

**SUBSIDIARY ARRANGEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF AUSTRALIA
RELATING TO
THE AUSTRALIA BALI MEMORIAL EYE CENTRE PROJECT
IN BALI, INDONESIA**

1. General

This Subsidiary Arrangement expresses understandings between the Government of the Republic of Indonesia (GOI) and the Government of Australia (GOA) and is made pursuant to the terms of Article IV of the General Agreement on Development Cooperation between the Government of the Republic of Indonesia and the Government of Australia (GADC) that signed on 9 July 1998. The terms of the GADC apply to this Subsidiary Arrangement.

2. Name of Project

The name of the Project is to Strengthen the Capacity of the Australia Bali Memorial Eye Centre in the Rumah Sakit Indera (RS Indera) Bali (hereinafter referred to as 'the Project').

3. Duration of the Project

The Project under this Subsidiary Arrangement shall remain in force for a period of 3 (three) years and may be extended by mutual written consent of the Parties. Continuation of the Project thereafter will be subject to the result of a review that is covered by this Subsidiary Arrangement and the Australian parliamentary budget allocation process.

Early termination of this Subsidiary Arrangement may be effected by one Party on giving 90 days written notice and reasons for the termination to the other Party.

4. Project Location(s)

The Project will be located at eye facility of Rumah Sakit Indera called Australia Bali Memorial Eye Centre (ABMEC), Jalan Angsoka No. 4, Kreneng, Denpasar, Bali Province, Indonesia.



5. Project Description and Objectives

Background

Australia Bali Memorial Eye Centre (ABMEC) is part of the Australian Prime Minister's assistance package in response to the first Bali bombing in October 2002. ABMEC was officially opened in July 2007.

Under the RS Indera management team, ABMEC provides assessment and diagnosis of patients with general eye disease. Treatment is limited to general eye diseases and speciality care in the disciplines of lens and refraction, cataract surgery, glaucoma, and retinal surgery.

For ABMEC to achieve its full potential further support is necessary to build up the capacity of staff and to enhance ongoing cooperation between all major parties involved with eye doctor training and service delivery in Bali viz., PERDAMI (the Indonesian Professional Association of ophthalmologists), Rumah Sakit Sanglah (RS Sanglah) Denpasar, Udayana University Eye Department and other eye institutions.

Further assistance to ABMEC is consistent with the overall Australia Indonesia Partnership Country Strategy (AIP) 2008-2013. In particular, this Project will assist Bali and eastern Indonesia to address the issue of preventable blindness and eye diseases. ABMEC will contribute to the Government of Indonesia's Vision 2020 'Right to Sight' plan, which aims to reduce the rate of blindness in Indonesia especially in Bali Province by strengthening treatment and prevention programs for people at risk and those diagnosed with conditions causing blindness.

Project Description

The Project is a three (3) year program of assistance totalling up to Australian Dollar 3 million. The Project involves two specific phases; i) an initial support and planning phase for the first six (6) months and ii) the full implementation phase including monitoring and evaluation which will run for 30 (thirty) months. The Project is expected to conclude around the end of calendar year 2013.

Outputs to be achieved by the Project are listed under Annex 1 of this Subsidiary Arrangement.

Objectives

The Project's goal is that the population of Bali, particularly those that are poor, receive best practice tertiary eye care. There are two key objectives to be achieved within 3 (three) years:

- Assisting ABMEC to deliver best practice tertiary eye services, and
- Assisting ABMEC and related eye surgeon training facilities to provide best practice eye surgeon clinical training.

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6. Implementing Agencies

The Implementing Agencies for the Project will be:

For the GOI:

Ministry of Health of the Republic of Indonesia

For the GOA:

The Australian Agency for International Development (AusAID)

AusAID may engage suitably qualified contractors (local or international contractors) who win the tender to carry out any part of its commitments under this Subsidiary Arrangement.

In this Arrangement, including the annexures, unless the context otherwise requires, reference to 'Party' means both GOA and GOI.

7. Implementation Arrangement

a. Delivery Modality

The assistance will be delivered through an Implementing Service Provider (ISP). The ISP will provide for the enhancement of knowledge, skills and capabilities of staff working at ABMEC and the associated Balinese facilities providing eye surgeon training and delivery of tertiary eye care services. Accordingly, the following activities feature prominently:

- Capacity building,
- Training,
- Technical assistance, and
- Twinning arrangements.

