

STRATEGIC PARTNERSHIP AGREEMENT – APSC & AUSAID

Introduction

1. Effective governance, one of the five strategic goals of the Australian aid program, supports the purpose of Australian aid to help people overcome poverty. We support capable management of a country's resources through building institutions and processes that are accountable, responsive and transparent. Effective governance also contributes to achieving other development goals, such as in health and education, as it supports partner government-led development efforts.¹
2. Good governance means capable management of a country's resources and affairs in a manner that is accountable and responsive to citizens' needs and interests. The rule of law, effectiveness of public sector management and an active civil society are all essential components of good governance.²
3. A strong public sector and sound public financial management contributes to better service delivery. Public sector governance has a very broad coverage, including how an organisation is managed, its corporate and other structures, its culture, its policies and strategies and the way it deals with its various stakeholders. The concept encompasses the manner in which public sector organisations acquit their responsibilities of stewardship by being open, accountable and prudent in decision-making, in providing policy advice, and in managing and delivering programs.³
4. Public sector senior managers are responsible for providing leadership and strategic direction and instilling sound governance practices throughout the organisation where objectives are set and achieved, risks are managed, and resources are used responsibly and with accountability. Effective public sector governance is also dependent on all public servants applying good governance practices and procedures in their day-to-day work.
5. A capable public sector is essential for the achievement of good governance within the public sector and in society more generally. In many developing countries, the public sector is the largest spender, the biggest employer and sets the policy environment for the rest of the economy. It also has responsibility for delivering a range of basic services. A strong public sector contributes to economic growth and sustainable development outcomes and delivers the right amount of basic services, such as health and education, where they are needed. The Australian Government is committed to working at all levels of society in partner countries to support improvements in government capability, responsiveness to citizen needs and accountability.⁴
6. Improving public sector performance and achieving sustainable change in public sector governance in a developing country requires long-term, coordinated responses and the

¹ Effective Governance: Thematic Strategy November 2011

² Effective Governance: Thematic Strategy November 2011

³ ANAO – Public Sector Governance Better Practice Guide Volume 1 2003

⁴ Effective Governance: Thematic Strategy November 2011

commitment of the partner country.⁵ Transformation is as much about building human capability as administrative change – achieving the right balance between people, systems and institutions. It is also about considering the needs of the present and the future and the centralisation or decentralisation of functions to meet the evolving demands of the government and needs of the citizens.

7. AusAID and the Australian Public Service Commission (APSC) are natural partners in the endeavour to assist partner countries to build the capacity of their public sectors. The purpose of this agreement is to recognise the role and individual expertise of each agency and the potential synergies and shared strategic principles for the partnership, as well as outline the coordination arrangements that will facilitate the partnership.

The role of the Australian Public Service Commission

8. The APSC is a key agency in supporting good governance, providing service wide leadership in the development of human capital and public sector capability. Among other things, the APSC understands the public sector governance structure in its totality, and supports agencies to develop and align their systems and processes to maximise organisational capability.
9. This expertise equips the APSC to advise and work with partner countries on how to improve their governance systems, identify strengths and weaknesses, and build capability and institutional capacity to provide the building blocks for sustainable reform.
10. The APSC is well positioned to develop institutional links in the areas of public sector capability and governance with partner countries. These institutional links assist in developing and maintaining sustained institutional and political support for improved governance systems thereby assisting partner countries to reduce poverty and achieve sustainable development, as well as contribute to Australia's national interest.
11. The APSC undertakes to use its expertise, access to the broader Australian public service, and connections with other jurisdictions and institutions to provide strategic advice to AusAID to both identify and implement effective programs to support public sector governance enhancement among partner countries.

The role of AusAID

12. AusAID is the lead agency responsible for the Government's fight against global poverty, including the provision of whole-of-government development policy advice, drawing on a deep knowledge and understanding of the social, political and economic context in developing countries and their long term development challenges.⁶
13. AusAID has a range of well established relationships with partner countries, other donors, multilateral agencies and Australian and international non-government organisations working in the international development assistance arena. Its role is to coordinate with

⁵ An Effective Aid Program for Australia Making a real difference—Delivering real results

⁶ An Effective Aid Program for Australia Making a real difference—Delivering real results

this diverse range of partners to improve the efficiency and effectiveness of development assistance activities and programs.

