

**SUBSIDIARY ARRANGEMENT**  
**BETWEEN**  
**THE GOVERNMENT OF AUSTRALIA**  
**AND**  
**THE GOVERNMENT OF VANUATU**  
**RELATING TO THE**  
**VANUATU AUSTRALIA POLICE PROJECT (VAPP)**

**1. GENERAL**

- 1.1. This Subsidiary Arrangement expresses the understanding of the Government of Vanuatu (GOV) and the Government of Australia (GOA) (the "Parties") and is made pursuant to the terms of Article 7 of the Memorandum of Understanding between the Government of Australia and the Government of Vanuatu on Development Cooperation that came into force on 15 December 2005 (the "MOU"). The terms of the MOU apply to this Subsidiary Arrangement.

**2. NAME OF PROJECT**

- 2.1. The name of the Project is the Vanuatu Australia Police Project ("the Project").

**3. PURPOSE**

- 3.1. The Parties will cooperate in implementing the Project in support of the development needs of Vanuatu. The purpose of the Project is to contribute to the provision of excellent policing services and strong (close) police/community relations.

**4. COORDINATING AUTHORITIES**

- 4.1. The Coordinating Authorities for this Project will be:

For the GOA: The Australian Agency for International Development.

For the GOV: The Vanuatu Police Force (VPF) or such other authority the GOV may nominate.

- 4.2. AusAID may engage suitably qualified contractors or organisations to carry out any of its functions under this Subsidiary Arrangement.

- 4.3. The role of the Project Coordination Committee (PCC) will be to provide strategic advice on the overall Project's direction, particularly in relation to the links between VPF and the broader sector wide coordination and

collaboration. It will meet on a six-monthly basis and comprise appointees of the GOA and GOV.

- 4.4. The Project Management Group (PMG) will be responsible for regular management oversight. The PMG will comprise of the following GOV representatives - VPF Commissioner, a representative of the Ministry of Internal Affairs and a representative of the Ministry of Finance and Strategic Management. The VAPP Team Leader, AusAID representative and a representative of the Law and Justice Sector Project will represent the GOA. The PMG should meet at least quarterly and take a more hands-on role in the management and monitoring of Project activities.

## 5. DURATION OF THE PROJECT

- 5.1. The Parties anticipate that the Project will be implemented from **16 February 2011 to 30 June 2012**. This Subsidiary Arrangement covers the initial period of the Project and may be extended subject to review in accordance with a mechanism approved by both GOV and GOA and subject to normal Australian annual parliamentary approval of budget appropriations.
- 5.2. Either Party may advise the other Party of their withdrawal of participation in, or discontinuation of support for, the Project in accordance with **paragraph 17.12**.

## 6. PROJECT LOCATION

- 6.1. The Project will be undertaken in Vanuatu and the Project offices will be located at Vansec House in Port Vila.

## 7. PROJECT DESCRIPTION

### *Background*

- 7.1. In 2001, the Government of Vanuatu (GOV) requested assistance from the Australian Government to improve the capabilities of the Vanuatu Police Force (VPF).
- 7.2. Government of Vanuatu and Government of Australia collaboration in the policing area commenced in 2002 in response to this request from the GOV. GOA agreed to support an initial 18 months Interim Phase which was then extended to September 2005.
- 7.3. The current program of assistance to the Vanuatu Police Force (VPF) through the Vanuatu Police Force Capacity Building Project (VPFCBP) commenced in February 2006 and will be completed in February 2011. The VPFCBP is a whole-of-government effort between two Commonwealth of Australia agencies, AusAID and the Australian Federal Police (AFP), and the VPF on behalf of the Government of Vanuatu.
- 7.4. The Governments of Vanuatu and Australia have now agreed that the next phase of cooperation will last from February 2011 until 30 June 2012. The new project will be called the Vanuatu Australia Police Project (VAPP). This next 16 month phase will continue the AusAID/AFP relationship and paves

the way for the future support to be incorporated within the AFP's Pacific Police Development Program (PPDP).

