



**Australian Government**

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**AusAID**

**PARTNERSHIP FRAMEWORK ON DEVELOPMENT**

**BETWEEN**

**THE ASIAN DEVELOPMENT BANK**

**AND**

**THE AUSTRALIAN AGENCY FOR INTERNATIONAL DEVELOPMENT**

**2009 - 2016**

## I. PARTNERSHIP OVERVIEW

1. The Asian Development Bank (ADB) is the principal international development finance institution for the Asia Pacific. Its vision is an Asia and Pacific region free of poverty. Its mission is to help developing member countries reduce poverty and improve the quality of life of their peoples. In pursuing its vision, ADB provides loans, grants, technical assistance and advice to developing member countries and makes private sector investments to mobilise further funding.

2. ADB is an important multilateral partner for Australia in the Asia Pacific region, where Australia's development efforts are focused. ADB has significant financial resources and expertise for poverty reduction in the region. Working with ADB extends the reach and impact of Australia's development assistance. The partnership enables sharing of analysis and expertise to enhance both ADB and AusAID efforts to tackle regional challenges. In working together, ADB and AusAID are able to strengthen the coherence of bilateral and multilateral development assistance to the region.

3. As a significant economy and active development partner, Australia has a shared interest and vision with the ADB of a secure region free of poverty. As a founding member, Australia has established a solid foundation of cooperation with the ADB. As fifth-largest shareholder and third-largest contributor to the Asian Development Fund, Australia is active in shaping ADB policies and directions. As a member of the G-20, Australia supports the group's agenda on strengthening the global financial system and in particular the central role that multilateral development banks must play in recovery from economic crises. In these respects, Australia provides considerable funding for specific ADB activities. ADB and AusAID seek to collaborate on knowledge development, joint operations within their overall strategies and on global development agendas. We seek a stronger, more effective and transparent partnership to help the Asia-Pacific region reduce poverty and work toward the Millennium Development Goals (MDGs).

## II. GUIDING PRINCIPLES

4. In entering this Partnership Framework, the partners affirm their commitment to:
- a. A shared objective to assist developing countries to reduce poverty and achieve sustainable development.
  - b. The MDGs as a focus of international efforts to reduce poverty by 2015.
  - c. The delivery of effective aid in line with the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.
  - d. The Principles for Good International Engagement in Fragile States and Situations developed by the Development Assistance Committee of the Organisation for Economic Development and Cooperation.
5. The partners also recognise and support ADB's long-term strategic framework, *Strategy 2020*, as the guiding framework for ADB operations from 2008 to 2020.

## III. SHARED OBJECTIVES

6. Under this Partnership Framework, the partners agree to implement each of the mutual objectives as set out below.

## OBJECTIVE ONE

### **To work together to assist developing countries in the Asia-Pacific to reduce poverty, achieve sustainable development and realise the MDGs.**

7. AusAID supports ADB's commitment through *Strategy 2020* to focus on poverty reduction and sustainable development in the region. AusAID will provide core and activity-specific funding to, and work closely with, ADB to support *Strategy 2020*. In implementing this objective ADB and AusAID will work to achieve the following outcomes:

- i. An ongoing focus by both partners on the MDGs.
- ii. Countries in the Asia-Pacific region make progress towards the MDGs.<sup>1</sup>

8. ADB and AusAID will work towards the MDGs in a way that meets the needs of both men and women, including people with disabilities, with the following outcomes:

- i. ADB and AusAID share information on best practice in development in relation to gender and disabilities.
- ii. ADB and AusAID ensure that all activities are compliant with the ADB's Safeguard Policy Statement.

9. Australia will support ADB's efforts to reduce poverty through contributions to the Asian Development Fund and by considering opportunities to support ADB operations through regional and country-level policy dialogue and analytical work (including collaboration on knowledge-based and capacity building activities), sector-wide and program approaches to development challenges, co-financing of projects and contributions to trust funds. Implementation will be measured by the following outcomes:

- i. Australia provides core funding to the Asian Development Fund in accordance with Australia's strategic development priorities
- ii. ADB regularly informs Australia of ADB activities and Australia considers opportunities to support ADB activities through co-financing agreements.
- iii. An ongoing focus on reducing poverty by both partners.
- iv. Australia and ADB work together in a way which reflects their comparative advantages and their priorities as reflected in their key strategy documents.

10. ADB and Australia recognise the special need for assistance in the Pacific which is seriously lagging in achieving the MDGs. Through the Port Moresby Declaration, issued by the Prime Minister of Australia on 8 March 2008, Australia committed to a new era of cooperation with Pacific Island countries to achieve more rapid progress toward the MDGs. ADB's Charter requires it to have special regard to the needs of its smaller or less developed members. At the 2009 Pacific Islands Forum in Cairns, the ADB, the Government of Australia and other partner governments and donors agreed to the 2009 Cairns Compact on Strengthening Development Coordination in the Pacific. ADB and Australia will work together to improve donor coordination and aid effectiveness in the Pacific. In pursuing Objective One, ADB and AusAID therefore commit to the following outcomes:

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<sup>1</sup> As indicated by Australia's Annual Review of Development Effectiveness and ADB's Annual Development Effectiveness Review (Asia-Pacific Outcomes and Contribution to Country Outcomes).

