

**SUBSIDIARY ARRANGEMENT**  
**BETWEEN**  
**THE GOVERNMENT OF AUSTRALIA**  
**AND**  
**THE GOVERNMENT OF THE REPUBLIC OF INDONESIA**  
**RELATING**  
**TO THE AUSTRALIA-INDONESIA PARTNERSHIP FOR HIV 2008-2015**

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**SUBSIDIARY ARRANGEMENT BETWEEN THE GOVERNMENT OF AUSTRALIA  
AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA RELATING TO  
THE AUSTRALIA-INDONESIA PARTNERSHIP FOR HIV 2008-2015**

**Definitions**

In this Subsidiary Arrangement, the following understandings as to definitions were reached:

1. "Government" is the Government of the Republic of Indonesia (GOI) and the Government of Australia (GOA); in this case, Indonesia is represented by the Office of the Coordinating Minister for People's Welfare's/ the National AIDS Commission and Australia is represented by Australian Agency for International Development of the Department of Foreign Affairs and Trade (AusAID).
2. "Intellectual Property" is in accordance with the provisions provided for in Article 2 of the Convention Establishing the World Intellectual Property Organization, done at Stockholm on July 14, 1967, as amended on September 28, 1979.

**General**

This Subsidiary Arrangement expresses the 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 (GADC) that came into force on 21 July 1999. The terms of the GADC apply to this Subsidiary Arrangement.

**2. Name of Activity**

The name of the activity is the 'Australia-Indonesia Partnership for HIV 2008-2015' (referred to as 'the Partnership').

**3. Executing Authorities**

The Executing Authorities for this Partnership will be:

For the GOI:

The Office of the Coordinating Minister for People's Welfare/ the National AIDS Commission.

For the GOA:

The Australian Agency for International Development (AusAID) of the Department of Foreign Affairs and Trade.

AusAID may engage other public sector organisations and suitably qualified contractors to carry out any part of its commitments under this Subsidiary Arrangement.

#### **4. Taxation**

Pursuant to Paragraph 1 of Article VIII of the GADC the Government of the Republic of Indonesia will ensure that Australian development cooperation funds are not used to pay any taxes, customs duties and any other levies imposed by the Government of the Republic of Indonesia, on any goods, materials, equipment vehicles and services purchased or acquired for the execution of the Partnership being carried out in Indonesia.

Pursuant to Paragraph 1 of Articles XI of the GADC the income tax liability of an Australian firm including public sector organisations and contractors engaged by AusAID and Australian personnel will be borne by the GOI.

#### **5. Duration of Partnership**

The Partnership will be implemented over an 8 year period. This Subsidiary Arrangement will take effect from the date of its signature and will be valid until the completion of all activities within the Partnership.

#### **6. Partnership Description**

The Partnership was designed during GOA missions to Indonesia in September 2006 and February 2007 in collaboration with key officials from the Office of the Coordinating Minister for People's Welfare/ the National AIDS Commission, Ministry of Health, Ministry of Justice and Human Rights, National Development Planning Agency, World Health Organisation, other donors and civil society.

The goal of the Partnership is 'to prevent and limit the spread of HIV, improve the quality of life of people living with HIV, and alleviate the socio-economic impacts of HIV/AIDS'. These goals mirror the GOI goal in the National HIV/AIDS Strategy 2007-10 and are supported by two objectives:

- to combine Australia's support for HIV into a coherent partnership that benefits from synergies among the various elements; and
- to strengthen GOI leadership and capacities to implement an effective and sustainable HIV response.

All Australian HIV activities in Indonesia will be framed within the Partnership.

#### **7. The Program Description**

##### *The HIV Cooperation Program for Indonesia*

The HIV Cooperation Program for Indonesia will be the primary vehicle for delivery of AusAID's support under the Partnership and seeks to support Indonesia to plan, develop and implement an effective and sustainable response to HIV.

The HIV Cooperation Program for Indonesia components include:

Component 1: to contribute to Indonesia's capacity to lead, plan and manage an effective and sustainable HIV response by providing assistance to GOI at all levels, civil society and the private sector in a range of potential activities.

Component 2: to support the development and implementation of an effective and sustainable response to HIV in Papua and West Papua with the initial focus on prevention and health promotion towards more effective behaviour change approaches.

Component 3: to prevent the spread of HIV amongst high risk groups by providing support for GOI plans to address the HIV needs of injecting drug users and their sexual partners initially in Java with a view to expanding to other locations in Indonesia, and of sex workers and their clients in Bali.

Component 4: to support the development and implementation of an effective and sustainable approach to HIV in prisons and closed settings in partnership with GoI/ the National AIDS Commission, Ministry of Justice and Human Rights and the Ministry of Health and their provincial and district entities.

Component 5: to effectively and efficiently manage the HIV Cooperation Program for Indonesia including by way of establishing offices in Jakarta and Jayapura initially.

#### *Other HIV related initiatives*

The Partnership may also comprise other HIV related initiatives including:

- Recruitment of a Senior Program Coordinator to participate in policy and planning dialogue with the GOI and to coordinate AusAID's HIV/AIDS program activities within Indonesia.
- financial and technical contributions to the Indonesian Partnership Fund
- engagement with Global Fund to Fight AIDS, TB and Malaria;
- mainstreaming of HIV into AusAID's work in other sectors;
- other HIV-related initiatives in the Indonesia Program, including research, health systems strengthening and child and maternal health; and
- regional partnerships, for example with the Asia Pacific Business Coalition on HIV/AIDS and the Clinton Foundation HIV/AIDS Initiative, and AusAID's HIV/AIDS Regional Capacity Development Program.

