

MEMORANDUM OF UNDERSTANDING

ON

PARTNERSHIP FOR DEVELOPMENT

BETWEEN

**THE GOVERNMENT OF THE ISLAMIC REPUBLIC
OF PAKISTAN**

AND

THE GOVERNMENT OF AUSTRALIA

MEMORANDUM OF UNDERSTANDING

On the partnership for development between the Islamic Republic of Pakistan (hereinafter referred to as "Pakistan") and the Government of Australia (hereinafter referred to as "Australia") (hereinafter also referred to individually as a party and collectively as the "parties"),

Aware that Pakistan and Australia signed on 13th July 1991 the Agreement between the Government of the Islamic Republic of Pakistan and the Government of Australia on Development Cooperation (1991) ("the Agreement"),

Desiring to consolidate the development cooperation relationship, have agreed as follows:

1. OBJECTIVES AND PRINCIPLES

1.1 The Partnership for Development ("the Partnership") establishes the shared vision of the parties to work together to meet common challenges and to achieve sustainable improvements in the quality of life of all Pakistanis. Specifically, this partnership seeks more rapid progress towards poverty reduction and the Millennium Development Goals (MDGs) in Pakistan by 2015.

1.2 The Partnership is founded on mutual understanding and on the principles of mutual respect and mutual responsibility for improved development outcomes.

1.3 Reflecting the *Agreement*, the Partnership recognises the desire of the two Governments to strengthen existing relations and confirms their shared commitment to supporting the development needs of Pakistan and its people.

1.4 Reflecting the principles of mutual respect and mutual responsibility, the parties acknowledge:

- i. Pakistan's leadership of its own policies for economic and social development, including its long-term development objectives;
- ii. the requirements of each party to account to its Parliament and people on the contribution of national resources to economic and social development; and
- iii. their mutual responsibility for results, including through joint reviews of progress against the objectives and commitments of the Partnership.

1.5 The Partnership is based on a shared commitment to pursuing a stable, secure and democratic Pakistan through broad-based social and economic development and poverty reduction, in line with the MDGs. This commitment will be supported by activities that focus on: health; education and technical training; rural development, agriculture and livestock; support for the Pakistan Government's economic reform program; good governance; the reconstruction and rehabilitation of areas affected by the law enforcement operations; and other areas decided by the Parties.

2. COMMITMENTS

2.1 The commitments made by each party will advance the Partnership by reinforcing Pakistan's leadership towards good international practice in development approaches.

2.2 Australia hereby confirms its commitment to Pakistan to:

- i. provide development assistance to support Pakistan in reducing poverty and achieving the MDGs, in accordance with Pakistan's own development priorities, policies and frameworks¹;
- ii. provide development assistance in accordance with internationally agreed aid effectiveness principles², including delivering assistance in ways that support Pakistan's own programs, projects and systems;
- iii. provide predictable levels of Australian development assistance, including multi-year commitments, where possible;
- iv. work with other development partners, including the international financial institutions, to improve donor coordination in Pakistan including through a revitalised Pakistan Development Forum; and
- v. review annually with Pakistan the overall level of development assistance to Pakistan and the focus of the Australian program.

2.3 Pakistan hereby confirms its commitment to Australia to:

- i. lead the implementation of Pakistan's national development plans³, including through the allocation of appropriate domestic resources to social and economic development;
- ii. pursue sustainable and broad-based economic growth strategies which advance the welfare of both men and women, including through continuing the Pakistan Government's program of economic reform and encouraging regional economic cooperation;
- iii. continue to improve public financial management, with increased transparency and accountability for the use of funds;
- iv. lead effectively the coordination of development programs in Pakistan and improve donor coordination arrangements, including through the revitalisation of the Pakistan Development Forum as a mechanism for policy dialogue between Pakistan and its development partners,

¹ This includes the Poverty Reduction Strategy Paper (PRSP) II and Medium Term Development Framework (MTDF)

² Including the *Paris Declaration on Aid Effectiveness (2005)* and the *Accra Agenda for Action (2008)*

³ Including the PRSP and MTDF

- v. optimise its use of aid to achieve improved development outcomes which are consistent with Pakistan's development priorities; and
- vi. actively pursue the MDGs in advance of the 2015 deadline for the achievement of internationally agreed targets.

3. GOVERNANCE AND REVIEW

3.1 An annual Partnership Dialogue between senior officials of the parties will ensure joint, regular and results based review of progress against the objectives and joint commitments of the Partnership and allow for discussion of specific development initiatives to be pursued under the Partnership. A mid-term review of the Partnership will be undertaken in 2011.

4. INDICATIVE LEVELS OF DEVELOPMENT ASSISTANCE

4.1 In the Australian financial year 2009-10, the indicative financial commitment will be AUD 58.8 million. Thereafter, subject to the availability of Australian resources, there will be a three-year commitment of development assistance to Pakistan. This funding will cover the period between Australian financial year 2010-11 and financial year 2012-13 and will amount to an indicative AUD 211.2 million.

4.2 Australia's provision of development assistance to Pakistan is conditional upon annual Australian Parliamentary approval of Appropriations.

4.3 The financial disbursement estimates in 4.1 are indicative planning figures and do not represent financial commitments.

4.4 Specific arrangement for allocating and disbursing Australian development assistance will be determined by Australia in consultation with Pakistan. The development assistance will be consistent with Pakistan's development plans and priorities and may take the form of:

- i. financial aid to Pakistan, including for Pakistan's programs and projects delivered through Government platforms;
- ii. support through international organisations and non-governmental organisations;
- iii. high quality technical cooperation for capacity development; and
- iv. other innovative forms of development assistance, including scholarships and institutional linkages.

5. OTHER DEVELOPMENT PARTNERS

5.1 The Partnership acknowledges existing aid coordination structures, including the Pakistan Development Forum. The parties commit to an effective dialogue with partners and to encouraging a more effective donor coordination environment in Pakistan.

6. OTHER

6.1 The Partnership will place on record the mutual understanding of the parties, will enter into force on the date of signatures, and will remain valid until June 2013. The Partnership may be amended only on written acceptance by the parties of any proposed changes. In the event of translation, the English text of this document will prevail.

6.2 The Partnership will be implemented in association with the applicable administrative arrangements set out in the *Agreement*.

6.3 This MoU serves only as a record of the intentions of the parties and does not constitute or create (and is not intended to create) rights or obligations under domestic or international law and will not give rise to any legal process and will not be deemed to constitute or create any legally binding or enforceable rights or obligations (expressed or implied). Consequently, any dispute, controversy or claim which arises out of the interpretation or application of this MoU will not be subject to adjudication or arbitration but will instead be dealt with through amicable consultations and negotiations as the only method of achieving the settlement of that dispute, controversy, or claim.


7. CONCLUSION

- 7.1 Through this Partnership, the parties establish their mutual commitment to beginning a new era of development cooperation, to work together to meet common challenges and to improve the quality of life for the people of Pakistan.

Signed at: Perth

On: 28 October 2011

In the English language.



For the **Government of the Islamic
Republic of Pakistan**



For the **Government of Australia**