



AUSTRALIAN HIGH COMMISSION
SUVA

28 March 2011

Dr. Sala Saketa
Permanent Secretary
Ministry of Health
Dinem House
Suva

M.Saketa
PSH 31/3/11

Dear Dr. Sala

Re: Subsidiary Arrangements for the Australian Government's Bilateral Health Assistance to Fiji: 2011 - 2015

Further to our discussions regarding Subsidiary Arrangements for Australia's new bilateral health program for the period 2011-2015; I would like to inform you that I have had a successful meeting with the Permanent Secretary for Finance this morning.

The Permanent Secretary for Finance is very supportive of the Australian Government's assistance to the health sector in Fiji. The Fiji Revenue & Customs Authority and the Department of Immigration have also sent through their comments; with no changes to the draft Subsidiary Arrangement we had provided to the Budget & Aid Coordinating Committee in 2010.

Following our discussions this morning, the Permanent Secretary for Finance has signed a "Regional Subsidiary Arrangement" which amongst other activities; covers AusAID's regional assistance to the Fiji School of Medicine. The Permanent Secretary for Finance requested that we work with the Ministry of Health to ensure that the Subsidiary Arrangement for our bilateral health activities (copy attached) is signed as soon as practicable. Therefore, please find attached the following documents for your consideration and endorsement please:

- a) Subsidiary Arrangement for the Fiji Health Sector Improvement Program - an extension up to 31 December 2011 to cover the FSHIP Interim Activities implemented through the Fiji School of Medicine; and
- b) Subsidiary Arrangement for the new Fiji Health Sector Support Program, which is expected to commence in July/August this year.

Should you wish to discuss this further, please do not hesitate to contact me.

Yours sincerely

Sarah Goulding
Sarah Goulding
Counsellor, Development Cooperation

Cc: Mr Filimone Waqabaca, Permanent Secretary, Ministry of Finance,
Ms Sereima Bulouniwasa, Chief Economic Planning Officer, Budget & Aid
Coordination Unit, Ministry of Finance

**AMENDMENT 1 OF THE
SUBSIDIARY ARRANGEMENT UNDER THE MEMORANDUM OF
UNDERSTANDING
BETWEEN THE GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF THE
REPUBLIC OF THE FIJI ISLANDS RELATING TO THE DEVELOPMENT
COOPERATION**

SPECIFIC ACTIVITY: FIJI HEALTH SECTOR IMPROVEMENT PROGRAM

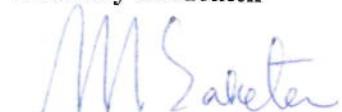
1. On 18 December 2003, AusAID and Ministry of Health ("the Parties") entered into a Subsidiary Arrangement ("the Arrangement") for the Fiji Health Sector Improvement Program.
2. The Parties have now agreed to amend the Arrangement as set out below:

Paragraph 2	<p>Delete existing paragraph 2 and replace with the following:</p> <p>"2. EXECUTING AGENCIES</p> <p>The Executing Authorities for the Program will be</p> <p>For the GOF: Ministry for Health</p> <p>For the GOA: The Australian Agency for International Development (AusAID)</p> <p>AusAID will engage suitably qualified contractors, including the Fiji School of Medicine, to fulfill any part of its responsibilities under this Arrangement."</p>
Paragraph 4	<p>Delete existing paragraph 4 and replace with the following:</p> <p>"4. FACILITATION</p> <p>The GOF will provide personnel and facilities necessary to enable Australian FHSIP personnel to efficiently and economically carry out the FHSIP activities as detailed in Annex 1 and 4 and without limiting the generality of this paragraph such contributions will include:</p> <ul style="list-style-type: none">• Access to Ministry of Health facilities, documentation and personnel;• Provision of appropriate offices and work facilities; and

	<ul style="list-style-type: none"> • All necessary approvals/authorities (including visas, permits etc) and financing tax exemptions in accordance with paragraph 9 below for carrying out Project activities.”
Paragraph 8	<p>Delete existing paragraph 8 and replace with the following:</p> <p>“8 COMMENCEMENT AND DURATION</p> <p>This Subsidiary Arrangement will take effect from upon signature and the FHSIP will be deemed to have commenced from the date. The Australian contribution to the FHSIP and all arrangements made herein will cease on 1 January 2012.”</p>
New Paragraph 9	<p>Include new paragraph 9 as below:</p> <p>“9 TAX INCLUDING VAT</p> <p>Goods which are Australian Project supplies as defined in the Memorandum of Understanding and goods and services funded from the contribution of the GoA, including such goods and services as those acquired within Fiji, are exempt from all taxes and any obligation or duty which may be imposed by any law in Fiji, including but not limited to Value Added and Provisional Tax.</p> <p>The Ministry of Finance will budget and finance all tax exemptions in accordance with this paragraph 7.</p> <p>The Fiji School of Medicine, as the implementing agency for the interim FHSIP activities, will establish a separate bank account for the GOA funds provided to implement the activities.”</p>
New Annex 4	Insert attached Annex 4 after Annex 3.

3. The amendments described above will take effect when this document is signed by the Parties.
4. All other paragraphs and attachments to the Arrangement remain unchanged and in full force.

Accepted on behalf of
Ministry of Health

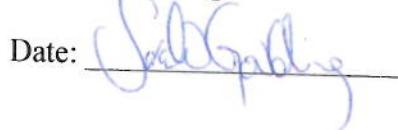


Dr Salanieta Saketa
Permanent Secretary

Date: 31/3/11

Accepted on behalf of AusAID

Sarah Goulding
Counsellor – Fiji
FMA s.44 Delegate



Date: