

Joint Partnership Arrangement

between

The Government of Vanuatu

and

Development Partners

in relation to the delivery of the

Vanuatu Health Sector Strategy 2010-2016

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Introduction

THIS JOINT PARTNERSHIP ARRANGEMENT is made thisday of 2011 between the Government of the Republic of Vanuatu, represented by the Director General of the Ministry of Health who signs at **Schedule 1** of this Joint Partnership Arrangement

and

Development Partners who sign at **Schedule 2** of this Joint Partnership Arrangement.

Signatories

The purpose of the parties signing this Joint Partnership Arrangement in Schedules to the Arrangement is to allow the updating of the signatories, including allowing the accession of additional Development Partners within the life of this Joint Partnership Arrangement, but without the requirement of all existing parties resigning the Joint Partnership Arrangement.

Definitions

Arrangement means this Joint Partnership Arrangement including the Schedules.

Government of Vanuatu refers to the duly elected and constituted Government of the Republic of Vanuatu and its appointed officers and representatives.

Development Partners refers to all organisations or individuals supporting the Government of Vanuatu in its development efforts in whatever manner, whether national or international in nature and whether or not a signatory of the Arrangement.

Partners refers to all the signatories to this Arrangement as shown in **Schedules 1 and 2**.

Government Funds refers to the financial funds managed by the Ministry of Finance and Economic Management on behalf of the Government of Vanuatu and in accordance with the relevant legislation and regulations of the Government of Vanuatu, including the Development Fund.

Funding Development Partners refers to those Development Partners, which have signed the Arrangement and are directly funding the Government of Vanuatu through Government Funds through the implementation of the annual Business Plans of the Ministry of Health.

Non-Funding Development Partners refers to those Development Partners, which have signed the Arrangement and are Partners, which are supporting the Business Plans of the Ministry of Health, but which do not contribute funds through the Government Funds.

The Health Partners Group refers to the group made up of the Ministry of Health and agencies at national, regional and international levels that have strong commitments to support health and development in Vanuatu. The collective aim of The Health Partners Group is to assist the Ministry of Health in the implementation of its national health strategy.

Partnership principles and aid effectiveness

The Partners commit to:

- Applying the partnership principles of the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action and the Cairns Compact on Strengthening Development Coordination in the Pacific; and
- Harmonisation, with progressive alignment of support on Government of Vanuatu strategy and processes.

The following principles will guide the Partners relationship under the Arrangement:

- Government of Vanuatu leadership and ownership.
- Fairness, transparency, openness, accountability and mutual trust in all dealings.
- Alignment to the needs and priorities of the people of Vanuatu, with implementation and resource levels tailored to the absorptive capacity and performance of the Government of Vanuatu.
- Collaboration on implementation to ensure efficient and effective use of resources.

Partners may change status from Non-Funding Development Partners to Funding Development Partners over time.

1 Goals and intent of the Arrangement

- 1.1 The Government of Vanuatu has developed the Vanuatu Health Sector Strategy 2010-2016 (HSS). Realization of the HSS is through the implementation of Ministry of Health 3-year Corporate and 1-year annual Business Plans.
- 1.2 The Ministry of Health requests the support of Development Partners of the Health Partners Group and the support of all Development Partners in delivering the HSS through the implementation of these plans.
- 1.3 The intent of the Arrangement is to set out the Partners' joint understandings and commitments that support the Mission, Vision and Values of the HSS through the implementation of the Ministry of Health Corporate and Business Plans.
- 1.4 The broad objectives for the sector are¹:
 - Improve the health status of the population

¹ Health Sector Strategy 2010-2116, Government of the Republic of Vanuatu, August 2010

- Ensure equitable access to health services at all levels of services
 - Improve the quality of services delivered at all levels
 - Promote good management and the effective and efficient use of resources.
- 1.5 The further intent is to foster a partnership approach towards achieving the HSS objectives and, as such, to be inclusive and to encourage the widest participation.
- 1.6 The Arrangement covers only the arrangements and procedures under which support from the Government of Vanuatu and Partners will be provided for implementation of the Health Sector Strategy and related plans. The provisions of the Arrangement will guide the funding contributions of the Partners, whether these contributions are financial, as technical assistance or in-kind.
- 1.7 The Arrangement serves as a coordinating framework for consultation between the Partners, for joint planning and reviews of performance and for setting common procedures on planning, budgeting, monitoring and evaluation, procurement, financial management, disbursement, reporting and audits. The intent is that the Arrangement will be a living document that guides the relationships of the Partners.

Interpretation

- 1.8 The Arrangement reflects the commitment of the Partners, who recognize it as a framework for the delivery of the HSS objectives. It is the foundation on which sector co-operation is built. It outlines fundamental items of procedure for the Partners, regardless of the mode, size or duration of their support.
- 1.9 The Partners acknowledge that the Arrangement does not constitute or create, and will not be deemed to constitute or create, any legally binding, enforceable obligation (express or implied) or international treaty on the part of the Government of Vanuatu or any other Partner and is not intended to give rise to legal process.
- 1.10 Subsidiary documents exist or are planned that specify more detailed procedures of co-operation. These are deliberately separate from this document as the subscribing parties are not necessarily identical with the signatories of the Arrangement and because the Arrangement is administratively less cumbersome if documents containing detailed procedures which might require amendment more frequently than the Arrangement are separate from the Arrangement. Subsidiary documents will be read in conjunction with this Arrangement and if any inconsistencies occur, the relevant Subsidiary document will take precedence.
- 1.11 This Arrangement will, of itself, not alter any pre-existing bilateral or multilateral understandings or arrangements. Furthermore, it is anticipated that individual Development Partners will wish to, or require to, continue to have such understandings and arrangements between themselves and the Government of Vanuatu.