- i. Working together and with other partners to help Papua New Guinea and Pacific Island developing member countries to reduce poverty and achieve the MDGs.
- ii. Working together and with other partners to achieve the objective of the 2009 Cairns Compact on Strengthening Development Coordination in the Pacific, including reporting annually to the Pacific Islands Forum Secretariat on efforts supporting the Compact.
- iii. ADB continues to provide a separate pool of Asian Development Fund resources for the Pacific.

## **OBJECTIVE TWO**

**To ensure the delivery of development assistance in line with the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action.**

11. ADB and Australia share a commitment to the effective delivery of aid in line with the principles of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. Through its Office of Development Effectiveness and Annual Development Effectiveness Review, Australia strives to maximise the impact of its development assistance. ADB released its second Annual Development Effectiveness Review in 2009 and is working to incorporate Managing for Development Results across its operations. ADB and AusAID will work to improve the effectiveness of their development assistance, strengthen their organisational effectiveness, harmonise with other donors and align their support with partner country systems and priorities. In implementing Objective Two, ADB and AusAID will work to achieve the following outcomes:

- i. ADB improves and refines its Results Framework<sup>2</sup> over time and continues to incorporate Managing for Development Results across its operations.<sup>3</sup>
- ii. AusAID continues to strengthen its quality and results management systems.<sup>4</sup>
- iii. ADB and AusAID regularly share information on best practice approaches to effective aid delivery, including through joint monitoring and evaluation activities.
- iv. The partners seek each others' input into their respective quality processes.

12. ADB and Australia will work to strengthen their organisational effectiveness and efficiency, with the following outcomes:

- i. ADB and AusAID will continue to strengthen their human resource management to build institutional capacity, including through transparent, competitive and merit-based processes.
- ii. ADB and AusAID will continue to strengthen resident missions to ensure greater responsiveness to and increased dialogue with development partners.

13. ADB and AusAID will work to ensure the effective delivery of development assistance in line with the principles of the Paris Declaration and Accra Agenda for Action, with the following outcomes:

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<sup>2</sup> ADB's Results Framework, August 2008.

<sup>3</sup> As indicated by ADB's Development Effectiveness Review.

<sup>4</sup> As indicated by AusAID's Quality Reporting System and Annual Performance Reporting and Australia's Annual Review of Development Effectiveness.

- i. ADB and AusAID increase alignment of activities with partner country priorities and increase usage of partner country systems.<sup>5</sup>
- ii. ADB and AusAID increase support for country-led planning processes and build partner country capacity for the design, execution and evaluation of programs.
- iii. ADB and AusAID continue to monitor progress in implementing the Paris Declaration<sup>6</sup> and take necessary actions to meet Paris Declaration targets.
- iv. ADB and AusAID make efforts to adopt programmatic approaches in order to increase predictability and forward planning, and develop joint co-financing programs and arrangements where mutually beneficial.
- v. ADB and AusAID actively pursue joint operational research of their activities, thereby improving the evidence base for future programming

14. ADB and AusAID will work in partnership to harmonise their development assistance efforts, both with each other and with other donors, with the following outcomes:

- i. ADB and AusAID advocate and actively explore opportunities for program-based and sector-wide approaches and other donor coordination mechanisms.
- ii. ADB and AusAID actively explore opportunities to collaborate on country strategies and undertake joint research and analysis and joint design, monitoring and evaluation missions.
- iii. ADB and AusAID ensure not only consultation with, but also the participation of, partner governments or other relevant partner country stakeholders, in all phases of the development and implementation of co-financed activities.
- iv. ADB and AusAID ensure meaningful consultation with all relevant major stakeholders in the development and implementation of co-financed activities.
- v. ADB and AusAID advocate for and participate actively in donor coordination and harmonisation efforts in the Pacific, in particular through the 2009 Cairns Compact on Strengthening Development Coordination in the Pacific.
- vi. ADB and AusAID advocate for and participate actively in efforts to align development assistance with Pacific partners' systems and priorities.

15. ADB and AusAID participate actively in ongoing quadrilateral engagement with New Zealand and the World Bank on development assistance in Papua New Guinea and the Pacific.

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<sup>5</sup> As indicated by ADB's Development Effectiveness Review and annual survey on the Implementation of the Paris Declaration and Australia's Annual Review of Development Effectiveness.

