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Australia-Republic of the Marshall Islands Aid Partnership Arrangement

2018 – 2022

1. The Arrangement

- 1.1. This Arrangement between the Government of Australia and the Government of the Republic of the Marshall Islands (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 Republic of the Marshall Islands (RMI).
 - 1.2. This Arrangement builds on the Republic of the Marshall Islands–Australia Partnership for Development signed in August 2010 and the Government of Australia's Aid Investment Plan (2016-17 to 2018-19) for RMI. .
 - 1.3. The period of this Arrangement is from 6 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. RMI'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;
 - c. that Australia also works in RMI 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 RMI, 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 RMI.
- 2.2 The Partners have jointly determined three strategic priorities to guide development cooperation under the Arrangement in line with Australia's aid policy *Australian aid program: Promoting prosperity, reducing poverty, enhancing stability* and the RMI development policy agenda, including the *RMI Agenda 2020: A Framework for Progress*.
- 2.3 The **first priority** is to increase access to clean water and sanitation for people on the island of Ebeye:
- Objective A – Secure fresh water supplies
 - Objective B – Provide effective sewerage services
 - Objective C – Improve hygiene awareness and behaviours
 - Objective D – Strengthen financial management systems and technical capacity of the state-owned water and energy utility company.
- 2.4 The **second priority** is to achieve gender equality, improve economic and social outcomes for women, and enhance women's empowerment in RMI:
- Objective E – Progressively implement activities aimed at reducing violence against women
 - Objective F – Expand support services available to survivors of violence
 - Objective G – Strengthen civil society action for gender equality, economic and social outcomes and women's empowerment.
- 2.5 The **third priority** is to enhance the RMI national capacity to strengthen quality health and nutrition with a focus on service delivery, management, planning and human resource development.
- 2.6 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 the RMI.

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 the RMI will implement its *RMI Agenda 2020: A Framework for Progress*.



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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 RMI's leadership of effective development strategies and programs;
- Work with the Government of the RMI, 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 the RMI 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 commit to high standards of transparency and accountability, value-for-money principles and active management of risks in the aid program. This includes 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 to RMI will be linked to performance, in line with *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. The Partners agree to develop Performance Benchmarks for objectives relating to gender equality as part of a collaborative process to develop the *RMI Pacific Women Shaping Pacific Development Country Plan 2018-2021*.
- 4.3 Results will be monitored against mutually determined Performance Benchmarks through regular review and Partner dialogue.

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 select 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 the RMI. The Government of Australia will continue to work closely with multilateral partners to encourage their increased and effective presence in RMI.

7. Declaration

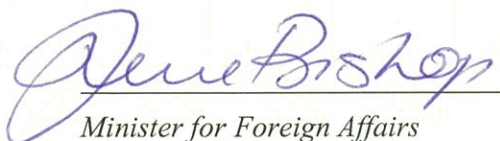
This Arrangement sets the framework within which the Government of Australia and the Government of the RMI will work together to deliver a series of strategic investments to improve economic growth opportunities and reduce poverty in RMI.


Signed at: Majuro, RMI

on: 6 June 2018

For the Government of Australia

For the Government of the Republic of
the Marshall Islands


Minister for Foreign Affairs


Acting Minister for Foreign Affairs &
Trade



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ANNEX A: Performance Benchmarks

Objective	Targets				
	2017-18	2018-19	2019-2020	2020-2021	2021-2022
Priority 1: Increase access to clean water and sanitation for people on the island of Ebeye					
A: Secure fresh water supplies.	KAJUR's fresh water production capacity will increase by approximately 220 per cent by 2018.	Minimum quantity of freshwater produced quadrupled, from 26 litres per person per day (2014 baseline) to 105 litres per person per day by 2019.	Expansion of supply to unserved areas (North Camp, Fire Victims).		All households (approximately 1,250) will be connected to the freshwater system by 2022.
B: Provide effective sewerage services.	80 per cent of the sewerage service infrastructure work completed. 85 per cent of the work to upgrade school sanitation facilities completed.	All households (approximately 1,250) will be connected to the sewerage system by 2018. All households (approximately 1,250) will be connected to the saltwater supply system by 2018.	The frequency of overflows from the sewer network is reduced by approximately 93 per cent, from more than 360 (2014 baseline) to less than 25 events per year by 2019. All sewage is treated to at least primary treatment standards by 2019.	Updated Environmental Management Plan.	
C: Improve hygiene awareness and behaviours.	Education and awareness campaign underway.				90 per cent of women are aware of the benefits of improved sanitation and hygiene by 2021. 95 per cent of children between the ages of 5 and 15 years have participated in hygiene awareness



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					programs on benefits of improved sanitation and hygiene by 2021.
D: Strengthen financial management systems and technical capacity of the state-owned water and energy utility company.	Approximately 75 per cent of the work completed for the Electricity improvement output. Review of staff structure and implementation of recommendations	Universal metering for freshwater services fully implemented.	Electricity supply improved, with interruption duration decreased by approximately 30 per cent and interruption frequency halved by 2019.		
Leak detection and repair program underway.					