2 Representation and responsibilities

2.1 For the purposes of the Arrangement, the Ministry of Health represents the Government of Vanuatu and the Director General of Health represents the Ministry of Health.

2.2 The Ministry of Health is responsible for:

- a) Making all possible efforts to facilitate the successful implementation of the HSS.
- b) The development, updating and implementation of Corporate Plans, annual Business Plans and an annual Budget to deliver the HSS, in consultation with Funding and Non-Funding Development Partners and for ensuring that each annual Business Plan and Budget is consistent with the the Mission, Vision and Values of the HSS, with the Corporate Plan and with the resources available.
- c) Oversight and regulation of health service delivery.
- d) The management, administration, planning, financial management and procurement in accordance with Government of Vanuatu laws, regulations and applicable procedures such that the plans are implemented successfully.
- e) The provision of sufficient skilled and suitably qualified staff to implement effectively the Corporate and Business Plans.
- f) Ensuring the strength and robustness of its own systems and procedures (including management capacity and financial management systems) and, in discussion with the Partners, for strengthening any systems and procedures that may be identified by the Partners collectively as needing to be strengthened.
- g) Regular performance financial and other reporting (see **paragraph 8**).
- h) Monitoring and evaluation through the development and implementation of a Performance Assessment Framework (PAF).
- i) The establishment of a “Health Sector Steering Group” (the “Steering Group”) to be the Governance body for the Arrangement (see **Schedule 4**).
- j) The establishment of a “Joint Partnership Working Group” to consider implementation issues (see **Schedule 5**).

2.3 The Ministry of Health will:

- a) Lead and Chair the Steering Group.
- b) Provide the secretariat for the Steering Group supported by one nominated Funding Development Partner (and which duty may rotate annually).

- c) Prepare and convene:
 - i. the annual High Level Budget Meeting, to be held before the end of March each year
 - ii. the annual Joint Review Meeting, to be held before the end of October each year
 - iii. monthly meetings of the Joint Partnership Working Group; and
 - iv. other meetings if the need arises.
- d) Prepare costed 3-year forward plans in an appropriate and accepted format.
- e) Prepare costed annual plans in an appropriate and accepted format.
- f) Provide regular implementation and financial reports to the Partners as per a template approved by the Ministry of Health and the Funding Development Partners.
- g) Ensure annual financial audits are carried out and shared with Funding Development Partners.
- h) Facilitate additional audits, including compliance and/or performance audits, which may be arranged between the Partners
- i) Promptly inform the Partners of any condition which interferes or threatens to interfere with the successful delivery of the HSS or annual Business Plans and call for a meeting to consult with the Funding Development Partners on remedial actions to be taken.
- j) Consult with the Funding Development Partners on the annual Budget for the Ministry of Health to be presented to Parliament in each fiscal year prior to its presentation.
- k) Advise and consult with the Funding Development Partners on any substantial deviation from the final approved annual Budget during implementation.

2.4 The Ministry of Finance and Economic Management will support the Ministry of Health by:

- a) Assisting and supporting the Ministry of Health in the planning, administration, financial management, procurement, monitoring and reporting relating to implementation of annual Business Plans.
- b) Managing the financial contributions of the Funding Development Partners, including ensuring all contributions are utilised in accordance with the Public Finance and Economic Management Act and the Contract and Tenders Act.
- c) Supporting the Steering Group and the Joint Partnership Working Group, including the provision of appropriate regular financial reporting in a format accepted by the Partners.

- 2.5 The Ministry of Finance and Economic Management will:
- a) Participate in and support the Steering Group meetings and, participate in and support the Joint Partnership Working Group meetings.
 - b) Assist the Ministry of Health to provide relevant financial reports to the Funding Development Partners through the Joint Partnership Working Group.
 - c) In consultation with and in support of the Ministry of Health, prepare analyses of health sector expenditure, including to inform the annual High Level Budget Meeting and Joint Review Meetings.
 - d) Ensure correct accounting for funds from the Government Funds accounts.
 - e) Ensure the Ministry of Health and other relevant Partners are informed promptly if any problems are encountered or irregularities are discovered in the management, disbursement and acquittal of funds, at the least this being at each monthly meeting of the Joint Partnership Working Group.
 - f) Assist the Ministry of Health in ensuring that internal annual audits are carried out in a timely manner.
 - g) Assist the Office of the Auditor General in ensuring that Government of Vanuatu annual statutory audits of the Ministry of Health and of appropriate Government Funds are completed in a timely manner.
 - h) Assist the Ministry of Health in addressing and resolving any audit objections and implementing any recommendations in a timely manner.
 - i) Make any reallocation of funds in the Financial Management Information System, as decided in the Steering Group and Joint Partnership Working Group.
- 2.6 The Prime Minister's Office will support the Ministry of Health by:
- a) Overseeing monitoring and evaluation of the HSS implementation to ensure Government of Vanuatu policy is implemented.
 - b) Overseeing coordination of the activities of the Ministry of Health and the Ministry of Finance and Economic Management.
 - c) Liaising with Development Partners through the Aid Coordination Unit to ensure alignment of contributions to Government of Vanuatu policy.
- 2.7 The Prime Minister's Office will:
- a) Participate in and support the Steering Group meetings and, when requested, participate in and support the Joint Partnership Working Group meetings.
 - b) Facilitate an effective whole-of-government approach to assist the Ministry of Health to address critical implementation challenges, including human resource needs.