- 7.5. The Government of Vanuatu (GOV) and Government of Australia (GOA) Partnership for Development was signed in May 2009 and in June 2010, at the preliminary Partnership talks, both Governments agreed to include law and justice as a new priority outcome. The "Partnership Priority Outcome Statement: Improved Services in Law and Justice" is currently being finalised between GOV and GOA. This will include Joint Commitments and Target Results, including results specific to improving the quality of police services.
- 7.6. The GOV has recently developed its first Law and Justice Sector Strategy and Action Plan, which covers the period 2009 to 2014. This Strategy includes the VPF and the Ministry of Internal Affairs. The next phase of collaboration between the AFP and the VPF will assist to strengthen VPF's participation in the emerging Sector Strategy implementation framework. GOA has made a commitment to support GOV's leadership in the process of strengthening sector wide coordination.

#### ***Project Description***

- 7.7. The overall goal and purpose are aligned with VPF's vision and mission:
  - **Goal:** To contribute to creating a safe and secure environment for all citizens and visitors of Vanuatu.
  - **Purpose:** To contribute to the provision of excellent policing services and strong (close) police/community relations.
- 7.8. Within the context of an ongoing partnership between VPF, AFP and AusAID, and building on achievements to date, four broad areas of focus for support and capacity building for the next phase have been identified as follows:
  - A more professional VPF, including enhancing the VPF's own training capability and community outreach.
  - Infrastructure, assets and logistics (including upgrade of VPF facilities, purchase of selected priority assets and strengthening maintenance capacity).
  - Support for the workforce renewal program.
  - Support for the finalisation and strengthening of VPF governance policies and processes.
  - This Project will both consolidate achievements to date, particularly in organisational strengthening, as well as reflect a number of shifts in policy and approaches in the partnership context. Achievements to date include good progress in strengthening financial and human resource management and human resource development.

## **8. COORDINATION AND MANAGEMENT ARRANGEMENTS**

- 8.1. The GOV will provide the following management and coordination functions to assist with the implementation, progress and monitoring of the Project:
- (a) Overall coordination of GOV participation in the Project;
  - (b) Nominating the Chairperson and GOV representatives on the Project Coordinating Committee (PCC) and Project Management Group (PMG);
  - (c) Disseminating relevant information about the Project to all participating line agencies;
  - (d) Ensuring participating line agencies are aware of their responsibilities in relation to provision of counterparts and training costs;
  - (e) Facilitating engagement with other national and local GOV agencies that indicate their interest in being involved in the Project; and
  - (f) Assisting and facilitating approval of the Project review and the Annual Plan.

9. **MATERIALS, SERVICES AND EQUIPMENT TO BE SUPPLIED**

***GOA***

- 9.1. The GOA will provide the following materials, services and equipment for the Project:

- (a) Training and professionalisation of the VPF

This area covers a broad range of capacity building activities which are intended to increase emphasis on VPF's move towards self reliance in terms of specific policing skills and management.

- (b) Infrastructure, assets and logistics

Asset acquisitions for the Project, agreed infrastructure projects and an asset maintenance program which will be incorporated into the VPF budget planning process.

- (c) Workforce renewal program

Support for two rounds of redundancies over the duration of the Project.

- (d) Internal VPF governance

Drawing on previous assistance with financial management and preparation of budget submissions, the Project will work on empowering VPF management staff to engage effectively with Ministry of Finance and Economic Management including completing the VPF's comprehensive governance and financial management frameworks and guiding VPF in its implementation.

***GOV***

- 9.2. The GOV will provide the following materials, services and equipment for the Project:

(a) Financial

GOV contributions to the programs are primarily 'in kind'. These include covering the costs of staff to participate in the program, attend training and take on counterpart roles. This also includes office space for the personnel in the programs at the participating agencies.

(b) Training

The release of GOV personnel to attend the training provided under the project.

(c) Facilitation

The GOV will:

- Provide office space necessary, as specified in **paragraph 6.1**, (VANSEC House) including for Team Leader and support personnel, and if necessary, other VPF offices in the outer islands of Vanuatu, appropriately co-located with counterparts;
- Facilitate stakeholder engagement of key stakeholders within the Law and Justice Sector and the wider community
- Facilitate processes with stakeholders and the broader Law and Justice Sector on matters approved by the PCC

10. **PROJECT PERSONNEL**

**GOA**

10.1. The GOA will provide:

(a) Personnel

The VAPP will involve approximately eight (8) long term technical personnel with short term technical support being recruited as necessary.

