidence-based review of progress against Arrangement objectives and jointly determined Performance Benchmarks as set out in Annex A;
 - c. that Australia also works in FSM through wider Official Development Assistance regional and multilateral delivery mechanisms to support sustained and inclusive economic growth; and
 - d. the UN *Sustainable Development Goals* adopted by FSM, Australia and the broader UN General Assembly at the UN Sustainable Development Summit in New York, September 2015.
 - 1.6. The Partners understand that this Arrangement, while expressing their goodwill and intention to cooperate and collaborate on issues of mutual interest, does not create any legally binding or enforceable rights or commitments (expressed or implied).
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2. Objectives and Priorities

- 2.1 The overarching objective of this Arrangement is to facilitate close cooperation to promote prosperity, reduce poverty and enhance stability in FSM.
- 2.2 The Partners have jointly determined two strategic priorities to guide development cooperation under the Arrangement. The priorities are consistent with Australia's aid policy *Australian aid program: Promoting prosperity, reducing poverty, enhancing stability* and FSM's *Strategic Development Plan 2023*.
- 2.3 The **first priority** is to improve the quality and inclusiveness of primary education by:
 - Objective A - Building capacity for system-wide assessment of student learning
 - Objective B - Strengthening teacher preparation and development
 - Objective C - Delivering high-quality teaching and learning resources for numeracy and literacy
 - Objective D – Strengthening educational leadership and management of schools and building community engagement in education.
- 2.4 The **second priority** is to achieve gender equality and enhance women's empowerment in FSM by:
 - Objective E - Improving the legislative and regulatory framework that protects women and girls from violence and strengthening support services available to women and girls who have experienced violence
 - Objective F - Increasing leadership, decision-making and economic opportunities and participation for women.
- 2.5 The Partners jointly determine that investments will address climate change and disaster resilience, gender equality and inclusion of people with disability. These are critical to addressing the barriers to economic growth and reducing poverty in FSM.

3. Mutually Reinforcing Commitments

- 3.1 The Partners affirm that this Arrangement is based on a series of mutually reinforcing commitments.
- 3.2 The Government of FSM will implement the *Federated States of Micronesia Strategic Development Plan 2023*.



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- 3.3 The Government of Australia will:
- Deliver aid in line with the strategic priorities and objectives of this Arrangement, reinforcing FSM's leadership of effective development strategies and programs;
 - Work with the Government of FSM, the private sector, other donors, multilateral partners and regional organisations to facilitate common approaches and partnerships; and
 - Be transparent in the allocation of funding under the Arrangement and keep the Government of FSM apprised of Australian policy developments that may affect the anticipated level of funding.
- 3.4 The Partners commit to a zero tolerance approach to fraud and corruption in the management and delivery of the aid program.
- 3.5 The Partners will ensure that high standards of transparency and accountability, open communication, value-for-money principles and active management of risks are implemented, including through mitigating adverse environmental and social impacts of the aid program through the application of safeguard policies in environment, resettlement and child protection.
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4. Performance Benchmarks

- 4.1 Australian aid to FSM will be linked to performance, in line with Australia's document *Making Performance Count: Enhancing the Accountability and Effectiveness of Australian Aid*.
- 4.2 The Partners aim to achieve the Performance Benchmarks set out in Annex A, consistent with the priorities and objectives identified in Paragraph 2.
- 4.3 Results will be monitored against mutually determined Performance Benchmarks through regular review and Partner dialogue.
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5. Governance and Review

- 5.1 Annual partnership dialogues between senior officials of the Partners will ensure joint, regular and evidence-based review of progress against the objectives, Performance Benchmarks and mutually reinforcing commitments under this Arrangement.
- 5.2 Both Partners will discuss any performance concerns relating to use of Australian funds and attempt to resolve issues through dialogue.
- 5.3 Performance against the priorities and objectives under this Arrangement will be reported and reviewed at annual consultations.
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6. Other Development Partners

- 6.1 The Partners commit to an effective dialogue with relevant stakeholders in fulfilling the objectives of this Arrangement.
- 6.2 The Partners will choose delivery partners and mechanisms based on an assessment of the most effective way to achieve the objectives listed above, and the past performance of partners. This may include expanding partnerships with the private sector and partnering with civil society organisations, in recognition of their critical role in achieving economic growth and poverty reduction.
- 6.3 The Government of Australia will seek to support improved coordination and transparency among bilateral and regional stakeholders and encourage others to invest in and seek greater coordination and transparency of development policies and programs with the Government of FSM. The Government of Australia will continue to work closely with multilateral partners to encourage their increased and effective presence in FSM.