Funding will also be provided for equipment and service purchases, especially related to eye diagnostic equipment and devices used for training clinical staff in eye disease management. Some funding may be provided for minor capital works associated with ABMEC improvements that will improve patient safety or delivery of aforementioned activities.

b. Coordination and Management Arrangements

Implementation and management of the Project will be a partnership arrangement between the GOA (represented by AusAID), and the GOI, (represented by Ministry of Health of the Republic of Indonesia and the Bali Provincial Health Department - DinKes). AusAID may enter into arrangements with the Provincial Government of Bali in accordance with the prevailing laws and regulations of the Republic of Indonesia. The Project will be led by RS Indera, who may select an executive team member to be the Program Manager, under the guidance of the Program Coordinating



Committee (PCC – see below) and integrated into GOI management and accountability systems to the maximum extent possible.

It is intended that the Project will utilise RS Indera's management, and implementation systems with oversight through the PCC. The contractor to be hired and contracted by AusAID will serve as the Implementing Service Provider (ISP – see below). The ISP will work under guidance of the PCC including conducting local procurement of the approved items of equipment, conducting courses of training and hiring of local and international advisors.

Engagement of an Implementing Service Provider

To support this Project an Implementing Service Provider (ISP) model was chosen. The Project will be driven by the relevant local Balinese institutions meeting their own identified needs using their own systems as far as practical. Australian assistance will be largely limited to the provision of the Health Services Advisor, some logistical support, and the procurement of PCC approved equipment, training, and short term advisers. The role of the ISP is essentially facilitative, not implementation. The ISP shall be recruited by an open tender managed by the Government of Australia with criteria that include having an Indonesian based office and ability to procure the goods and services in-country.

Role of Government of Australia as Represented by AusAID

AusAID will be the implementing agency on behalf of the GOA. AusAID specifically will i) participate in the PCC, and ii) appoint an ISP that will provide upon request of the PCC.

Role of Government of Indonesia

It is expected that the Ministry of Health will represent the GOI. The GOI is committed to reducing the incidence of blindness in Bali. The Indonesian Government agencies will assist the Project by providing administrative and other mutually determined levels of support for the Project including representation on the PCC and implementation of the PCC endorsed activities.

Role of the Program Coordinating Committee (PCC)

The Program Coordinating Committee (PCC) will be the ultimate authority for the Project and will make decisions in keeping with the Goal and Objectives of the Project. It will ensure the Project is running effectively and delivering the desired outcomes. The PCC will apply principles of sound governance that will be necessary to achieve the objectives of the Project and to meet government reporting requirements. Membership includes representatives from Ministry of Health of the Republic of Indonesia, ABMEC of RS Indera, RS Sanglah, Bali Department of Health (DinKes), the Ophthalmology Department of Udayana University, PERDAMI and AusAID.



8. Financial Contributions

GOA Contributions

The GOA contributions are estimated to be up to Three Million Australian Dollars (AUD 3,000,000) through the provision of training and capacity building, medical equipment, and a twinning program as part of capacity building for ABMEC and related eye services institutions.

Such contributions are described further in Annex 2 and 3.

9. Materials, Services and Equipment to be Supplied

a. Government of Australia

To assist the GOI to improve eye disease service delivery at ABMEC, AusAID will provide:

Capacity Building

Capacity building will focus on Human Resource Development (HRD) and on a series of actions directed at helping identified participants (eye doctors, nurses, health service managers and others) to increase their knowledge and skills, and to develop the attitudes needed to bring about the desired improvements in eye care training and service delivery.

The key capacity building role will lie with the Health Services Advisor position, however, all advisors and experts contracted to participate in the Project will have a responsibility to provide skill transfer and develop a capacity building plan for their respective counterparts.

Training

The training components are intended to strengthen staff capabilities through the development of technical skills and expertise. In most instances, training will take the form of experiential on-site skill transfer, supported by other learning elements from technical experts who will provide single and multiple inputs over the Project's duration. In addition, training sub contractors will be engaged to provide specific training programs following developed scopes of service to meet training needs identified by the training needs analyses. Training activities will comprise competency based curricula, with pre and post skill assessments to determine impact and effectiveness of the training. The type and nature of training will be identified by the recipient institution and endorsed by the PCC.

Technical Assistance

Technical assistance will be provided where a skill is currently lacking or requires support by experienced advisors until local staff and services are developed to provide the Project. When technical assistance is provided, it will have defined timelines and will complement capacity building programs that enhance local skills.



