

No. 27466

**AUSTRALIA
and
PAPUA NEW GUINEA**

**Treaty on development cooperation (with annexes and
exchange of letters). Signed at Canberra on 24 May 1989**

Authentic text: English.

Registered by Australia on 30 July 1990.

**AUSTRALIE
et
PAPOUASIE-NOUVELLE-GUINÉE**

**Traité relatif à la coopération au développement (avec annexes
et échange de lettres). Signé à Canberra le 24 mai 1989**

Texte authentique : anglais.

Enregistré par l'Australie le 30 juillet 1990.

TREATY¹ ON DEVELOPMENT CO-OPERATION BETWEEN THE GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF PAPUA NEW GUINEA

PREAMBLE

The Government of Australia and the Government of Papua New Guinea,

In accordance with the Joint Declaration of Principles Guiding Relations between Australia and Papua New Guinea, signed on 9 December 1987,

Committed to maintaining and strengthening close and friendly relations between Australia and Papua New Guinea,

Recalling the mutual benefits from previous arrangements between the two countries which had contributed to the economic and social development of Papua New Guinea,

Recognising their mutual interest in formalising arrangements for the continuing conduct of development co-operation between the two countries,

Have agreed as follows:

Article 1. DEFINITION

For the purposes of this Treaty:

“Parties” means, unless the text otherwise indicates, Parties to this Treaty.

Article 2. OBJECTIVES AND PRINCIPLES

1. The objective of this Treaty is to set out arrangements relating to development co-operation between Australia and Papua New Guinea in accordance with the Joint Declaration of Principles Guiding Relations Between Australia and Papua New Guinea.

2. Co-operation and exchanges between the two Parties shall be mutually beneficial and based on full participation by both countries having regard to the capacity and resources of both Governments, and on mutual respect.

3. Development co-operation between the Parties shall comprise a wide-ranging combination of agreed measures designed to contribute to development and self-reliance, including capacity building in Papua New Guinea.

4. Development co-operation shall be consistent with both Governments’ policies and practices.

5. The Parties shall endeavour to co-ordinate their activities under this Treaty with the activities of other donor governments and international development assistance institutions, including through participation in the Consultative Group on Papua New Guinea.

¹ Came into force on 1 September 1989, the date on which the Parties notified each other of the completion of their respective constitutional and other necessary requirements, in accordance with article 11 (1).

Article 3. DEVELOPMENT ASSISTANCE

1. Development assistance shall be provided as part of an agreed program of co-operation which contributes to development and self-reliance in Papua New Guinea, allows for forward planning and implementation in accordance with policies and priorities set by the Government of Papua New Guinea, and takes due account of the Government of Papua New Guinea and the Government of Australia's Policies on development co-operation.

2. The Government of Australia reaffirms its commitment to provide development assistance to Papua New Guinea mainly in the form of direct grants to the Papua New Guinea Government Budget and jointly programmed aid, supplementary aid and other forms of assistance.

3. The Parties agree to the progressive reduction of Budget support and a progressive increase in jointly programmed aid, supplementary aid and other forms of assistance.

4. All expenditure by the Parties to this Treaty under the provisions of this Treaty shall be subject to the normal annual approval of appropriations by their respective Parliaments.

5. The levels of budget support and jointly programmed aid shall be determined at the same time. Those levels shall be conveyed in separate arrangements between the Parties which shall form part of the Treaty.

Article 4. BUDGET SUPPORT

1. Budget support assistance shall be provided by the Government of Australia to the Government of Papua New Guinea at a progressively diminishing rate.

2. The amount of Budget support shall be determined by the Government of Australia in consultation with the Government of Papua New Guinea for a period of five (5) years.

3. The amount of such Budget support shall be the subject of a review between the Parties at the expiration of three (3) years from the date of coming into operation of this Treaty and thereafter at three (3) yearly intervals in order to permit a continuous mid-term planning cycle in Papua New Guinea.

4. Budget support allocations shall be paid in Australian dollars and in the terms of both the respective Governments' financial years.

5. Budget support allocations shall be paid by twelve (12) equal monthly instalments at the commencement of each month.

Article 5. JOINTLY PROGRAMMED AID

1. The Government of Australia shall provide jointly programmed aid to the Government of Papua New Guinea, consistent with both Governments' policies, priorities and practices.

2. Levels of jointly programmed aid shall be determined in Australian currency on an indicative basis for a five (5) year period and reviewed every three (3) years.

3. The indicative level of jointly programmed aid and specific funding proposals shall be set out in separate arrangements between the Parties.

