

Australian Treaty Series 1981 No 21

DEPARTMENT OF FOREIGN AFFAIRS

CANBERRA

**Agreement between the Government of Australia and the Government of the
People's Republic of China on a Program of Technical Co-operation for
Development
(Beijing, 2 October 1981)
Entry into force: 2 October 1981
AUSTRALIAN TREATY SERIES**

1981 No. 21

Australian Government Publishing Service

Canberra

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**AGREEMENT BETWEEN THE GOVERNMENT OF AUSTRALIA
AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF
CHINA ON A PROGRAM OF TECHNICAL CO-OPERATION FOR
DEVELOPMENT**

**THE GOVERNMENT OF AUSTRALIA AND THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA ,**

DESIRING to strengthen friendly relations between the two countries,

HAVE AGREED as follows:

Article 1

Objectives

1. Both Governments shall co-operate in a Program of technical co-operation for development in support of the plan by the Government of the People's Republic of **China for the modernisation of China** .
2. The Program shall be directed to assisting those sectors of the economy of **China** **to which the Government of the People's Republic of China** accords greatest priority and in which the Government of Australia has significant expertise.
3. Technical co-operation undertaken by the Government of Australia pursuant to this Agreement shall be in support of specific projects undertaken as part of the plan for modernisation of **China by the Government of the People's Republic of China** **and for which the Government of the People's Republic of China** bears responsibility.

Article 2

Co-ordinating authorities

1. The Australian Development Assistance Bureau of the Department of Foreign Affairs shall be the Australian Co-ordinating Authority. The Ministry of Economic Relations with Foreign Countries shall be the People's Republic of **China** 's Co-ordinating Authority.
2. The two Co-ordinating Authorities shall be responsible for the planning and co-ordination of the Program which shall include but not be limited to:
 - (a) establishing priorities under the Program;
 - (b) choosing projects for implementation under the Program;
 - (c) reviewing and reporting on progress in the Program to the two Governments; and
 - (d) recommending to the two Governments any appropriate changes to the Program including budget and future development.

Article 3

Sharing of costs

1. The Government of Australia shall meet foreign exchange costs relating to training, materials, services and equipment for each project, together with payment of salaries, allowances, travel between Australia and the project area, accommodation and living expenses of all Australian project personnel. These foreign exchange costs shall be provided on a grant basis.

2. The Government of the People's Republic of **China shall meet all costs incurred in China by the Government of the People's Republic of China in support of each project. Such costs would normally include salaries and allowances of Chinese**

personnel, materials, services and equipment supplied from within China for the project, together with office accommodation and administrative support for Australian project personnel.

Article 4

Financial commitments

1. The cost to the Government of Australia of the Australian contribution to the Program, and to individual projects within the Program, is conditional upon annual Australian Parliamentary approval of appropriations.

2. Program or project financial disbursement estimates shall be indicative planning figures and not financial commitments.

Article 5

Individual projects

1. In order to give effect to the Program the two co-ordinating authorities may enter into arrangements in writing for the purpose of carrying out individual technical co-operation projects within the scope of the Agreement. Wherever possible, such arrangements shall contain provisions with respect to:

(a) the name and duration of the project;

(b) a description and statement of objectives of the project;

(c) details of the contributions to the project by the two Governments including:

(i) financial contributions;

(ii) materials, services and equipment to be supplied;

(iii) the numbers and areas of expertise of Australian personnel to be engaged;

- (iv) estimated annual budgets;
- (d) timetable for implementation of the project; and
- (e) evaluation and review arrangements for the project.

2. The two Co-ordinating Authorities may amend and supplement the arrangements for each project.

Article 6

Project co-ordinating committees

1. In respect of each project a Joint Project Co-ordinating Committee shall:

- (a) review and report on progress to the two Governments;
- (b) recommend to the two Governments any appropriate changes in the project including budget and future development; and
- (c) undertake such other functions as may be set out in arrangements between the two Co-ordinating Authorities.

2. The Chairman of each Project Co-ordinating Committee shall be appointed by the Chinese Co-ordinating Authority. The Committee shall include members appointed by

the People's Republic of **China** 's Co-ordinating Authority and the Australian Co-ordinating Authority.

3. Unless mutually arranged otherwise between the two Co-ordinating Authorities, Project Co-ordinating Committees shall meet at least twice a year at mutually acceptable times and places.

Article 7

Evaluation

An evaluation of progress of each project may be made at times arranged between the two Governments. Such an evaluation would be undertaken by a joint review team appointed by the two Governments.