- c) Support the Partners, as requested, in developing a standardised Grant Arrangement for the use of Funding Development Partners.

2.8 Funding and Non-Funding Development Partners are responsible for:

- a) Assisting and supporting the Ministry of Health in the delivery of the HSS through the implementation of the Ministry of Health Corporate and annual Business Plans and other plans.
- b) Attending and participating in:
 - i) the annual High Level Budget Meetings, to be held by end-March each year;
 - ii) the annual Joint Review Meeting, to be held by end-October each year;
 - iii) other meetings if the need arises.
- c) Supporting and assisting the Ministry of Health in the development and updating of 3-year Corporate and annual Business Plans and Budgets.
- d) Reporting direct expenditure made by them outside of Government of Vanuatu financial systems in support of Ministry of Health Corporate and annual Business Plans and other plans to the Ministry of Health, to allow capture of all expenditure in a health resource envelope.
- e) Supporting and assisting the Ministry of Health in the joint performance monitoring of the HSS through the Ministry of Health PAF.

2.9 Funding Development Partners are responsible for:

- a) Attending and participating in the Steering Group and the Joint Partnership Working Group.
- b) Nominating one Funding Development Partner (and which duty may rotate annually) to support the Ministry of Health as the secretariat for the Steering Group and/or the Joint Partnership Working Group.

2.10 For support channelled through Government Funds the Funding Development Partners will:

- a) Discuss, support the production of and indicate in advance to the Ministry of Health the content and their contributions to the 3-year Corporate and annual Business Plans.
- b) Provide predictable funding contributions in line with plans and regularly review funding needs based on capacity and performance.
- c) Use existing Government of Vanuatu systems where possible, develop strategies to work towards increased use of Government of Vanuatu systems and support activities to strengthen Government of Vanuatu systems in line with internationally accepted standards.

- d) Lessen the administrative burden of their assistance on Government of Vanuatu by working towards joint Grant Funding Agreements, appraisal, analysis, audit, reporting and evaluation.

2.11 With regard to Technical Assistance (TA), Funding and Non-Funding Development Partners will:

- a) Assist and support the Ministry of Health to draft a Technical Assistance Framework, which will include operational guidelines and a code of conduct.
- b) Once drafted, adhere to the Technical Assistance Framework, comply with any guidelines or code of conduct and provide TA in line with Government of Vanuatu priorities under the Corporate Plan and the annual Business Plan or any TA plan.
- c) Coordinate TA inputs, including the development of Terms of Reference (ToRs) through the Ministry of Health led Technical Assistance Framework and Joint Partnership Working Group.
- d) Ensure wherever possible that TA is reflected in any Ministry of Health TA plan.
- e) Ensure that any TA provided is appropriately performance managed by the responsible contracting agency in accordance with applicable Government of Vanuatu and Ministry of Health policies.
- f) Inform the Ministry of Health of the costs of such TA and reflect the costs in the Ministry of Health annual Business Plan and Budget.
- g) The Partners recognise that the TA plan will need to incorporate flexibility to allow for circumstances as they arise.

2.12 For activities directly implemented by Partners (ie with funding not passed through Government Funds) to support the delivery of the HSS the Partners will:

- a) Design their programs and annual work plans to be harmonised with other Partner support and aligned with national and sector priorities, plans and policies.
- b) Arrange inputs and work plans with the Ministry of Health in support of the Ministry of Health Corporate and annual Business Plans and in line with the HSS priorities.
- c) Coordinate work plans, (including procurement, training and TA plans) using a Ministry of Health format and fully share work plans, budgets, reports and other pertinent documents with Partners in advance through the Ministry of Health and the wider Health Partners Group.
- d) In discussion with the Ministry of Health, arrange for projected inputs and actual expenditure to be reflected in the appropriate Ministry of Health plans and Budgets.

- e) Work through the Health Partners Group and with the Steering Group and the Joint Partnership Working Group to develop strategies and timelines to demonstrate commitment to work towards alignment on the greater use of Government of Vanuatu systems.
- f) Provide TA in accordance with **paragraph 2.11** above.

3 Contributions

3.1 Government of Vanuatu

- 3.1.1 The Government of Vanuatu undertakes to secure ongoing financial assistance sufficient to support its commitments to implementation through its annual appropriations from parliament.
- 3.1.2 In addition to financial contributions, the Government of Vanuatu undertakes to contribute support such as the facilitation of entry permits, human resource support, office space and logistical support for planned TA directly provided by Partners as is required to ensure successful implementation of their assignments.
- 3.1.3 Where TA officers are providing services on behalf of the Government of Vanuatu and where the equivalent Government Officer would be covered by Government of Vanuatu indemnity legislation, or by professional indemnity insurance, to extend such indemnity legislation, or professional indemnity insurance to the TA officers.
- 3.1.4 Any support or indemnity cover to be provided by the Government of Vanuatu will be defined in the ToRs of each assignment.