Twinning Arrangements

Twinning is the development of formal relationships between institutions / agencies which have comparable mandates. The twinning arrangement must be flexible and have both short and long term support activities, in order to respond to changing circumstances and recipient growth. Twinning is not aimed at operational intervention, but rather the development of human capital. Suitable twinning arrangements should ideally be developed with well credentialed Indonesian tertiary eye hospitals where clinicians currently interact, and to which complex patients are referred. Whilst national twinning arrangements are cost effective, it would also be advantageous to have at least one link with an international, well credentialed eye hospital that could assist with possible training elements and development experience that is not readily available in Indonesia.

In order for the Project to achieve its objectives, capacity building must not be limited to professional technical training of doctors. It is imperative that the needs of all staff, nurses, engineering support and maintenance staff, administrators and managers be addressed.

b. Government of Indonesia

The GOI will provide the following management and coordination functions to assist with the implementation, progress and monitoring of the Project:

- (i) Overall leadership and coordination of GOI participation in the Project;
- (ii) Nominating the chairperson and GOI representatives on the PCC;
- (iii) Disseminating relevant information about technical assistance opportunities under the Project to all participating line agencies;
- (iv) Ensuring participating line agencies are aware of their responsibilities in relation to provision of counterparts and training costs;
- (v) Facilitating engagement with other national and local GOI agencies that shows interest to be involved in the Project; and
- (vi) Assisting and facilitating approval of the Project review and the annual plan.

10. Monitoring, Review, Evaluation and Reporting Arrangements

Both GOA and GOI will jointly carry out program monitoring & evaluation and reporting arrangements through the PCC.

11. Intellectual Property

Pursuant to Paragraph 1 of Article VII of the GADC, the parties have decided that any Intellectual Property issues that might arise during the carrying out of the Project will be addressed in an Implementing Arrangement in accordance with Article VII of the GADC.



12. Settlement of Disputes

Any disputes or difference arising out of the interpretation or implementation of this Subsidiary Arrangement shall be settled amicably between the Parties.

13. Amendments

This Subsidiary Arrangement may be amended at any time by mutual written consent of the Parties and shall enter into force on the date as determined by the Parties. Such amendments shall form an integral part of this Subsidiary Arrangement.

14. Good Governance

Consistent with both Parties' commitment to good governance, accountability, and transparency, both Parties reserve the right to propose an investigation through the PCC, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Project.

15. Use of Activity funds

The Parties will cooperate to ensure that no Activity funds are used, directly or indirectly, to provide support to individuals or entities associated with money laundering.

If, during the term of the Subsidiary Arrangement, either Party discovers a link between any organisation and individual associated with terrorism it will inform the other party.

16. Status of Equipment and Asset

In the event of termination of this Subsidiary Arrangement, the equipment and assets used for the Project will be transferred to the GOI, unless agreed otherwise in writing by the Parties.

17. Limitation of Activities of Personnel

- a. All personnel engaged under this Subsidiary Arrangement shall observe, respect and comply with the laws and regulations of the Republic of Indonesia and shall avoid conducting any activity inconsistent with the purposes and objectives of this Subsidiary Arrangement.
- b. The violation of the above mentioned provision may result the revocation of all permits of the concerned person and other measures in accordance with the prevailing laws and regulations of the Republic of Indonesia.

18. Entry into Effect

This Subsidiary Arrangement will take effect from the date its signing.



19. General Provisions

The implementation of this Subsidiary Arrangement will be elaborated further in the Annexures of which shall form an integral part of this Subsidiary Arrangement.

IN WITNESS THEREOF, the undersigned have signed this Subsidiary Arrangement.

Signed in duplicate, at Jakarta, on this ninth day of December in the year of two thousand and ten, in the Indonesian and English language, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
REPUBLIC OF INDONESIA



dr. Andi Wahyuningsih Attas, SpAn
Director of Specialized Medical Care

FOR THE GOVERNMENT OF
AUSTRALIA



Helen McFarlane
Counsellor Health, Gender and Disaster
Response
AusAID Development Cooperation



ANNEX 1

INDICATIVE ACTIVITIES FOR FUTURE SUPPORT TO AUSTRALIA BALI MEMORIAL EYE CENTRE (ABMEC)