Article 8

Personnel

In order to facilitate the engagement of Australian personnel required to implement the aforementioned Australian contribution the Government of the People's Republic of

China shall in respect to such personnel:

- (a) grant exemption from income taxes on salaries and allowances;
- (b) grant exemption from import duties and consolidated industrial and commercial taxes on personnel and on household effects of themselves and their dependants, declared at their first entry into **China** ;
- (c) assist in clearance through Customs of the goods mentioned in sub-paragraph (b);
- (d) grant all rights and entitlements accorded to the aid personnel of any other donor country or organization; and
- (e) expedite the issue of all documentation required for the entry and exit of Australian personnel and their dependants from the People's Republic of **China** and the performance of the work of Australian personnel.

Article 9

Australian project supplies

1. In respect of material and equipment forming part of the Australian contribution (called "Australian Project Supplies") the Government of the People's Republic of **China** shall:

- (a) be responsible for all the formalities of clearance including payment of import duties and other taxes in accordance with the relevant provisions as stipulated in the laws of taxes and duties of the People's Republic of **China** ;
- (b) facilitate movement of such supplies by providing appropriate customs and wharfage facilities in the port closest to the site of the project; and
- (c) provide expeditious transport to the site of the project.

2. Australian Project Supplies shall be available only for the purposes of the project and shall not be withdrawn from that use without the consent of the Australian Co-ordinating Authority.

Article 10

Facilitation of projects

The Government of the People's Republic of **China** shall use its best endeavours to facilitate the implementation of projects.

Article 11

Claims

Recognising that activities under this Agreement are being undertaken for the benefit of the people of **China, the Government of the People's Republic of China** shall bear all risks associated with operations carried out in pursuance of this Agreement and shall deal with any claims which may be brought by third parties against the Government of Australia, its servants or Australian personnel and shall hold harmless the Government of Australia and Australian personnel in case of any claims resulting from operations under the Agreement except where it is mutually decided by the two Governments that such claims arise from gross negligence or wilful misconduct of agents of the Government of Australia or of Australian personnel.

Article 12

Security

The Government of the People's Republic of **China** shall arrange for protective services necessary to ensure the safety of:

- (i) the person and property of the Australian personnel and of their dependants; and
- (ii) Australian Project Supplies.

Article 13

Consultations

The two Governments shall consult together upon request of either Government regarding any matter relating to the terms of the Agreement and shall endeavour jointly in a spirit of co-operation and mutual trust to resolve any difficulties or misunderstandings which may arise.

Article 14

Amendment

The Agreement may be amended and supplemented by agreement in writing between the two Governments.

Article 15

Entry into force and duration

1. This Agreement shall enter into force on the date of signature and shall remain in force for a period of **three years** from that date.

2. If neither Government gives written notice to the other at least six months prior to the expiration of this period of its desire to terminate the Agreement, the Agreement shall be automatically extended for **a period of one year** and shall thereafter be renewable in the same manner.

DONE in duplicate at Beijing on this day of 2 October, 1981 in the English and Chinese languages, both texts being equally authoritative.

FOR THE GOVERNMENT OF FOR THE GOVERNMENT OF

AUSTRALIA: THE PEOPLE'S REPUBLIC OF **CHINA** :

[Signed:] [Signed:]

MICHAEL MACKELLAR CHEN MUHUA

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Australian Treaty Series 1990 No 47

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE

CANBERRA

Exchange of Notes constituting an Agreement between the Government of Australia

and the Government of the People's Republic of China to amend Article 3
of the Agreement on a Program of Technical Co-operation for Development of 2

October 1981

(Beijing, 17 August-15 October 1987)

Retrospective entry into force: 17 February 1987

AUSTRALIAN TREATY SERIES

1990 No. 47

Australian Government Publishing Service

Canberra

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[Note from the Australian Embassy, Beijing, to the Ministry of Foreign Affairs of the
People's Republic of China]

I

Note No. 99/87

The Australian Embassy presents its compliments to the Ministry of Foreign Affairs of

the People's Republic of China and has the honour to refer to discussions held
between representatives of our two Governments with a view to amending the
Agreement between the Government of Australia and the Government of the

People's Republic of China on a Program of Technical Co-operation for
Development, signed at Beijing on 2 October 1981 (the "Agreement").[\[1\]](#)

Arising out of the discussions, the Embassy now has the honour to propose, on behalf of
the Government of Australia, that Article 3 of the Agreement be amended so as to read as
follows:-

"Article 3

Sharing of costs

(1) The Government of Australia shall meet foreign exchange costs relating to training, materials, services and equipment for each project, together with payment of salaries, allowances, travel between Australia and the project area and living expenses of all Australian project personnel. These foreign exchange costs shall be provided on a grant basis.