3.2 Funding and Non-Funding Development Partners

- 3.2.1 The financial assistance to be provided through Government Funds by Development Partners will be set out in separate Grant Funding Agreements between the Government of Vanuatu and Development Partners.
- 3.2.2 The individual Grant Funding Agreements of the Development Partners will be compatible with the spirit and provisions of the Arrangement and will refrain from setting conditions that contradict or diverge from the spirit of the provisions of the Arrangement.
- 3.2.3 A template for a Grant Funding Agreement will be developed over time, and, once approved by the Steering Group, become **Schedule 3** to the Arrangement. Once approved, if a Partner elects to use a different template, then the Partner concerned will inform the Partners of this by supplying a copy of the Grant Funding Agreement to the Partners, specifying the provision(s) concerned.

- 3.2.4 The Partners jointly acknowledge that any individual Partner contributions indicated in Grant Funding Agreements or in Corporate or Business Plans are conditional upon the annual appropriations of their respective Parliaments.
- 3.2.5 The amount of funding required each year will be articulated by the Ministry of Health in the annual Business Plan and Budget as discussed and approved in advance between the Partners. This will be informed by the 3-year Corporate Plan, Budget forecasts, actual expenditures and the rate of implementation progress.
- 3.2.6 The overall indicative resource envelope relevant to the 3-year forward Corporate Plan will be discussed between Funding Development Partners at the annual High Level Budget Meeting, while the detailed financial allocations for the following year will be approved at the annual Joint Review Meeting, before the submission to Parliament of the Government of Vanuatu annual health budget.
- 3.2.7 The Government of Vanuatu will use the funds provided by the Funding Development Partners solely for purposes within the scope of the HSS and Ministry of Health Corporate and Business Plans and as set out in the relevant Grant Funding Agreement(s).
- 3.2.8 If necessary, the Ministry of Health may make Budget adjustments to reallocate the Funding Development Partner funds within the approved annual Business Plan and HSS scope. The process for making such adjustments is set out in the Grant Funding Arrangement(s).

4 Consultation and decision making process

- 4.1 The Ministry of Health will convene the Health Sector Steering Group (the Steering Group), which will be chaired by the Director General of Health.
- 4.2 The Steering Group is the governance body responsible for overseeing the Arrangement. The membership and terms of reference of the Steering Group are at **Schedule 4**. The Steering Group will plan for and convene, at the minimum, two formal meetings each year.
- 4.3 The annual High Level Budget Meeting will be:
- 4.3.1 Organised and convened by the Ministry of Health through the Steering Group and held before the end of March each year.
- 4.3.2 The purpose of this meeting will be to consider the delivery of the HSS at the strategic level and will be primarily forward looking. Specifically it will:
- a) Consider the 3-year forward Corporate Plan and propose any adjustments.

- b) Outline Partner commitments to the 3-year forward Corporate Plan.
 - c) Consider any New Project Proposals for the following year's annual Business Plan.
 - d) Consider the outline of the following year's annual Business Plan and proposed Budget and indicate Development Partner contributions and support.
 - e) Consider the annual Business Plan and Budget for the current year and propose any adjustments.
- 4.3.3 This meeting may be supported by a joint review mission including Partners participation, conducted in advance of the meeting as directed by the Steering Group. For this meeting the purpose of the review will be to consider strategic and technical issues and make recommendations for consideration and action to the meeting through an aide memoire and brief report.
- 4.4 The annual Joint Review Meeting will be:
- 4.4.1 Organised and convened by the Ministry of Health through the Steering Group and be held in the third quarter of the year prior to the finalisation and submission for appropriation of the Government of Vanuatu health budget.
 - 4.4.2 The purpose of this meeting will be to consider the implementation of the HSS at the performance level. Specifically it will:
 - a) Review and analyse implementation progress and results.
 - b) Review financial progress.
 - c) Review the annual Business Plan and the proposed Budget for the following year and confirm Development Partner commitments.
- 4.5 This meeting may be supported by a joint review mission as directed by the Steering Group. For this meeting the purpose of the review will be to review progress against the PAF (once approved by the Steering Group), including to review financial progress and audit and other reports and make recommendations for consideration and action to the meeting through an aide memoire and brief report.
- 4.6 For all major meetings held in relation to the Arrangement, all substantive discussions and decisions will be recorded in minutes in an approved format.
- 4.7 The costs of the Steering Group, the Joint Partnership Working Group, the annual High Level Budget Meeting and Joint Review Meeting, any other meetings and the costs of any associated TA required to support review missions in advance of meetings should be planned and budgeted for through the Funding Partner Working Group and submitted for inclusion in the annual Business Plans through the Steering Group.

5 Organisational structure

- 5.1 The Ministry of Health will lead and oversee the delivery of the HSS.
- 5.2 The Steering Group will be the body through which the Arrangement is implemented. The Steering Group will be chaired by the Director General of the Ministry of Health. ToRs for the Steering Group are attached as **Schedule 4** to this Arrangement.
- 5.3 The Development Partners commit to working in the spirit of the Arrangement to harmonise Grant Funding Agreement requirements and to using Government of Vanuatu systems wherever possible.
- 5.4 To facilitate the smooth introduction and, once signed, operationalization of the Arrangement, the Ministry of Health will establish and chair a working group to assist the Ministry of Health in these tasks. This will be “the Joint Partnership Working Group”. The ToRs of this working group are attached as **Schedule 5** to this Arrangement.

