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Australia-Kiribati Aid Partnership Arrangement 2016 – 2019

1. The Arrangement

- 1.1. This Arrangement between the **Government of Australia** (“GOA”) and the **Government of Kiribati** (“GOK”) (“the Partners”) establishes the Partners shared vision to ensure development cooperation contributes effectively and efficiently to sustained and inclusive economic growth and to reduce poverty in Kiribati.
- 1.2. This Arrangement builds on the Memorandum of Understanding on Development Co-operation signed by the Partners in April 1994, the Australia – Kiribati Partnership for Development signed in January 2009, and the GOA’s Aid Investment Plan (2016-17 to 2018-19) for Kiribati.
- 1.3. The period of this Arrangement is from August 2016 until June 2019.
- 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; and
 - c. Mutual benefit, because it leads to sustainability.
- 1.5. Reflecting these principles, the Partners acknowledge:
 - a. Kiribati’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 partnership objectives and Performance Benchmarks set out in Annex A;
 - c. That Australia also works in Kiribati through wider ODA regional and multilateral delivery mechanisms to support sustained and inclusive economic growth; and
 - d. The UN *Sustainable Development Goals* adopted by Kiribati, 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).

2. Objectives and Priorities

- 2.1 The overarching objective of this Arrangement is to facilitate close cooperation to support sustainable and inclusive economic growth and to reduce poverty in Kiribati.
- 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: Promoting prosperity, reducing poverty, enhancing stability*



(2014), Kiribati's Development Plan development policy agenda¹ and the Kiribati Vision for 20 years (KV20). The priorities are also consistent with the relevant regional strategies relating to education, health, climate change, labour mobility and economic reform.

- 2.3 The **first priority** is to support the GOK to implement its Economic Reform Plan² to maximise the benefits of its resources:

Objective A - progress economic reforms, including improving public financial management, improving the management of public assets and liabilities, creating an environment for private sector led growth, and increasing return and sustainability of natural, cultural and human capital.

- 2.4 The **second priority** is to help improve economic prospects and resilience by building a better educated and healthier population:

Objective B – improve learning outcomes and raise standards in basic and secondary education to develop the skills of girls and boys.

Objective C - provide quality skills training aligned with labour market demand to provide opportunities for young people to pursue domestic and international employment (including through targeted scholarships, training and employment initiatives) for a productive future.

Objective D - improve health outcomes through improving the prevention and management of communicable diseases.

- 2.5 The **third priority** is to support the government to effectively implement the PACER Plus Agreement and complementary trade policies in order to create new opportunities for economic growth and private sector development.

Objective E: Improve economic growth through trade and private sector development.

- 2.6 The Partners undertake to support the following cross cutting issues in connection with development assistance from GOA:

- Climate change resilience;
- Gender equality (including investments to strengthen violence response services, legal systems and local policing); and
- Disability inclusiveness.

- 2.7 The Partners also undertake to support and integrate programs which aim to:

- provide new opportunities for economic growth through easier trade and investment across the Pacific region; and
- enhance security cooperation, coordination and information sharing, including on health, identity and border security.

¹This includes the Kiribati Development Plan (2016-2019) and subsequent reiterations.

² As aligned with the Joint Policy Matrix, updated annually by donors and GOK.



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5. Governance and Review

- 5.1 The annual partnership talk coupled with the regular partnership dialogues as required between senior officials of the Partners will ensure there is a joint, regular and evidence-based review of progress against the objectives, Performance Benchmarks and mutually reinforcing commitments under this Arrangement.
- 5.2 The Partners undertake to discuss any performance concerns and attempt to resolve issues through dialogue.
- 5.3 The GOA's performance against the objectives and priorities under this Arrangement will be reported and reviewed through the production of an *Annual Program Performance Report*.

6. Other Development Partners

- 6.1 The Partners commit to an effective dialogue with partners and stakeholders in fulfilling the objectives of this Arrangement.
- 6.2 Other delivery partners and mechanisms will be chosen based on an assessment of the most effective way to achieve the objectives and priorities 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 GOA will seek to support improved coordination among bilateral and regional stakeholders and encourage others to invest in and seek greater coordination of development policies and programs with the GOK. The GOA will continue to work closely with multilateral partners to encourage their increased and effective presence in Kiribati.

7. Declaration

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

Signed at: *TARAWA*

on: *14 SEPTEMBER 2018*

For the Government of Australia

For the Government of Kiribati

High Commissioner

Secretary for Foreign Affairs and Immigration



3. Mutually Reinforcing Commitments

- 3.1 The Partners affirm that this Arrangement is based on a series of mutually reinforcing commitments.
- 3.2 The GOK will:
- Maintain or exceed the current expenditure in education and health in its budget;
 - Implement reforms under its Economic Reform Plan; and
 - Improve gender equality indicators as committed to in the Pacific Islands Forum Leaders' Gender Equality Declaration.
- 3.3 The GOA will:
- Deliver aid in line with the strategic priorities and objectives of this Arrangement, reinforcing the GOK's leadership of effective development strategies and programs;
 - Facilitate common approaches and partnerships among donors under the GOK's coordination and leadership;
 - Provide support to the GOK to monitor and strengthen its decision-making, finance and procurement systems; and
 - Be transparent in the allocation of funding under the Arrangement and keep the GOK apprised of domestic policy developments which may affect the anticipated level of funding.
- 3.4 The Partners undertake to maintain a zero-tolerance approach to fraudulent and corrupt actions against Australia's aid program to Kiribati. Both Partners also undertake to improve the GOK's procurement and financial systems to ensure that aid funds are disbursed effectively, efficiently, economically and ethically providing the greatest possible value for money and improving the lives of people in Kiribati, including those in greatest need.
- 3.5 The Partners will ensure that climate change and disaster resilience is considered to safeguard longevity, ensure value for money, and help build resilience.
- 3.6 The Partners will ensure that high standards of transparency and accountability, value-for-money principles and active management of risks are implemented in the connection with the aid program, including through mitigating adverse environmental and social impacts of the aid program through the application of safeguard policies in environment, resettlement and child protection.