*Counterpart Staff of GOV*

10.2. The GOV will provide personnel necessary to enable the Australian Project personnel to efficiently and economically carry out the Project and without limiting the generality of this paragraph such contributions will include:

- (a) Access to the Vanuatu Police Force to be counterparts to team members working with them through the life of the Project, gradually taking on greater responsibility for decision making and implementation; and
- (b) All necessary approvals for carrying out the activities approved under the Annual Plan; and

**11. MONITORING, REVIEW, EVALUATION AND REPORTING ARRANGEMENTS**

*Monitoring and Evaluation*

- 11.1. Evaluation and review of progress in the implementation of the Project may be made at times arranged between, and mutually convenient to, both GOV and GOA. Evaluation will be carried out by a joint investigation team appointed by both Governments and independent of staff involved in the Project.

*Reporting Arrangements*

- 11.2. The Project will produce quarterly reports that will be submitted to the Project Management Group (PMG) and Joint Annual Business Plans and Annual Reports that will be submitted to the PCC.

**12. INTELLECTUAL PROPERTY**

- 12.1. Despite any other paragraph in this Subsidiary Arrangement, all Intellectual Property rights with respect to the Project that are vested in the GOA will be retained by the GOA.

**13. SETTLEMENT OF DISPUTES**

- 13.1. This Subsidiary Arrangement serves only as a record of the Parties' intentions and does not constitute or create (and is not intended to create) rights or obligations under domestic or international law and will not give rise to any legal process and will not be deemed to constitute or create any legally binding or enforceable rights or obligations (expressed or implied). Consequently, any dispute, controversy, or claim, which arises out of the interpretation or application of this Subsidiary Arrangement will not be subject to adjudication or arbitration, but will instead be dealt with through amicable consultations and negotiations as the only method of achieving the peaceful settlement of that dispute, controversy, or claim.

**14. AMENDMENTS**

- 14.1. This Subsidiary Arrangement may be amended at any time through an Exchange of Letters signed by the Parties.

**15. ANTI-CORRUPTION**

- 15.1. Consistent with both Parties' commitment to good governance, accountability, and transparency, each Party reserves the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practices relating to the Project.

**16. UNDERTAKING TO PREVENT FINANCING OF TERRORISM**

- 16.1. Both Parties are firmly committed to the international fight against terrorism and, in particular, the financing of terrorism consistent with United Nations Security Council (UNSC) regulations relating to terrorism, including UNSC Resolution 1373 (2001), 1267 (1999) and related resolutions.

16.2. Both Parties reaffirm their commitment to the principles of the International Convention for the Suppression of the Financing of Terrorism (New York, 9 December 1999).

16.3. The Parties will cooperate to ensure that no Project funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism.

16.4. If, during the term of this Subsidiary Arrangement, either Party discovers an organisation or individual involved in the Project is associated with terrorism, it will immediately inform the other Party.

**17. COMMENCEMENT AND TERMINATION**

17.1. This Subsidiary Arrangement will take effect on signature by both Parties.

17.2. Either Party may terminate this Subsidiary Arrangement by giving written notice of its intention to terminate to the other Party. In the event that written notice of termination is given, this Subsidiary Arrangement will terminate three months after the date that the other party receives that notice of the intention to terminate.

Signed at PORT VILA this 14<sup>th</sup> day of February [ 2011 ]

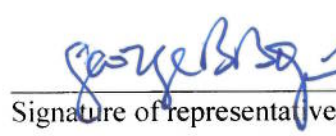
For the Government of Australia

  
Signature of representative

KATHERINE RUIZ-AVILA  
Printed name of representative

COUNSELLOR AUSTRALIA  
Official title of representative

For the Government of Vanuatu

  
Signature of representative

George BOBIK  
Printed name of representative

Director General  
Official title of representative