6 Financial management and disbursements

- 6.1 Financial management will be the responsibility of the Ministry of Finance and Economic Management working in support of the Ministry of Health and using SmartStream, the Government of Vanuatu financial management system.
- 6.2 The Funding Development Partners will at first work through existing Grant Funding Agreements while working to establish a common harmonised Grant Funding Agreement and common funding cycle. This will be addressed by the Joint Partnership Working Group. The most recently endorsed Grant Funding Agreement will be considered as **Schedule 3** to the Arrangement.
- 6.3 Non-Funding Partners directly implementing activities (where funds are not passed through Government Funds) will provide information to the Ministry of Health in sufficient detail and in timely manner to allow the Ministry of Health to reflect these activities in the various Ministry of Health plans and Budgets. These Non-Funding Partners will further report direct expenditure on a regular basis to the Ministry of Health for inclusion in expenditure reports. This will include all expenditure in support of Ministry of Health plans, including expenditure on TA.
- 6.4 This coordination will be the responsibility of the Ministry of Health assisted by and using the mechanism of the Health Partners Group.

7 Procurement of goods and technical services

- 7.1 The Government of Vanuatu is responsible for the procurement of goods, works or services in relation to the implementation of the HSS. Government of Vanuatu commits to undertake all procurement of goods, works or services under the HSS in accordance with the Vanuatu Public Financial Management Act 1998 and the Government of Vanuatu Procurement Guidelines. The Government of Vanuatu is responsible for the management and implementation of all resulting contractual arrangements.
- 7.2 Any instances identified of mis-procurement will be reported immediately to the Steering Group by the organisation identifying the mis-procurement. The Partners reserve the right to investigate any instances of suspected mis-procurement and, based on the findings of such investigation, to take, recommend or refer for action as is judged appropriate.

Goods

- 7.3 The Ministry of Health will draw up an annual procurement plan as part of its annual Business Plan and discuss this with Partners as part of its annual planning process. Initially this procurement plan will detail the procurement (at a minimum) using Funding Development Partner contributions and then, over time, apply to the entire Ministry of Health as capacity is developed in this area. The Ministry of Health will monitor compliance with the Government of Vanuatu Procurement Guidelines in procurement and be responsible for ensuring the timely execution of procurement and any procurement plan with assistance from the Joint Partnership Working Group.
- 7.4 As part of its monthly report to the Joint Partnership Working Group the Ministry of Health will provide monthly progress reports on procurement activities (see **paragraph 8.3** and **Schedule 5**) including (but not limited to) all procurement supported by funds contributed by Funding Development Partners.
- 7.5 The Partners will work together to ensure that there is effective coordination and transparency in selection and recruitment with avoidance of duplication in provision of technical support or assistance (TA) for the HSS.

Technical services

- 7.6 The Ministry of Health will establish a Technical Assistance Framework, which will include operational guidelines and a code of conduct (see **paragraph 2.11**).
- 7.7 It is anticipated that, while in the immediate period following the first signing of the Arrangement that the majority of TA will continue to be contracted directly by the Development Partners, the intent is that the Partners will support the Ministry of Health to strengthen its procurement and contract management capability with the intent that in due course Ministry of Health will directly procure and manage TA.

- 7.8 As part of the consultation and decision making process (see **paragraph 4**) the Ministry of Health will consider appropriate methodologies for the identification and contracting of services to non-governmental, community-based, private and other such organisations where appropriate. The Partners will provide support to this process as requested and as approved by the Steering Group.

8 Reporting

- 8.1 The Ministry of Health will provide the following operational, financial and other reports and documents to the Steering Group and the Joint Partnership Working Group:

8.2 Performance reports

- a) Brief monthly progress reports.
- b) An annual progress report for the preceding year presented to the annual High Level Budget Meeting.
- c) Costed 3-year forward plans at the annual High Level Budget Meeting.
- d) Annual costed Business Plans and Budgets at the annual High Level Budget and Joint Review Meetings.

8.3 Financial and procurement reports

- a) Monthly financial reports in an approved format.
- b) Monthly progress reports on procurement activities.
- c) An annual financial report for the preceding year presented to the annual Joint Review Meeting including internal and official Government of Vanuatu audit reports (see **paragraph 10**)
- d) Any annual financial reports as required by the conditions of Grant Funding Agreements.
- e) Internal and Government of Vanuatu audit reports to the Steering Group at the time of the Joint Review Meeting.

8.4 Other reports and documents

- a) A report of proposed New Policy Projects to be supported in line with annual work plans to the annual High Level Budget Meeting.
- b) Annual joint review reports to the appropriate annual meetings.
- c) Aide memoires and reports of joint review missions prior to the key meetings.
- d) Reports prepared by TA assistance and consultants.

9 Monitoring and review

- 9.1 The Ministry of Health will produce a Performance Assessment Framework (PAF) for HSS implementation for approval by the Steering Group. The Partners will assist the Ministry of Health in this task.
- 9.2 Once approved by the Steering Group this PAF will become a part of the Arrangement as **Schedule 6** to the Arrangement.
- 9.3 Non-approval of a PAF by the end of June 2011 will render the Arrangement void unless there is a decision made by the Partners to extend this deadline.
- 9.4 The Ministry of Health will be responsible for coordinating the collection of PAF data, collation of results and reporting. Partners may assist the Government of Vanuatu in collection/analysis of PAF data as required.

