



Australian Government



Australia-Vanuatu Aid Partnership Arrangement 2016 - 2019

1. The Arrangement

- 1.1. This Aid Partnership Arrangement (the Partnership) between the Australian Government and the Vanuatu Government (the Partners) establishes our shared vision to ensure development cooperation contributes as effectively and efficiently as possible to sustained and inclusive economic growth and reduced poverty in Vanuatu.
- 1.2. This Partnership builds on existing development cooperation frameworks and strategies.
- 1.3. The period of this Partnership is from December 2016 until December 2019.
- 1.4. The relationship between the Partners will be built on the principles of:
 - a. equality
 - b. transparency
 - c. mutual benefit.
- 1.5. Reflecting these principles, the Partners acknowledge:
 - a. Vanuatu'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 jointly determined performance benchmarks
 - c. other key regional and international arrangements, and that Australia also works in Vanuatu through wider Official Development Assistance (ODA) regional and multilateral delivery mechanisms to support sustained and inclusive economic growth.
- 1.6. The Partners understand that this Partnership, 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 goal of this Partnership is to facilitate close cooperation to promote prosperity, reduce poverty and enhance stability by focussing on achieving two overarching development outcomes: strengthening private sector development and enabling human development in Vanuatu.

2.2 The Partners have jointly determined four strategic priorities to guide development cooperation under the Partnership in line with Australia's aid policy *Australian aid program: promoting prosperity, reducing poverty, enhancing stability*, and Vanuatu's development policy agenda, including the *Vanuatu National Sustainable Development Plan 2016-2030*, the *National Recovery and Economic Strengthening Program Plan*, and the *National Gender Equality Policy*.

2.3 The **first objective** is to build resilient infrastructure and an environment for trade and economic opportunity, including in the productive sectors.

Outcome A: Government and statutory agencies supported by Governance for Growth Program promote institutional reforms and implement growth policies.

Outcome B: Public Works Department is providing appropriate rural road infrastructure in accordance with Vanuatu Government policy.

Outcome C: Vanuatu Government has improved and maintained urban roads, drainage, sanitation and hygiene in Port Vila.

Outcome D: Rural populations have greater access to services, markets and other economic opportunities to improve their livelihoods.

Outcome E: Youth, women and men (including people with a disability) participating in Technical and Vocational Education and Training (TVET) increase their income.

Outcome F: Australia Awards alumni are employed and applying their new knowledge and skills in Vanuatu in their field of study.

2.4 The **second objective** is to improve early education and essential health facilities.

Outcome G: Girls and boys in Year 4 have improved literacy and numeracy.

Outcome H: Vanuatu Government leadership and management deliver effective and equitable health services.

Outcome I: Vanuatu Government central agencies and line Ministries collaborate to improve the quality and management of public expenditure.



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2.5 The **third objective** is to improve community safety and resilience.

Outcome J: The Vanuatu Police Force, justice agencies (state and non-state) and the Vanuatu Women's Centre deliver improved policing and justice services in targeted locations for women and children.

Outcome K: Communities are more resilient to the adverse effects of natural disasters and climate change.

2.6 The **fourth objective** is supporting cyclone recovery and reconstruction.

Outcome L: People have access to restored and more sustainable services, and resilient livelihood opportunities.

2.7 Cross-cutting issues include youth, climate change and disaster resilience, gender equality and disability inclusion. The Partnership will support:

- 2.7.1 youth, including in health and education, access to justice, post school scholarships and vocational opportunities
- 2.7.2 climate change and disaster resilience, including through regional and bilateral programs and community-based non-government organisation initiatives
- 2.7.3 women, girls and people with a disability to access essential services and vital economic opportunities.

2.8 These issues are critical to addressing the barriers to economic growth and poverty reduction in Vanuatu.

3. Mutually Reinforcing Commitments

3.1 The Partners affirm that this Partnership is based on a series of mutually reinforcing commitments.

3.2 The **Vanuatu Government** will:

- implement the new National Gender Equality Policy 2015-2019
- increase access to services for people with a disability
- implement a national Rural Road Access Policy and Strategy which identify access targets and levels of service
- develop and implement a new Health Sector Strategy which identifies targets for access to health services and improved primary care
- develop and implement a national school rationalisation policy
- introduce advanced levels of vocational education and certificates
- implement measures to improve public sector financial and human resource management
- ensure timely implementation of Australian-funded Tropical Cyclone Pam recovery projects



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- develop appropriate policies to strengthen the productive sectors to empower the rural population
- develop decentralisation policies that acknowledge and respond to the priorities of Area Councils and Provinces.