4. Performance Benchmarks

- 4.1 Australian aid provided to GOK will be linked to the performance framework set out in *Making Performance Count: Enhancing the Accountability and Effectiveness of Australian Aid*.
- 4.2 The Partners undertake to achieve the Performance Benchmarks at Annex A, tied to the priorities and objectives identified paragraph 2.
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ANNEX A - Performance Benchmarks



Objective	Target	2016-17	2017-18	2018-19	2019-20
Priority 1: Implementation of Economic Reform Plan					
A	Progress of economic reform priorities	Achievement of all prior actions under the Joint Policy Matrix, triggers the release of donor funding.	Achievement of all prior actions under the Joint Policy Matrix triggers the release of donor funding.	Achievement of all prior actions under the Joint Policy Matrix triggers the release of donor funding.	
Priority 2: Better educated and healthier population					
B	Improve standards in basic education	80 per cent of permanent / contract teachers complete training in the delivery of new year 6 curriculum.	80 per cent of permanent / contract teachers complete training in the delivery of new year 7 curriculum.	80 per cent of permanent / contract teachers complete training in the delivery of new year 8 curriculum.	80 per cent of permanent / contract teachers complete initial training in the delivery of new year 9 curriculum.
		1056 children with improved learning spaces, and access for girls and boys including children with a disability to wash facilities.	1896 children with improved learning spaces, and access for girls and boys including children with a disability to wash facilities.	936 children with improved learning spaces, and access for girls and boys including children with a disability to wash facilities.	240 children with improved learning spaces, and access for girls and boys including children with a disability to wash facilities.
C	Provision of quality skills training aligned with labour market demand	All new trainers at KIT will have commenced training to obtain professional qualifications for their industry within 12 months of commencing employment.	All new trainers at KIT will have commenced training to obtain professional qualifications for their industry within 12 months of commencing employment.	All new trainers at KIT will have commenced training to obtain professional qualifications for their industry within 12 months of commencing employment.	All new trainers at KIT will have commenced training to obtain professional qualifications for their industry within 12 months of commencing employment.
		Accredited courses at KIT have a female participation rate of 49 per cent and a participation rate of 2 per cent by people with a declared	Accredited courses at KIT have a female participation rate of 50 per cent and a participation rate of 3 per cent by people with a	Accredited courses at KIT have a female participation rate of 50 per cent and a participation rate of 5 per cent by people with a declared	Accredited courses at KIT have a female participation rate of 50 per cent and a participation rate of 5 per cent by people with a declared



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	disability or have an identified functional difficulty which is likely to impact on their education.	declared disability or have an identified functional difficulty which is likely to impact on their education.	disability or have an identified functional difficulty which is likely to impact on their education.	disability or have an identified functional difficulty which is likely to impact on their education.
D	Improved health outcomes	Tuberculous case notification rate of 530 ³ (all forms, per 100,000 population). Rehabilitation of the existing sewage networks in Betio, Bairiki and Bikenibeu.	Tuberculous case notification rate of 570 ³ (all forms, per 100,000 population). Rehabilitation of the sewage outfalls in Bairiki, Betio and Bikenibeu.	Tuberculous case notification rate of 600 ³ (all forms, per 100,000 population). 70 per cent of communities in South Tarawa are actively engaged in health and sanitation awareness programs. Establishment of Sanitation Maintenance Fund program.
Priority 3: implementation of PACER Plus Agreement and complementary trade related policies				
E	Improved Economic growth through trade and private sector development	Signing of PACER Plus Key stakeholders sensitised on PACER Plus Agreement	Support for Kiribati to fully utilise its allocation under the Readiness Package	Support for Kiribati to shape the Implementation Package and broader trade and investment related assistance to its needs.

³ This represents an increase in the notification rate of approximately five percent each year and is consistent with the Kiribati Ministry of Health and Medical Services targets.

⁴ To be achieved through contribution towards the construction of an open integrated market for local producers.



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Cross-cutting issues across all development assistance				
	Improved resilience to the impact of climate change	Leak detection and repair is completed for South Tarawa Public Utilities Board water supply.	Rainwater harvesting systems and infiltration galleries are installed in North Tarawa.	
	Eliminating violence against women	50 per cent of frontline police officers complete training on the enforcement of the new Family Act and at least 15 per cent of all domestic violence cases result in protection orders.	70 per cent of frontline police officers complete training on the enforcement of the new Family Act and at least 20 per cent of all domestic violence cases result in protection orders.	90 per cent of frontline police officers complete training on the enforcement of the new Family Act and at least 25 per cent of all domestic violence cases result in protection orders.
				100 per cent of frontline police officers complete training on the enforcement of the new Family Act and at least 30 per cent of all domestic violence cases result in protection orders.