MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA RELATING TO THE TIBET HEALTH CAPACITY BUILDING PROGRAM

General

1. This Memorandum expresses the understandings of the Government of Australia and the Government of the People's Republic of China (the Parties) in relation to the Tibet Health Capacity Building Program, (the Program).

2. This Memorandum is concluded pursuant to and is subject to the provisions of the Agreement between the Government of Australia and the Government of the People's Republic of China on a Program of Technical Cooperation for Development, done at Beijing on 2nd October 1981, as amended on 17 February 1987 and 25 September 1997 (the "Agreement"). Unless otherwise provided in this Memorandum, the Agreement applies to the Program.

3. This MOU is neither a treaty nor an instrument of treaty status. Consequently, differences which may arise concerning the interpretation or application of this MOU will not be subject to adjudication or arbitration by any national or international court or tribunal but will instead be dealt with in an amicable way as the appropriate method of achieving the peaceful settlement of those differences.

4. At the same time, the Government of Australia wants to confirm not only its clear intent to participate in the Program but also its desire to implement the provisions of this MOU in good faith.

Coordinating Authorities

5. The Coordinating Authorities for the Program will be:

   (a) for the Government of Australia: the Australian Agency for International Development (AusAID) of the Department of Foreign Affairs and Trade, which will nominate Macfarlane Burnet Institute for Medical Research and Public Health Ltd as its Implementing Organisation and

   (b) for the Government of the People's Republic of China: the Ministry of Commerce (MOFCOM) which will nominate the Tibet Regional Bureau of Health (BOH) as its Implementing Organisation and the Department of Commerce (DOFCOM) as its Responsible Authority.

Project Description

6. A description and statement of the goal and objective of the Program is set out in Annex 1 to this Memorandum.

Australian Contribution

7. Details of the financial contribution of the Government of Australia to the Program are set out at Annex 2 to this Memorandum. The estimated cost of that contribution is **AUD7,375,000.**

   (a) For the purposes of the Program, the Government of Australia will provide the supplies set out at Annex 2 to this Memorandum.

   (b) For the purposes of the Program, the Government of Australia will provide the services set out at Annex 2 to this Memorandum.

   (c) For the purposes of the Program, the Government of Australia will provide the personnel referred to at Annex 2 to this Memorandum. The Parties recognise that Article 8 of the Agreement will apply to these personnel.

Chinese Contribution

8. Details of the financial contribution of the Government of the People's Republic of China to the Program are set out at Annex 3 to this Memorandum. The estimated cost of that contribution is **AUD271,000** (RMB 1.626 million).

   (a) For the purpose of the Program, the Government of the People's Republic of China will provide the supplies set out at Annex 3 to this Memorandum.

   (b) For the purposes of the Program, the Government of the People's Republic of China will supply the services set out at Annex 3 to this Memorandum.

   (c) For the purposes of the Program, the Government of the People's Republic of China will supply the personnel set out at Annex 3 to this Memorandum.

Intellectual Property

9. In accordance with the cooperative nature of the Program, the Parties will mutually determine any rights to, or ownership of, intellectual property jointly developed through, or arising from, activities of the Program.

Evaluation & Review

10. The Coordinating Authorities for the Program will meet twice in the first year of implementation and once a year thereafter to review the activities and progress of the Program. The Program will be periodically reviewed by an AusAID appointed Technical Advisory Group (TAG). An Independent Progress Review separate to the TAG may be carried out as required.

Formal Communication

11. For purposes of formal communication between the respective Coordinating Authorities on matters arising out of this Memorandum, and matters relating to the policy of the Program, the Australian Embassy in Beijing will act on behalf of the Australian Agency for International Development (AusAID).

Amendments

12. Amendments to this Memorandum may be made at any time by an Exchange of Letters between the Coordinating Authorities.

Duration

13. This Memorandum will take effect from the date of its signature and the Program will be deemed to have commenced from the date of signing a Funding Agreement between AusAID and the Australian Implementing Organisation. The Government of Australia contribution to the Program and all commitments given herein will cease three years after the date of commencement of the Program or on such other date as may subsequently be arranged between the Coordinating Authorities of the two Governments.

ANNEXES 1 to 3 to this Memorandum form an integral part of it.