14. AusAID has expertise in the design, implementation and management of development assistance programs, especially those focussed on saving lives, promoting opportunities for all, sustainable economic development, humanitarian and disaster response, and effective governance, as well as technical expertise in these fields themselves. AusAID is committed to implementing an aid program that draws on the best research and practical experience to make evidence-based decisions, which also has the full support and ownership of partner countries and communities.

Joint Understandings

15. Experience shows that the best way to improve and strengthen government systems and processes is to work with partner governments rather than work outside them through a parallel system or on a stand-alone project. It also enables greater ownership by partner countries, leverages national resources, and facilitates greater alignment with partner government priorities. This partnership will support commitments to build stronger linkages between Australian institutions and their counterparts where this is the most effective way of achieving development results.⁷
16. AusAID and the APSC recognise that country and regional strategies guide policy and development priorities. In line with AusAID's Guidelines on Whole of Government Consultations, AusAID will consult with the APSC in the development of relevant country and regional strategies.⁸
17. AusAID accepts that the APSC engages internationally on a cost recovery basis.
18. AusAID and the APSC are committed to a whole-of-government approach to development assistance in partner countries to leverage off the expertise contained across the Australian government on the various aspects of good governance and public sector capability.
19. AusAID recognises that other agencies with their expertise make a valuable contribution to achieving the government's development objectives. As such it recognises that the APSC is the lead agency in developing human capital and organisational capability within the APS.
20. The APSC recognises that AusAID is the lead agency responsible for the Government's fight against global poverty. Any APSC engagement in development activities shall be to support AusAID deliver country, regional and thematic strategies. The expertise within the APSC is available to AusAID to work as a long term partner in achieving the government's agenda – supporting nations to progress and achieve the Millennium Development Goals.
21. APSC involvement in the aid program will be guided by the following:

⁷ An Effective Aid Program for Australia Making a real difference—Delivering real results

⁸ AusAID Guidance Note: A better practice guide to engaging and consulting with other Australian Government agencies on Country Strategy development

- a. Building public sector capacity in the nation must be a priority for the Australian aid program;
- b. The nation must have a desire for reform, and contain national champions which the APSC can support; and
- c. APSC prefers multi-year engagement to support partner countries achieve sustainable change.

Strategic Partnership Principles

22. The Strategic Partnership will be governed by the following principles:

- a. The relationship of the agencies will be one of equal partnership valuing the contribution each agency can make to reaching common goals and recognising that each agency has different functions, skills, attributes and strengths.
- b. The partnership will be underpinned by mutual respect, professionalism, honesty, cooperation, the sharing of ideas and early and open, two-way communication at all levels.
- c. Each agency recognises that its roles and functions under this Strategic Partnership will be guided by its respective responsibilities within the Australian Government.
- d. The agencies will liaise closely and draw on each other's expertise to develop policy, make commitments and implement programs that support the sustainable development of public sectors in developing countries.
- e. The agencies will consult with each other on policy and program issues of shared interest when providing advice to Ministers and when dealing with other government agencies to ensure a whole-of-government approach, while also recognising the responsibility of each agency to provide independent advice.
- f. Each agency will engage to manage issues related to performance, accountability and risk by drawing the other's attention to matters likely to impact on relevant policies or the delivery of programs.

Coordination Arrangements

23. The APSC and AusAID will meet at Agency Head level annually, or as required, to review progress in meeting the Australian Government's objectives in building public sector governance and human capital as an integral part of meeting development challenges, reducing poverty and advancing Australia's national interests.

24. Each agency will assign responsibility for maintaining the Strategic Partnership Agreement to an appropriate senior executive officer. Each agency has the obligation to notify of any changes to such arrangements. The two designated senior executive officers will meet biannually, or as agreed, to agree on the APSC's contribution to the achievement of the government's development assistance objectives and review the achievement of those objectives. These meetings will also serve to enhance cooperation between the agencies and ensure a shared understanding of each other's interests. The Department of Foreign

Affairs and Trade and other agencies may be invited to participate in these meetings, as necessary.

25. On a day to day basis, dialogue will continue at an operational level between officers of both agencies who are responsible for the design, delivery and implementation of the programs and the development of policy advice.



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