3.3 The Australian Government will:

- support the Vanuatu Government to deliver its commitments
- support the Vanuatu Government to develop evidence-based policy options for:
 - a. efficient and equitable service delivery to rural areas utilising government mechanisms and structures.
 - b. future harmonised donor support for the productive sectors, particularly agriculture and tourism
- deliver aid in line with the strategic priorities and objectives of this Partnership, reinforcing Vanuatu leadership of effective development strategies and programs
- be transparent in the allocation of funding under the Partnership and keep the Vanuatu Government appraised of Australian domestic policy developments which 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 continue to consider climate and disaster resilience in their activities to safeguard sustainability and ensure value for money.

4. Performance Benchmarks

4.1 Australian aid to Vanuatu will be linked to performance, in line with Australia's policy, *Making Performance Count: enhancing the accountability and effectiveness of Australian aid*.

4.2 The Partners have mutually consented to the performance benchmarks in Annex A, tied to the priorities and objectives identified in this Partnership.

5. Governance and Review

5.1 Annual partnership dialogue between senior officials of the two governments will ensure joint, regular and evidence-based review of progress against the objectives, performance benchmarks and mutually reinforcing commitments of this Partnership.



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- 5.2 Both Partners commit to discuss any performance concerns and attempt to resolve issues through dialogue.
- 5.3 The performance of Australia's contribution through the aid program to the Partners' joint development objectives and benchmarks under this Partnership will be reviewed and reported through the production of an annual *Aid Program Performance Report* and discussed at annual senior officials' level dialogue.

6. Other Development Agencies

- 6.1 The Partners commit to an effective dialogue with other development agencies and relevant stakeholders in fulfilling the objectives of this Partnership.
- 6.2 Service delivery providers and mechanisms will be chosen based on an assessment of the most effective way to achieve the objectives listed above, and past performance of providers. This may include expanding engagement with the private sector and civil society organisations, in recognition of their critical role in achieving economic growth and poverty reduction.
- 6.3 The Australian Government will seek to support improved coordination among bilateral and regional stakeholders and encourage them to invest in Vanuatu and coordinate better with the Vanuatu Government. The Australian Government will continue to work closely with multilateral partners to encourage their increased and effective presence in Vanuatu.

7. Declaration

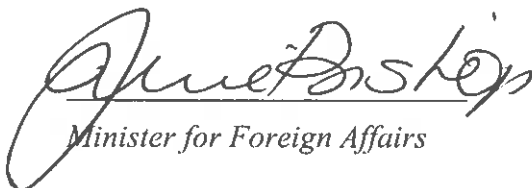
This Partnership sets the framework within which the Australian Government and the Vanuatu Government will work together to deliver a series of strategic investments to improve economic growth opportunities and reduce poverty in Vanuatu.

Signed at:

on:

For the Australian Government

For the Vanuatu Government


Minister for Foreign Affairs


Prime Minister



Australian Government



Annex A

| | Target | 2016-17 | 2017-18 | 2018-19 |
|--|---|------------------|---------|---------|
| Objective 1 Performance benchmarks: | | | | |
| 1.1 | Kilometres of urban roads resealed or asphalt concreted | 13 | 8 | - |
| 1.2 | Number of bank accounts opened in rural areas | 3,000 | 3,000 | 3,000 |
| 1.3 | Self-employed TVET trainees reporting higher incomes following training | 80% ¹ | 80% | 80% |
| Objective 2 Performance benchmarks: | | | | |
| 2.1 | Literacy and numeracy rates in Year 4 students | 51% ² | 51% | 70% |
| 2.2 | Rate of immunised children ³ | 83% | 87% | 90% |
| Objective 3 Performance benchmark: | | | | |
| 3.1 | Number of women survivors of violence provided counselling, support and legal services | 3,500 | 4,000 | 4,000 |
| Objective 4 Performance benchmark: | | | | |
| 4.1 | Proportion of Australia's \$35m long-term recovery support allocated to recovery projects | 85% | 100% | - |

¹ of 800 participants

² Baseline of 51% in 2015/16 (conducted with support from the Vanuatu Education Support Program)

³ Percentage of children aged between 12 – 23 months that have received three doses of combined diphtheria, tetanus toxoid and pertussis vaccine, administered by a trained health professional.