SIGNED in duplicate, this 4th day of September 2012 in the English and Chinese languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA	FOR THE GOVERNMENT OF AUSTRALIA
.....	.....
Mr. Sun Yuanjiang	**Ms. Julia Niblett**
Deputy Director General	**Assistant Director General**
Ministry of Commerce	**AusAID**

ANNEX 1

TIBET HEALTH CAPACITY BUILDING PROGRAM

PROGRAM DESCRIPTION

The Program Design Document (PDD) dated January 2011 and the Implementation Proposal (IP) dated June 2012 are the main documents of reference for this Memorandum of Understanding (MOU).

1. Background

The Request

Health indicators of Tibet Autonomous Region (TAR) are among China's poorest. The Australian Government has provided ongoing assistance to Tibet since 1991, focused on the health sector. The most recently completed program was the 6-year, $19 million Tibet Health Sector Support Program (THSSP) which ended in June 2010.

TAR's *Eleventh Five Year Plan for the Health Sector (2006-2010)* identified a lack of health human resources (HHR) as a major constraint to better health outcomes. To meet this challenge, TAR authorities have boosted absolute numbers of health workers but significant problems remain, including low capacity of the health work force and the lack of management systems within TAR's health system to efficiently and effectively deploy HHR.

The TAR Government is well aware of these problems and has repeatedly requested continuing Australian support for the TAR health sector beyond THSSP.

Preparation

AusAID undertook a scoping mission to TAR in November 2009 to analyse potential priority areas for future support. The resulting concept paper identified HHR as a priority for Australian support.

A subsequent visit to TAR by an AusAID-led design team in July 2010, delivered a PDD for a five-year program that aims to help TAR better deploy its HHR and improve their technical and clinical skills. The PDD was finalised in January 2011 after going through independent appraisal and peer review.

Due to the uncertainty of the AusAID China aid program from end of 2010 to end of 2011, the PDD was put on hold for one year after its finalisation until December 2011.

A PDD Review and Planning team, led by the Australian Implementing Organisation, visited TAR in April 2012 and confirmed with TAR authorities that the PDD's priorities remained relevant after the year's hiatus. The team developed an Implementation Proposal (IP) that came out of the April 2012 visit.

2. Project Description

2.1 Program Goal: To improve the health of the people of Tibet.

2.2 Program Purpose: More efficient and better quality health service delivery.

2.3 Program Duration and Phasing

The Program would run for five years: an initial three year period, with a further two years contingent on favourable recommendations from an AusAID-led Independent Progress Review (IPR) during the third year. The additional two-year phase would require approval of further funding by AusAID at that time.

Phase I: implemented over three years, covering mobilisation and implementation of key activities.

Phase II: implemented for a further two years if the outcome of the planned IPR so recommends. This possible extension would consolidate lessons learnt through the first three years of the program as well as respond to issues and recommendations outlined in the IPR.

2.4 Program Location

Shigatse, Shannan and Linzhi were selected as the pilot prefectures for the program's initial three-year phase. They are the three largest prefectures in TAR. In addition, one county of Lhasa municipality and two of its townships would be included as pilot areas. Additional prefectures could be involved in the second phase of the program, subject to IPR recommendations.

The Program's location is described by component:

For Component 1: Activities are primarily focused at a Regional level with three pilot Prefectures (Shigatse, Linzhi and Shannan) in the first year. It is anticipated roll out across the Region will follow successful piloting.

For Component 2: Outputs 2.1 and 2.5 of the PDD are also focused at a Regional level with activities being conducted in all seven prefectures. Outputs 2.2-2.4 are focused on the three pilot Prefectures as above.

2.5 Program Components

Component 1: Health Management

Component Objective: Improved health management practices at the strategic & operational levels: The Program will conduct activities to improve the health managers' capacity in implementing the TAR 12th Five Year Plan for Health and their skills in organization based management.

Output 1.1: Capacity building in health management undertaken for regional managers and directors

(a) Delivering this output the Program will conduct activities that:

(i) result in senior managers with improved capacity to guide their respective roles in managing the health system. This will be relevant to implementation of TAR 12th Five Year Plan for Health in particular.

(ii) reflect and respond to the current health reform and other health management policies.

(b) Participants of this output will come from regional level health agencies. Likely activities will include:

(i) training needs assessments.

(ii) health management training, including short tailored courses that will lead to formal qualifications.

(iii) appropriate study tours and exchanges to inland provinces to learn from available experience in good health management practice.