<sup>6</sup> Through ADB's regular surveys on the Implementation of the Paris Declaration in the Asian Development Bank and Australia's Annual Review of Development Effectiveness.

### **OBJECTIVE THREE**

#### **To build public awareness of the outcomes of the AusAID-ADB partnership.**

16. Australia is committed to scaling up Official Development Assistance to 0.5 per cent of Gross National Income by 2015-16. This will involve Australia scaling up multilateral development partnerships to extend the reach of development assistance. To achieve this significant increase in funding, the Australian Government needs to maintain strong public support by ensuring maximum visibility of development assistance, particularly funding delivered through multilateral and other third party agencies.

17. ADB and AusAID acknowledge the important contribution that effective communication and public diplomacy can make to building support for the AusAID-ADB partnership. AusAID is committed to building awareness and understanding of international development assistance and the Australian Government's aid program. ADB and AusAID will capitalise on opportunities to build awareness and understanding of their partnership and of the outcomes of their collaboration. In implementing this objective success will be measured by:

- i. Wherever Australia provides financial, and/or policy and practical support for activities led by ADB, that support will receive substantive recognition in all associated ADB documents and publications, both hard copy and electronic. This includes concept papers, board approval documents, media releases, speeches, brochures and publicity materials, signs, web pages and formal correspondence, including and especially with the partner country concerned.
- ii. ADB and AusAID will identify and share information about opportunities for building public awareness and understanding of the partnership, including by showcasing contributions to development outcomes in the Asia-Pacific.
- iii. ADB and AusAID will capitalise on opportunities to build awareness of and understanding of the partnership and its outcomes.

### **IV. PARTNERSHIP IMPLEMENTATION**

18. The partners agree to pursue this strengthened partnership through:
- a. Annual High Level Consultations at the Executive level. These consultations will be the primary mechanism to:
    - i. Review implementation of this Partnership Framework.
    - ii. Review current joint activities and identify new opportunities for collaboration, including co-financing opportunities.
    - iii. Consider any amendments or additions to the Partnership Framework.
    - iv. Set priorities and a work program for joint work in the coming year.
  - b. Engagement at the country, regional and sectoral levels including through the provision of co-financing by AusAID for specific ADB projects, technical assistance and trust funds as agreed between the partners from time to time.
    - i. When co-financing is provided the partners will collaborate on the design, implementation and evaluation of activities, including through joint missions and will work together to resolve any issues arising from the activities.

- ii. To limit administrative costs, co-financing will be provided through standard agreement templates agreed between the partners with annexes where circumstance required. Consideration should also be given to possible umbrella and regional programs or arrangements through which co-financing could be channelled such as through the Channel Finance Agreement, 1993.
  - iii. The partners will seek to increase the predictability and transparency of the provision of co-financing by Australia, including through annual High Level Consultations and regular regional and country level consultations.
  - iv. ADB will work with AusAID to publicise AusAID's co-financing, including in documentation and signage and by inviting AusAID representatives to actively participate in events relating to the activity.
  - v. The standard grant co-financing modalities include regional and thematic trust funds and project specific co-financing agreements to support technical assistance and components of investment projects.
  - vi. The Partners will encourage development and use of innovative co-financing instruments tailored to the specific needs of developing member countries. ADB and AusAID will consult first on potential Australian support for use of such instruments prior to any discussions with partner governments in member countries.
  - vii. The partners would consider streamlined co-financing and coordination arrangements for joint urgent interventions required in the case of natural and human catastrophes or similar circumstances where specific quick action is required.
- c. Active and constructive engagement by Australia in Asian Development Fund replenishment negotiations, mid-term reviews and donor consultations.
  - d. Engagement through the ADB Board of Governors and Board of Directors. Australia will contribute actively to consideration of ADB policies, operational proposals and organisational issues by the Boards and participate actively in ADB's Annual Board of Governors Meeting.
  - e. Joint research and analysis on agreed priority issues and consultation and information exchange on development issues of mutual interest.
  - f. Engagement with New Zealand and the World Bank through the Quadrilateral Cooperation Agenda.
  - g. The secondment of Australian Government staff or placement of Australians in ADB offices and the secondment of ADB staff to Australian Government agencies in accordance with the regulations and rules of the Australian Government and ADB.
  - h. Regular dialogue, particularly at a regional level, through visits and meetings between headquarters and resident missions and participation in conferences and seminars organised by the partners.
  - i. Development of protocols for early resolution of issues hampering the effectiveness of partnership and co-financing activities at an operational level.

## **V. CONTRIBUTIONS TO THE ASIAN DEVELOPMENT FUND**

19. ADB and AusAID share a commitment to assisting less developed countries in the Asia-Pacific to reduce poverty and achieve sustainable development through the Asian Development Fund (ADF). Australia is a major contributor to the ADF, which provides much-needed financing to countries with low-incomes and limited debt-repayment capacities. This funding is vital to improving living standards for the poorest people in the region.