7. Declaration

This Arrangement sets the framework within which the Government of Australia and the Government of FSM will work together to deliver a series of strategic investments to improve economic growth opportunities and reduce poverty in FSM.

Signed at:

Pohnpei FSM

on:

6/5/2018

For the Government of Australia

For the Government of the Federated
States of Micronesia

June Bishop

Minister for Foreign Affairs

Sant

Secretary of Foreign Affairs



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ANNEX A: Performance Benchmarks

Objective	Targets				
	2017-18	2018-19	2019-2020	2020-2021	2021-2022
Priority 1: Improve the quality and inclusiveness of primary education					
A: Building capacity for system-wide assessment of student-wide learning (capacity to use assessment to improve learning strengthened).	New project sites identified. Recruitment for project. Project Implementation Unit staffed and in place.	Assessment instrument being used across increased sites in FSM, including distance modalities.	Alternative assessments for learning established.	National Student Assessment for learning Framework development by 2021. 50% of participating teachers use student assessment data to tailor teaching practice to better meet student learning needs by 2021 (2017 baseline: 140).	National Student Assessment for learning Framework implemented by 2022. 50% of grade 6 students meet minimum competency on the NMCT for reading by 2023 (2015 baseline: Reading 32% grade 6). 50% of grade 4 and 6 students meet minimum competency on the NMCT for math by 2023 (2015 baseline: math 25% grade 4 and 21% grade 6).
B: Strengthening teacher preparation and development (primary school teachers better prepared).	Capacity building of teachers and principals in assessment instrument implementation underway. Needs survey of teachers completed.	Assessment instrument integrated into state/national education systems. Teaching professional learning framework drafted by 2019.	National and state outlines for professional learning frameworks developed by 2020. Teacher Learning Collective established by 2020.	800 teachers trained in Quality Pedagogy Framework to teach numeracy and literacy across the curriculum by 2021 (2017 baseline: 100). 40% of participating	Teaching professional learning framework approved and implemented by 2022.



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				schools implement a system of Lead Teachers and Induction by 2021 (2017 baseline: 0).	
C: Delivering high-quality teaching and learning resources for numeracy and literacy (access and usage of TLRM for literacy and numeracy expanded).	Distance modalities of further education delivery investigated. FSM Government bilingual education policy passed.	Integration of bilingual language policy underway.	Curriculum at basic education level with focus on literacy and math resources and materials reviewed and materials/gaps determined by 2019.	90% of teachers participate in professional learning on resource use to improve student learning by 2021.	75% of teachers access TLRM for literacy and numeracy using established processes by 2022 (2017 baseline: 0).
D: Strengthening educational leadership and management of schools and building community engagement in education.	Parent and stakeholder consultations conducted. Strategy to promote increased parental involvement in education underway.	Increase in parent involvement in schools and education.	Stakeholder consultations with parents and civil society to develop strategy for promoting increased parental involvement in education conducted by 2020.	All school School Improvement Plans include 5 activities or projects that engage parents and community by 2021.	90% of principals participate in professional learning (2017 baseline: 15).
Priority 2: Improve political, economic, social and leadership opportunities for women in FSM					
E: Improving the legislative and regulatory framework that protects women and girls from violence and strengthening the support services	Identification completed of key legislation to provide greater legal protection against gender violence and prosecution of perpetrators.	6 key advocates for ending violence against women trained by 2018. Legislative reforms provide better legal protection to women and girls and lead to	Development and provision of basic referral services to victims of gender violence underway.	Community-based safe places are identified for women and children seeking immediate protection when in danger due to gender violence, and if feasible, a	Organisations that support women's rights and protect them against violence are better able to sustain their programs and operations through better



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available to women and girls who have experience violence.		successful prosecutions of perpetrators of gender violence.		short stay refuge established at the Pohnpei Women's Centre.	planning and fundraising.
F: Increasing leadership, decision-making and economic opportunities and participation for women.	<p>Scoping study to identify key barriers for scaling up women's businesses is completed.</p> <p>Young men and women trained in the use of media for social good.</p>	<p>Strengthening and development of women's businesses underway.</p> <p>Career advancement assistance for female private sector employees being undertaken.</p>	<p>Referral services for women in business created and in place, such as for connecting enterprises to sources of funding.</p> <p>5 enterprises/cooperatives received targeted assistance.</p>	Scoping study on the promotion of women to higher job levels in business and government.	Capacity has increased in stakeholders such as the Small Business Development Centre, Women-In-Business networks, national and local chapters of youth council and relevant NGOs.