Output 1.2: Follow-up support to regional managers and directors to implement improved health management knowledge and skills

(a) This output is closely related to Output 1.1. The follow-up activities will support participants from Output 1.1 to apply skills learnt through training. Activities may be based on 'streams' (activities including participants from all levels of the system) or within a single workplace or organization. This may include hospital cost management, nursing management, or staff performance assessment. Implementation of the TAR five year plan can be integrated and supported through the follow-up activities.

(b) The target group will be the same as that for Output 1.1.

Output 1.3: Capacity building in health management undertaken for prefecture and county level managers and directors

(a) This output is similar to Output 1.1 in terms of focus but is designed to reach levels prefecture and county levels in particular. The implementation approaches will therefore reflect this difference. Practical and detailed training in health management will be provided for participants. Wherever possible, linkages will be established between Output 1.1 and 1.3.

(b) The target participants are selected prefectures and 2 counties per prefecture, with initial focus on the three pilot prefectures already outlined. Activities will include:

(i) training needs assessments.

(ii) health management training, including short tailored courses as well as formal qualification courses.

(iii) study tours and exchanges to inland provinces to learn from existing expertise and experience in good health management practice.

Output 1.4: Follow-up support to managers and directors at prefecture and county level to implement improved health management knowledge and skills

(a) This output is closely related to Output 1.3. The follow-up activities will support participants from Output 1.3 in the practical application of skills learnt through theoretical training. Activities may be stream based or organization based, such as hospital cost management,

nursing management and staff performance assessment. Implementation of the TAR five year plan can be supported through the follow-up activities.

(b) The target participants are selected prefectures and counties, but with initial focus on the three pilot prefectures.

Component 2: Technical and Clinical Practice

Component Objective: Improved priority technical & clinical practices of the workforce in pilot sites:

The focus of this component compliments the more strategic level investment in Regional level health agencies under Component 1, ensuring that as Regional leadership and policy develops, quality delivery of health services throughout the lower levels of the systems is also underway.

Output 2.1: Training of regional and pilot prefecture CDC and hospital laboratory staff conducted

(a) This output aims to strengthen the skills, facilities and functioning of laboratories across the TAR health system, initially focussing on Regional and pilot prefecture laboratories in the CDC and hospitals. Likely activities include:

(i) capacity assessments.

(ii) laboratory technicians training in both technical and management skills.

(iii) procuring essential equipment.

Output 2.2: Guidelines for county hospital and township clinics developed

(a) This output aims to help BOH develop service guidelines for county hospitals and township clinics to standardize the current services that are found to be poorly managed.

(b) The focus of the output is the three pilot prefectures. Roll out across the TAR will take place upon successful development and piloting of the guidelines. Likely activities will include:

(i) reviewing existing national and inland guidelines.

(ii) establishing and supporting a Hospital Guidelines Working Group

(iii) developing and piloting the guidelines.

Output 2.3: A pool of technical health trainers developed

(a) This output aims to support BOH identify potential trainers and build the capacity. The focus will primarily be Regional. Significant review and development of this activity will take place in the first year of Phase I. Likely activities may include:

(i) exploring existing associations within BOH and identification of potential trainers.

(ii) establishing a training committee comprised of these identified trainers.

(iii) providing training in advanced adult training methods for the trainers.

(iv) assisting in the delivery of necessary training to the prefecture, county and township health workers.

Output 2.4: Training of technical staff in identified priority areas

(a) This output aims to strengthen the capacity of the technical staff to provide quality health services. The focus will primarily be three pilot prefectures. Likely activities include:

(i) training needs assessment.

(ii) supporting short, tailored training courses as well as qualification courses.

(iii) developing both vertical and horizontal relationships in the TAR health system to encourage peer learning.

Output 2.5: Building preparation and response capacity for containing infectious disease outbreaks

(a) This output will focus at Prefecture CDC level under the leadership of the Regional CDC and the Regional BOH. Likely activities include:

(i) training needs assessment.

(ii) supporting short tailored training in areas such as field epidemiology, outbreak control and reporting.

(iii) supporting simulation exercises.