10 Audit

- 10.1 The Ministry of Finance and Economic Management is responsible for the maintenance of systems to enable the Ministry of Health to produce and prepare accounting records, ledgers and necessary financial statements.
- 10.2 Partner funds held in Government Fund accounts will be subject to Government of Vanuatu's existing and statutory accounting and audit procedures including the Office of the Auditor General's (OAG) annual audit of Government of Vanuatu financial statements.
- 10.3 The Ministry of Health internal auditor will prepare an annual internal audit report.
- 10.4 The annual audits will, if requested by the Steering Group, also examine procurement decisions and / or related contracts.
- 10.5 The Director General of the Ministry of Health and the Director General of Ministry of Finance and Economic Management will share audit reports concerning the Ministry of Health with the Partners and discuss ways in which the Funding Development Partners can assist in addressing any identified weaknesses or recommendations. The Ministry of Finance and Economic Management reserves the right to withhold information on audits within the Health Sector when there is a case that the release of this information would either hinder the audit, or hinder the legal and or other actions proceeding the audit.
- 10.6 Where circumstances arise that the OAG advises that it will be unable to undertake the annual audit in a timely or appropriate manner, an independent auditor will be engaged to undertake the annual audit in consultation with the Ministry of Health, the Ministry of Finance and Economic Management and the OAG. These audits will be funded by the Ministry of Health, unless otherwise decided.

- 10.7 The Funding Development Partners reserve the right to initiate independent audits for the use of their respective funds if the need is identified, and in consultation with Government of Vanuatu and the OAG. These audits will be funded by the Funding Development Partner requesting the audit, unless otherwise decided.
- 10.8 The Government of Vanuatu will allow the Funding Development Partners access to all financial, accounting and performance information where an independent audit is commissioned under paragraph 10.7 .

Corruption

- 11.1 Consistent with each Partner's commitment to good governance, accountability and transparency, each Partner reserves the right to investigate, either directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices in relation to the other Partners in the implementation of activities under the HSS or any aspect of the Arrangement.
- 11.2 The Partners will co-operate on preventing corruption and will require that Ministry of Health staff and consultants under projects or programmes financed by the Development Partners refrain from offering third parties, or seeking, accepting or being promised by third parties, for themselves or for any other party, any gift, remuneration, compensation or benefit of any kind whatsoever, which could be interpreted as an illegal or corrupt practice.

11 General provisions

- 12.1 **Variation.** Except for the Schedules, any variation, modification or amendment to the provisions of the Arrangement will only be effective if accepted in writing by all the Partners. Schedules will be varied by decision of the Steering Group and recorded as such in the Steering Group minutes.
- 12.2 **Media.** If one of the Partners wishes to issue a media release in relation to activities under the HSS or any aspect of the Arrangement, it will use its best endeavours to consult first with the Government of Vanuatu and with other Partners. Where possible, reasonable time should be allowed for such consultation, while taking into account the constraints of media release timeframes.
- 12.3 **Conflict of interest.** Each of the Partners undertakes to take active steps to manage any actual, potential or perceived conflict of interest in relation to their role or the role of any employee, consultant, agent or sub-contractor.
- 12.4 **Confidentiality.** All information marked by any of the Partners as 'confidential' will be treated as confidential by the others except insofar as the information has been made available for public release. However, each of the Partners

acknowledges that certain information may be required to be disclosed through legal process or government convention.

- 12.5 **Relationship of the Partners.** Each of the Partners is a separate entity. Nothing contained in or implied from the Arrangement or associated Grant Funding Agreements will be construed as creating, and no Partner will state, imply or do anything to suggest that the Arrangement creates, a relationship of employer/employee, or principal/agent or a legal partnership between the Partners, or any of their employees, agents or sub-contractors. Each of the Partners remains responsible for the liability of its own employees, agents and sub-contractors and for related tax, insurances or such other costs attributed to their employment or engagement.
- 12.6 **Terrorism.** The Government of Vanuatu will use its best endeavours to ensure that funds provided under the Arrangement do not provide direct or indirect support or resources to organisations and individuals associated with terrorism or listed on a 'Relevant List'. For the purposes of the Arrangement 'Relevant List' means the lists of terrorist organisations made under Division 102 of the Criminal Code Act 1995 (Cth) and the Charter of the UN Act 1945 (Cth) posted at: <http://www.nationalsecurity.gov.au/agd/www/nationalsecurity.nsf/AllDocs/95FB057CA3DECF30CA256FAB001F7FBD?OpenDocument> and http://www.dfat.gov.au/icat/UNSC_financial_sanctions.html#3

12 Modification, accession and withdrawal

- 13.1 **New Partners.** The Partners welcome other Development Partners to join the Arrangement and to support the HSS. New partners will be accepted by a minuted decision of the Steering Group.
- 13.2 **Withdrawal.** The Partners have the right to withdraw from the Arrangement. A Partner wishing to withdraw from the Arrangement will do so by giving one months' notice in writing to the Steering Group.