4. The Parties agree that the Government of Papua New Guinea shall be eligible for access to a facility to enable the carry-over of unexpended program or project funds, from one Australian financial year to the succeeding year, in the event that such a facility is introduced by the Government of Australia in its overall development assistance program.

5. Jointly programmed aid shall be made available by the Government of Australia to the Government of Papua New Guinea in any of the forms in which, under prevailing Australian aid policy such aid is normally made available to recipients of Australian aid programmed on a country basis and shall include, but is not limited to, the forms of development assistance as set out in Annex A.

6. The extent of usage of any form of jointly programmed aid shall be determined by consultation from time to time within the annual indicative level of jointly programmed aid.

Article 6. SUPPLEMENTARY ASSISTANCE

1. In addition to jointly programmed aid the Government of Australia agrees to provide the Government of Papua New Guinea access to other forms of supplementary assistance provided by Australia within its overall development assistance program including, but not limited to, the forms of such assistance as set out in Annex B.

2. The Government of Australia agrees to consider providing the Government of Papua New Guinea with access to all new or additional forms of development assistance which may be introduced from time to time into Australia's development assistance program, on terms to be negotiated by the Parties.

Article 7. HUMAN RESOURCE DEVELOPMENT

1. The Parties acknowledge the crucial importance of human resource development and institutional strengthening to the development of Papua New Guinea.

2. The Parties agree to co-operate in undertaking training and similar activities in Papua New Guinea, Australia and other countries. Such training and similar activities shall include the public and private sectors as well as rural and non-formal sectors.

3. The Parties shall endeavour to support co-operative activities between educational, training and research institutions of both countries.

4. The Parties agree to encourage and strengthen links between institutions through co-operation in information and personnel exchanges, regular consultations, mutual access to facilities and carrying out joint activities or programs especially in training and applied research into issues relating to the development of Papua New Guinea or other countries.

5. The Government of Australia recognises the importance of access to Australian educational institutions of Papua New Guinea students and shall continue to provide Papua New Guinea with a significant allocation of places in such institutions.

6. The Parties shall co-operate in sponsoring regional training programs in Papua New Guinea institutions for students from other developing countries, especially those of the South Pacific region.

Article 8. PROCEDURE AND CONDITIONS APPLYING TO JOINTLY PROGRAMMED AID AND SUPPLEMENTARY ASSISTANCE

1. The Parties agree to develop a co-operative approach to the management of jointly programmed aid and other forms of assistance provided to Papua New Guinea.

2. Details of the administrative arrangements and responsibilities of the Parties in relation to the implementation of development assistance provided under the provisions of this Treaty shall be as set out in Annex C.

3. The Parties shall hold program consultations at least annually, normally alternating between the two countries. The consultations shall consider and review general program policies and objectives, future years' activities and specific project progress.

Article 9. CONSULTATION AND REVIEW

1. The Parties shall hold annual high level consultations which shall normally be held alternately in the two countries. These consultations shall consider and assess the contribution of development co-operation to the bilateral relationship. The Parties shall normally discuss the role of budget support, jointly programmed aid, supplementary assistance and other forms of assistance in the development of Papua New Guinea.

2. The Parties may undertake periodic development reviews to ensure the effective implementation of development co-operation arrangements, jointly or separately. Such reviews may be undertaken within the framework of the Consultative Group on Papua New Guinea, or by taking account of available economic reviews on Papua New Guinea or by such other means as may be determined by the Parties.

Article 10. AMENDMENT AND IMPLEMENTATION

1. The Parties shall consult upon request of either Government regarding any matter relating to the interpretation or implementation of this Treaty and shall endeavour jointly in a spirit of co-operation and mutual trust to resolve any difficulties or misunderstanding which may arise.

2. The Parties may conclude arrangements relating to implementation of particular activities provided for under this Treaty. Such arrangements shall take full account of the principles underlying the commitment of the Parties to development co-operation as set out in this Treaty and the Joint Declaration of Principles Guiding Relations between Papua New Guinea and Australia.

3. This Treaty may be amended at any time in accordance with the Parties' respective constitutional requirements.

Article 11. ENTRY INTO FORCE AND DURATION

1. This Treaty shall enter into force on the date on which the Parties exchange notes notifying each other that their respective constitutional and other requirements necessary to give effect to the Treaty have been complied with.

2. Either Party may terminate this Treaty by notifying the other Party through the diplomatic channel of its intention to do so. Such notice shall take effect six months from the date of its receipt by the other Party.