ANNEX 2

TIBET HEALTH CAPACITY BUILDING PROGRAM

CONTRIBUTION OF THE GOVERNMENT OF AUSTRALIA

The Government of Australia (GOA) will make contributions of grant aid up to an estimated **AUD7,375,000** to the Program over a period of three years from commencement for the implementation of Phase I of the Program. This contribution is expected to comprise personnel, procurement, training, monitoring and evaluation and other costs.

1. Fixed Fee with Personnel Component

GOA will provide funds for all costs of Australian and other locally engaged personnel assigned to the Program to an amount of **AUD2,831,010.** These personnel, as outlined in Table 5 on page 23 of the PDD (English version), will include indicative inputs of long-term and short-term advisers. Long term management support staff such as drivers, assistants and translators, other than those identified as nominees of the Government of the People's Republic of China in Annex 3, will also be provided for the Program and will be selected and employed by the Burnet Institute in consultation with the key counterpart agencies. These staff will report to the Team Leader appointed by the Burnet Institute and will be employed under the terms and conditions of the Program. The Fixed Fee payable will also be inclusive of local cost of living allowance, international travel to and from China.

2. Procurement

GOA will provide funds for procurement to an amount of **AUD615,800** including major procurement items described in Annex 4.6 (Summary Indicative Budget) of the IP.

3. Training and Other Related Activities

GOA will meet the total costs of **AUD2,439,440** of the indicative training and other related activities as described in Annex 4.6 (Summary Indicative Budget) of the IP.

The Australian contribution covers per diems and accommodation for all trainees at Program training courses, and the cost of training materials. The cost of in China and International Study Tours are also included in the training budget.

4. Monitoring and Evaluation

GOA will meet the cost of Monitoring and Evaluation activities, including a Technical Advisory Group visit, an Independent Progress Review and other activities to be defined in the M&E Framework which will be updated during the mobilisation phase for an estimated budget of **AUD479,330**.

5. Other

GOA will meet the cost of other program inputs, such as program management and support costs to an amount of **AUD1,009,420** as described in Annex 4.6 (Summary Indicative Budget) of the IP.

Other budgeted Program costs include:

- Consumable costs for the Program offices, including for agreed mobile, long-distance and international telephone calls, and electronic communications.
- All running costs for the three vehicles managed by the Australian Program Management Office, including maintenance, petrol, insurance, tax and registration.
- Management overhead.

Estimated GOA Contribution

Line Item	GOA (AUD)
Personnel	2,831,010
Procurement	615,800
Training	2,439,440
Monitoring and Evaluation	479,330
Other	1,009,420
Total	**7,375,000**

- Note: The table above is an indicative breakdown of costings which is subject to variation during the implementation phase as agreed between the Burnet Institute and AusAID.

ANNEX 3

TIBET HEALTH CAPACITY BUILDING PROGRAM

CONTRIBUTION OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

The Government of the People's Republic of China (GOPRC) will make direct contributions to the Program up to an estimated **AUD271, 000 (RMB1.626 million)** over a period of three years. These contributions are described on page 24 of the PDD (English version) and listed by type of inputs as set out below.

1. Personnel

GOPRC will contribute **RMB792,000** over three years for personnel costs. Staff from the Regional BOH, prefecture and county health bureaux, and township health staff are counterparts on the Program. Further details of counterpart personnel are developed and arranged during each year's annual plan development. Indicative counterpart staff includes:

- Chinese Program Director
- Chinese Senior Coordinator
- Chinese Assistant to the Senior Coordinator
- Counterpart staff for all long and short term advisers
- Municipal, County, Township and Village Health Staff
- Trainers

2. Office Accommodation

GOPRC will contribute **RMB834,000** over three years for office accommodation costs including renting and maintenance costs, electricity, telephone and internet connections, heating and water, with GOA funding the balance.

3. Training

GOPRC is responsible for the cost of training venues, including their satisfactory state of repair and maintenance, the salaries of all trainers and trainees, local transport costs for all trainees and recurrent costs of all health facilities involved in the Program and local travel for counterpart staff.

4. Other

GOPRC will also meet some other costs of Program activities, including costs for Chinese PCC members such as accommodation, meals, fees and local travel.

Estimated GOPRC Contribution

Line Item	GOPRC (RMB)
Personnel	792,000
Office Accommodation	834,000
Total	**1,626,000**

- Note: The table above only includes costs related to Personnel and Office Accommodation. Numerical GOPRC's contribution in relation to Training and Other is hardly to be calculated at the stage of signing this MOU.