## **8. Location**

The Partnership (including the HIV Cooperation Program for Indonesia) will be based mainly in Jakarta, Java (DKI Jakarta and West Java provinces initially), Bali, Papua and West Papua provinces with work based in various other locations (requiring internal travel within Indonesia) as the annual plans require.

## **9. Management Arrangements**

The Partnership will be managed by AusAID in Jakarta. The National AIDS Commission, Provincial AIDS Commissions, and the District or Municipal level AIDS Commissions, Ministry of Health, Ministry of Justice and Human Rights, National Development Planning Agency and other central, provincial and local

government institutions involved in the Partnership will work together to implement the partnership program in collaboration with AusAID and other relevant bodies.

A Program Coordinating Committee will serve as the key decision making body on strategic issues for the HIV Cooperation Program for Indonesia. The Program Coordinating Committee:

- is co-chaired by the National AIDS Commission and AusAID;
- membership may include but not be limited to representation from the National Development Planning Agency, Ministry of Health and Ministry of Justice and Human Rights;
- may include representation from Papua and West Papua, People Living with HIV and civil society;
- has membership at a senior management or executive level; and
- meets every six months and exchanges information and advice at other times.

AusAID will appoint and manage a managing contractor to implement all or part of the program. The managing contractor will have responsibility for ensuring activities closely collaborate with the relevant AIDS Commissions (at all levels), other GOI agencies, and the Program Coordinating Committee.

## **10. Financial, Personnel and other Contributions**

### Government of Australia (GOA)

The total GOA financial contribution to the Partnership will be up to A\$100 million (excluding GST) over an 8 year period. In addition, AusAID has other activities such as the Health System Strengthening Program and the Maternal and Neonatal Health Program which will complement the Partnership.

The GOA will provide accommodation, travel costs and remuneration for all international and national staff assigned to the Partnership. The staff will include (but not be limited to) long and short term technical advisors and administrative staff.

Activities supported by the HIV Cooperation Program for Indonesia will be negotiated on a cost sharing basis with the GOI. It is expected that GOI will increase its financial contribution to jointly decided activities over time. Financial contributions will be determined during the annual planning process taking into consideration the state and regional budget planning processes (APBN and APBD).

The disbursement of GOA financial contributions will be subject to the normal Australian annual parliamentary approval of appropriations.

### Government of Indonesia (GOI)

The GOI contributions will include, but not be limited to, the provision of:

*i. Personnel:* GOI agencies will provide appropriate staff and cover the costs associated with their staff participation in Partnership related activities such as seminars/workshops, training, situational analysis, surveillance, research, design,

review, monitoring and evaluation, as well as Program Coordinating Committee meetings. Contributions from relevant ministries within the GoI will be allocated on a yearly basis based on the activities approved in the HIV Cooperation Program for Indonesia annual planning process.

ii. *Office Accommodation and Services*: the GOI will provide the office facilities necessary for the Partnership (including the HIV Cooperation Program for Indonesia) personnel to efficiently and economically carry out the project activities. This will include:

- permanent office space for project personnel in DKI Jakarta, West Java, Papua, West Papua, Bali and other provinces where the HIV Cooperation Program for Indonesia establishes a presence;
- additional permanent office space in other selected provinces if required;
- maintenance of equipment provided by the project;
- provision of security for project team members; and
- desks, chairs, and access to external telephone lines.

iii. *Cost sharing*: As mentioned above, activities supported by the HIV Cooperation Program for Indonesia will be negotiated on a cost sharing basis, with GOI expected to increase its financial contribution to jointly decided activities over time. Financial contributions will be determined during the annual planning process.

## **11. Monitoring, Review, Evaluation and Reporting Arrangements**

The Partnership will support the development and implementation of a single and effective monitoring and evaluation system for activities of the Partnership in Indonesia that is, where possible, harmonised with the indicators of the National HIV/AIDS Action Plan. Indicators will be based on annual targets, developed in part during the annual planning process.

An Annual Component Review will be carried out by the HIV Cooperation Program for Indonesia in collaboration with the lead Indonesian agency for each component and the National AIDS Commission. Results of this review will be used to inform program planning and delivery in the following year. AusAID will also organise and participate in a review of both the Partnership and HIV Cooperation Program every two years to assess overall progress and provide strategic direction.

## **12. Claims Relating to Project Activities in Indonesia**

The Government of the Republic of Indonesia will be responsible for dealing with any claims which may be brought by third parties against the Government of Australia, Australian personnel or Australian firms and will hold harmless the Government of Australia, Australian personnel and Australian firms in case of any claims or liabilities resulting from this Arrangement. This provision will not relieve any person or entity from liability from a criminal act, gross negligence, or willful misconduct on the part of that person or entity.

### 13. 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 program will be dealt with in accordance with Annex C of the GADC.

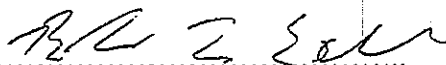
### 14. Amendments to the Subsidiary Arrangement

This Subsidiary Arrangement may be amended at any time by an Exchange of Letters between the GOI and the GOA.

IN WITNESS WHERE OF, the undersigned have the obtained power and authority from the respective Governments to sign this Subsidiary Arrangement.

Signed in duplicate at Jakarta, on this day of two thousand and seven.

FOR THE GOVERNMENT OF  
AUSTRALIA:



Mr. Blair Exell  
Minister-Counsellor  
Development Cooperation

FOR THE GOVERNMENT OF THE  
REPUBLIC OF INDONESIA:

  
**KOMISI  
PENANGGULANGAN  
AIDS**

Dr. Nafsiah Mboi, MPH  
Secretary  
National AIDS Commission