Phase	Project
Initial Support and Planning	<ul style="list-style-type: none"> • ABMEC assisted by the Health Service Advisor (HSA), and including input from the participating eye surgeon training institutions, will develop a first six month operational plan to be endorsed by the Project Coordinating Committee (PCC); • ABMEC assisted by the HSA, will identify the short-term advisors needed during the initial phase as well as the full period of Project, endorsed by PCC; • ABMEC will develop the essential operational policies and procedures that are required to support routine program activities. These policies and procedures should be in accordance with current GOI requirements; • ABMEC in cooperation with the HSA, will develop a monitoring and evaluation plan that will be endorsed by PCC; • ABMEC assisted by the HSA, will develop a capacity building plan for the three years of the Program; • ABMEC assisted by the HSA, will undertake a training need analysis; • ABMEC assisted by the HSA, will develop eligibility criteria for the activities to be funded under the Project, including the purchase of goods (equipment) and services to be endorsed by the PCC; • ABMEC assisted by the HSA, and endorsed by the PCC will review and approve annual Program plans and budgets and an annual Program of Assistance Review.
Full Implementation	<ul style="list-style-type: none"> • PCC will endorse six monthly operational plans (using lessons learnt from previous period); • PCC will review monitoring and evaluation reports; • PCC will endorse the procurement of equipments, services and training; • PCC will undertake regular meetings in annually overseeing the implementation of Project; • Health Information Management strategies developed, reports generated and used to support management decision making; • Training and capacity building continues, based on training and capacity building plans; • PCC will produce various reports for procured personnel, equipment and services. • Monitoring and Evaluation of Project will be conducted jointly by GOA and GOI during the implementation period.

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ANNEX 2

Potential Equipment Items and Phasing Needed by the Facilities Providing Tertiary Level Eye Surgeon Training and Eye Service Delivery in Bali.

Eye sub - speciality	Phase	Equipment and associated activities
CATARACT SURGERY	1	<u>Diagnostic</u> Binocular Indirect All Pupil Wireless Ophthalmoscopes (x3) Additional diagnostic lenses for existing slit lamps Auto refraction Keratometer Intraocular Cataract Lenses (IOLs) Master New operating microscope (this will be used for other sub- speciality disciplines) <u>Surgical</u> Ytterbium YAG Laser (YAG)
	2-3	<u>Diagnostic</u> Pentacam (relevant for Cornea & Glaucoma) <u>Surgical</u> Nil
GLAUCOMA MANAGE- MENT	1	<u>Diagnostic</u> Additional lens for slit lamp to aid diagnosis Applanation tonometer <u>Surgical</u> Nil
	2	<u>Diagnostic</u> Optical Coherence Tomography (OCT) to image retinal nerve fibre thickness (x2) Pachymetry Hand Held Pentacam (relevant for Cornea & Glaucoma) Humphrey Field Analyser Latest (HFA) Software (x2) <u>Surgical</u> Nil
	3	<u>Diagnostic and Surgical</u> Nil
RETINAL DISEASE & SURGERY	1	<u>Diagnostic</u> Glass Superfield 120° Glass 3 mirror peripheral retina examination device Glass Gonioscope Sussman Additional lens for operating microscopes. <u>Surgical</u> Additional attachments for ZEISS operating microscope for vitro retinal surgery

	2	<u>Surgical</u> Nil
	3	<u>Diagnostic</u> Nil <u>Surgical</u> Combined Vitrectomy Phaco-emulsification unit for posterior approach & Vitrectomy combined This should only be considered if recurrent funding is available. GYC Green Photo Coagulator Solid state 2watts (532w.I) Laser. Can be used In Operating Theatre or on clinic Slit Lamps with adapter
CORNEA & REFRACTIVE SURGERY	1	<u>Diagnostic</u> Suggested that establishment of a small microbiology laboratory be considered, but will depend upon a technician (salary) being available <u>Surgical</u> Corneal scrapes for culture Nil additional equipment ,
	2	<u>Diagnostic</u> Pentacam (same device as listed under Cataract above) If a microbiology laboratory has been established, consideration could be given to establishment of an eye and tissue bank. In addition to capital costs would also need staff salaries. <u>Surgical</u> Nil
	3	<u>Diagnostic</u> Established in phase I <u>Surgical</u> In this phase corneal transplantation could occur, but it will only occur if a microbiology laboratory function is available. It also requires considerable recurrent costs for disposable equipment (funding not available unless funds saved from other program elements). Excimer Laser for corneal corrective refractive corneal surgery could also be considered in this phase (funding not available unless funds saved from other program elements).