13 Dispute resolution

14.1 Each of the Partners will make every effort to resolve amicably by direct informal negotiation any difference or dispute arising under or in connection with the Arrangement. The outcome of the negotiations will be documented. In so doing, each of the Partners undertakes to act in good faith, in a spirit of goodwill and cooperation. The Arrangement is neither a treaty nor an instrument of treaty status. Consequently, differences that may arise concerning the interpretation or application of the Arrangement 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.

14 Entry into effect, duration and notices

15.1 This Arrangement comes into effect on the date of signature by the Ministry of Health as representing the Government of Vanuatu and at least one Development Partner and will remain in effect for one calendar year. After that date the Arrangement will automatically extend for a further one calendar year unless the Partners otherwise decide.

15.2 **Notices.** Any formal and legal notices under the Arrangement will be sent by mail, fax or be hand delivered, to the Partner addresses listed in **Schedule 1 and 2**, or to such other address or person as that Partner may specify by notice in writing to the Partners. Any such notice will be deemed to have been duly given either on the date of dispatch, if delivered by hand or sent by facsimile, or 14 days after the date of posting, if sent by registered airmail. General and informal communications will be conducted by e mail.

Schedule 1 – Signed on behalf of the Government of Vanuatu

Signed for and on behalf of the Government of the Republic of Vanuatu:
Signature
Full Name
Honourable Prime Minister
Position
Date
Contact details for delivery of notices

Signed for and on behalf of the Ministry of Finance and Economic Management
Signature
Full Name
Honourable Minister of Finance and Economic Management
Position
Date
Contact details for delivery of notices
Signed for and on behalf of the Ministry of Health:

Signature

Full Name

Honourable Minister of Health

Position

Date

Contact details for delivery of notices

Schedule 2 – Signed on behalf of Development Partners

Signed for and on behalf of [Insert Agency]:
Signature
Full Name
Position
Date
Contact details for delivery of notices

Signed for and on behalf of [Insert Agency]:
Signature
Full Name
Position
Date
Contact details for delivery of notices

Schedule 3 – Standard Template for Grant Funding Agreements between the Government of Vanuatu and Development Partners in Health

To be developed between the Government of Vanuatu and the Development Partners

Schedule 4 – Terms of Reference of the Health Sector Steering Group

The Health Sector Steering Group (the Steering Group)

Terms of Reference

1. Function

The Health Sector Steering Group (the Steering Group) is established by the Joint Partnership Arrangement between the Government of Vanuatu and Development Partners (the Arrangement).

The purpose of the Steering Group is to assist and support the Ministry of Health in the delivery of the Corporate and Business Plans to deliver the Health Sector Strategy. The Steering Group will focus at the strategic and governance level.

The Joint Partnership Working Group (see separate ToRs and Schedule 5 of the Arrangement) will be established to support the Ministry of Health at the implementation level.

2. Meeting Frequency

The Steering Group will meet quarterly, unless an alternative time interval between meetings is subsequently fixed by the Steering Group.

The quarterly meeting will be coordinated and timed to precede that of the Health Partners Group, allowing the Chair of the Steering Group to brief the Health Partners Group on relevant issues arising from the Steering Group.

3. Composition

3.1 Chair

- The Chair of the Steering Group is the Director General of Health.

3.2 Members

- All Directors of the Ministry of Health or acting Directors

- One officer of Director Level as nominated by the Ministry of Finance and Economic Management
- One officer of Director Level as nominated by the Prime Minister's Office
- One nominated representative of each of the Funding Development Partners as defined in the Arrangement.

Nominated positions should be for at least one year as continuity will be important while the working group is being established.

3.3 In addition to the above representatives, representatives from relevant organisations or agencies may be invited to attend the Steering Group meetings with the approval of the Chair.

4. Secretariat

4.1 The Ministry of Health will provide the Secretariat function to the Steering Group, supported by one nominated Funding Development Partner (decided amongst the Partners and which duty may rotate).

4.2 The Secretariat will provide a draft agenda and any working papers including reports and recommendations of the Joint Partnership Working Group to all the Steering Group representatives at least 5 working days in advance of a meeting.

4.3 The proceedings and decisions of the meetings of the Steering Group will be recorded in minutes in an approved format.

4.4 The minutes will be sent to Steering Group members for approval and comments within 10 working days of the meeting being held. If no comments are received from members within a further 10 working days it will be assumed that members have endorsed the minutes.

5. Key areas of consideration

5.1 All issues pertaining to the strategic oversight and governance of the Joint Partnership Arrangement.

5.2 Consideration of Corporate and Business Plans for forthcoming calendar years including revenue and expenditure priorities.

5.3 Oversight of the progress of execution of the Business Plan and budget execution for the current calendar year.

- 5.4 Assessment and review of performance of the health sector based on the indicators described in the Performance Assessment Framework (PAF).
- 5.5 Consideration of audit report(s) and any follow up required on audits.
- 5.6 Consideration of reports from the Joint Partnership Working Group including, but not exclusively:
 - i. Implementation and planning progress reports.
 - ii. Reports on Technical Assistance coordination, approval and implementation of the code of conduct and any requirements for additional technical assistance for implementation.
 - iii. Reports on human development and training activities and coordination.
 - iv. Reports on progress towards coordinated financial and Grant Funding Agreements.
 - v. Reports on the procurement plan and progress.
- 5.7 Support the Ministry of Health in any review of management and program support initiatives eg planning and finance initiatives, health accounts, financial management and procurement systems and any identified deficiencies and support any decided remedies.
- 5.8 Planning, coordination and leadership of the annual High Level Budget and Joint Review meetings.
- 5.9 Review of these ToRs and of the ToRs of the Joint Partnership Working Group to ensure that they remain current and relevant.
- 5.10 Review and stewardship of the Arrangement.