20. AusAID welcomed the reform commitments made by ADB as part of the ninth replenishment of the ADF. ADB is committed to implementing these reforms as part of its ongoing efforts to become a more strategic, effective and efficient organisation. Australia is committed to the provision of core funding to the ADF and to active engagement in its replenishment and review processes, which will consider progress against these reform goals and identify possible new areas of reform.

## **VI. MONITORING AND EVALUATION**

21. ADB and AusAID share a commitment to strengthening monitoring and evaluation of their development assistance efforts and of their engagement with other donors and development partners.

22. In line with this commitment, the partners will monitor and assess their performance in implementing their commitments under this Partnership Framework. ADB and AusAID will also monitor and evaluate the effectiveness of this Partnership Framework in achieving the partners' objectives. These assessments will be shared and discussed at annual High Level Consultations, where strategies to further strengthen the quality and effectiveness of engagement between the partners will be identified.

23. ADB and AusAID will monitor and evaluate the effectiveness of co-financed activities, including through joint evaluations as agreed between the partners. Independent assessments will be shared between the partners in a timely fashion.

24. As a major source of capital and core contributions to ADB, AusAID will also monitor the performance of ADB operations, using ADB's own monitoring and evaluation systems, in particular its Development Effectiveness Review and the ADF Donors' Report. ADB's reporting on the effectiveness of its activities will be supplemented by reporting from AusAID's in-country representatives and Australia's representatives on the Board of Directors. AusAID will prepare annual Quality at Implementation reports on its contribution to the Asian Development Fund, the outcomes of which will be shared with ADB at annual High Level Consultations. AusAID will also participate in multi-donor assessment of ADB via membership of the Multilateral Organisation Performance Assessment Network (MOPAN).

## **VII. REVIEW AND ASSESSMENT**

25. ADB and AusAID will review this Partnership Framework after conclusion of the tenth replenishment of the ADF in 2012. The Partners will conduct a joint assessment of the Framework about six months before its end date to determine its value and impact.

26. The arrangements under this Partnership Framework will be subject to ADB's anti-corruption policy which required staff, consultants, borrowers, beneficiaries, and contractors executing this arrangement to observe the highest standards of ethics and personal integrity.

## VIII. DISPUTE RESOLUTION

27. During the term of the Partnership Agreement, the focal points at headquarters will be promptly notified of all problems that impact adversely on the potential of the two organizations to collaborate effectively. The focal points at headquarters will take appropriate action to see an amicable resolution in those cases where these are not resolved at the country level by country-level focal points.

28. If the focal points at headquarters are unable to resolve a problem to the satisfaction of both organizations, the representative of the two organizations who are signatory to this Partnership Agreement will take whatever action they consider appropriate to achieve an amicable solution.

29. Any disputes arising over the interpretation or application of this Partnership Framework will be resolved through mutual discussion and conciliation.

30. This Partnership Framework is not an international treaty. It is an administrative arrangement between the AusAID and the Asian Development Bank, called a Partnership Framework.

## X. PRIVILEGES AND IMMUNITIES

31. Nothing in or relating to this Partnership Framework shall be deemed a waiver, expressed or implied, of any of the privileges and immunities of the Asian Development Bank or of Australia.

## VIII. FOCAL POINTS

32. ADB and AusAID designate the following positions as focal points for this Framework:

For ADB	Director General, Strategy and Policy Department Asian Development Bank P.O. Box 789 0980 Manila, Philippines Telephone: +632 632 4444
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For Australia	Assistant Director General of the Development Partnerships Branch AusAID GPO Box 887 Canberra ACT 2601, Australia Telephone: +61 2 6206 4000
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33. These focal points will be responsible for:

- a. Implementation of this Partnership Framework and coordination of activities under it.
- b. Promoting the partnership between ADB and AusAID.
- c. Convening annual High Level Consultations to monitor the implementation of this Partnership Framework.

**IX. DURATION, AMENDMENT AND TERMINATION**

34. This Partnership Framework will come into operation on the date of the last signature on the two original copies and expires on 31 December 2016. The Framework may be modified in writing with the consent of both partners through an exchange of letters.

This Partnership Framework can be terminated by mutual agreement through an exchange of letters three months in advance of termination.

35. IN WITNESS WHEREOF, each of the undersigned, being duly authorized therefore, have signed this Partnership Agreement in five (5) original counterparts in the English language.

Signed on this 9<sup>th</sup> day of Sept 2009 at  
Manila, Philippines.

**ASIAN DEVELOPMENT BANK**

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**Haruhiko Kuroda**  
President

Signed on this 4<sup>th</sup> day of Sept 2009 at  
Canberra, Australia.

**AUSTRALIAN AGENCY FOR  
INTERNATIONAL DEVELOPMENT**

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**Peter Baxter**  
Acting Director General