Schedule 5 – Terms of Reference of the Joint Partnership Working Group

The Joint Partnership Working Group

Terms of Reference

1. Function

The Joint Partnership Working Group is set up by the Ministry of Health to support

a) the introduction and then,
once signed

b) the implementation

of the Joint Partnership Arrangement between the Government of Vanuatu and Development Partners (the Arrangement).

The Joint Partnership Working Group is responsible for:

- Guiding the draft Arrangement to completion and signature.
- Once the Arrangement is signed, being the body whereby the Funding Partners support the Ministry of Health in the implementation of the Annual Business Plans, by reviewing and monitoring progress on a regular basis and considering technical and financial reports.

2. Meeting Frequency

The Joint Partnership Working Group will meet monthly unless an alternative time interval between meetings is subsequently fixed by the Steering Group. Additional meetings may be called by the Chair at any time.

3. Composition

Chair:

- The Chair of the Joint Partnership Working Group will be the Director Corporate Services. Until this post is established and filled, either on a full or Acting basis, the chair should be the Director Public Health

Members:

- All Directors of the Ministry of Health or acting Directors
- The lead planning officer for the Ministry of Health
- The Finance Manager, Ministry of Health
- One nominated representative of each of the Funding Development Partners as defined in the Arrangement.

The Chair and each of the members will also nominate one alternative member.

The Chair may invite other persons to attend and support the Joint Partnership Working Group meetings as seems appropriate.

4. Secretariat

- 4.1 The Ministry of Health will provide the Secretariat for the Joint Partnership Working Group, supported by one nominated Funding Development Partner (decided amongst the Partners and which may rotate annually). The same Secretariat will also provide secretariat services to the Steering Group.
- 4.2 The proceedings and decisions of the meetings of the Joint Partnership Working Group will be recorded in minutes in an approved format.
- 4.3 The Secretariat will provide a draft agenda and any working papers including any reports to all the Joint Partnership Working Group members at least 1 working day in advance of a meeting.
- 4.4 The minutes will be recorded by the Secretariat and sent to the Chair and the Joint Partnership Working Group members for approval and comments within 5 working days of the meeting being held. The minutes of the previous meeting will be considered and approved at each subsequent meeting.

5. Key areas of consideration

Planning and Finance

- 5.1 Support the Ministry of Health in the annual joint planning and budgeting process.
- 5.2 Support the Ministry of Health to review the execution of the costed Business Plan and budget execution for the current period.
- 5.3 Review of financial reports for the current period

- 5.4 Support the Ministry of Health and assist in the development of non-financial reporting to support the financial reports.
- 5.5 Consultation on and approval of variations in the planned allocation of funding for activities.

Procurement

- 5.6 Support the Ministry of Health in the management of procurement activities, including the production of an appropriate annual procurement plan and support and monitor the procurement process where appropriate.

Performance Assessment Framework (PAF)

- 5.7 Support the Ministry of Health in coordinating the development of a PAF for the health sector and in monitoring the PAF.

Technical Assistance

- 5.8 Support the Ministry of Health in coordinating Technical Assistance (TA) provided by the Partners.
- 5.9 Support the Ministry of Health to draw-up, propose to the Steering Group for approval and once approved oversee a Framework and code of conduct for the provision of TA by the Partners based on those already in use in the region.

Human Resource and Training Coordination

- 5.10 Support the Ministry of Health in coordinating human resource development and training activities

Harmonised Grant Funding Agreements

- 5.11 Drawing on the support of the Ministry of Finance and Economic Management and the Prime Ministers' Office work with the Ministry of Health to draft a standard Grant Funding Agreement for the use of the Partners in funding through the Government Funds.

6. Working methods

- 6.1 The Joint Partnership Working Group will report to the Director General of Health.

- 6.2 The first activity of the Joint Partnership Working Group will be to review the draft Arrangement document (which will include a review of the draft ToRs for both the Steering Group and these ToRs for the Joint Partnership Working Group) and propose final drafts to the Director General of Health for his consideration and then for consideration by Development Partners and signature.
- 6.3 Once the Arrangement is signed, the Joint Partnership Working Group will report to the Director General of Health through the Steering Group.
- 6.4 The Ministry of Health will make a brief progress report to the Joint Partnership Working Group at each meeting, highlighting progress or constraints and including a report of financial expenditure.
- 6.5 The Joint Partnership Working Group will draw up for approval by the Steering Group a set of rules, which would define what decisions or levels of decision (eg in financial re-allocations, or allocations of resources for TA) are delegated to the Joint Partnership Working Group and what level of decisions required referral to the Steering Group.
- 6.6 The Joint Partnership Working Group will submit a report of its activities and decisions to each Steering Group meeting. This may be in the form of the minutes of the meetings.
- 6.7 The Joint Partnership Working Group will present recommendations to the Steering Group for consideration of approval.

Schedule 6 – Performance Assessment Framework (PAF)

To be finalised between the Government of Vanuatu and the Funding Development Partners