(2) The Government of the People's Republic of **China shall meet all costs incurred in China by the Government of the People's Republic of China in support of each project. Such costs would normally include salaries and allowances of Chinese personnel, materials, services and equipment supplied from within**

China for the project, together with office accommodation and administrative support for Australian project personnel.

(3) The following provisions on the sharing of costs of accommodation of personnel shall apply to all projects for which arrangements under Article 5 of this Agreement become effective on or after 16 February, 1987, and to all existing projects which are extended by arrangements which become effective on or after that date:

(a) The Government of the People's Republic of **China** shall bear the accommodation costs for Australian project personnel assigned to and working at designated project site, from the date of arrival at until the date of departure from those sites.

(b) The Government of Australia shall bear the remaining accommodation costs for Australian project personnel, including accommodation costs incurred during travel to and from project sites, and all accommodation costs for other personnel, including those assigned to pre-feasibility and feasibility study missions, inception missions, project identification missions, project evaluation missions, programming missions and ADAB

China -desk missions to project sites.

(c) Accommodation standards shall be determined by the Co-ordinating Authority of the People's Republic of **China**, in consultation with the Co-ordinating Authority of Australia, and shall be in accordance with the availability of accommodation and, where possible, appropriate to the status of the Australian project personnel and the composition of their families."

The Embassy further has the honour to propose that, if the foregoing is acceptable to the Government of the People's Republic of **China**, this Note together with the Ministry's reply confirming the above constitute an agreement between our two Governments which shall be deemed to have entered into force on 17 February 1987.

The Australian Embassy avails itself of this opportunity to renew to the Ministry of Foreign Affairs of the People's Republic of **China** the assurances of its highest consideration.

BEIJING

17 August 1987

[Translation of Note from the Ministry of Foreign Affairs of the People's Republic of **China** to the Australian Embassy, Beijing]

II

No. 451

The Australian Embassy in **China**

BEIJING

The Ministry of Foreign Affairs of The People's Republic of **China presents its compliments to the Australian Embassy in China** and has the honour to refer to the Note No. 99/87 dated 17 August 1987, as follows:

[Here follows text as printed under I.]

The Ministry of Foreign Affairs has the honour to inform the Australian Embassy that the Government of the People's Republic of **China agrees to the above, and confirms that the Note together with this reply constitute an agreement between the Government of the People's Republic of China** and Government of Australia, which shall be deemed to have entered into force on 17 February, 1987.

The Chinese Ministry of Foreign Affairs avails itself of this opportunity to renew to the Australian Embassy in **China** the assurances of its highest consideration.

Ministry of Foreign Affairs

People's Republic of **China**

BEIJING

15 October 1987

[\[1\]ATS 1981 No. 21](#) =



AMBASSADOR

AUSTRALIAN EMBASSY
BEIJING

9 September 1998

Mr Long Yongtu
Vice Minister
Ministry of Foreign Trade and Economic Cooperation
No 2 Dong Chang'an Avenue
Beijing, 100731

Dear Vice Minister Long,

**Amendment to Agreement between the Government of Australia
and the Government of the People's Republic of China on a Program of Technical
Cooperation for Development**

At the High Level Consultations held in September 1997 in Canberra, it was agreed that the Aid Treaty be amended so that Australia would cover additional administrative support (international telecommunications) and living accommodation costs of Australian project personnel.

It was further agreed that the amendment would be effected by an Exchange of Letters.

In accordance with the terms of Article 15 of the Treaty this letter constitutes an amendment to Article 3, Paragraph (1). This paragraph shall now read:

The Government of Australia shall meet foreign exchange rate costs relating to training, materials, services and equipment for each project, together with payment of salaries, allowances, travel between Australia and the project area and living expenses, additional administrative support (international telecommunications) and living accommodation costs of all Australian personnel.

The Embassy has the honour to propose that, if this is acceptable to the Government of the People's Republic of China, this note, together with your reply confirming it will constitute an agreement between our two Governments which shall be deemed to have entered into force on 25 September 1997.

With best wishes,

Yours sincerely

R C Smith

中华人民共和国对外贸易经济合作部

Ministry of Foreign Trade & Economic Cooperation

No. 2, Dong Chang'an Avenue, Beijing, 100731

People's Republic of China

7 October, 1998

Wu Luchuan

10/20/10
H.E. Mr. Ric Smith,
Ambassador
Australian Embassy
Beijing

**Amendment to Agreement between the Government of
Australia and the Government of the People's Republic of
China on a Program of Technical Cooperation for
Development**

Your Excellency,

I have the honour to acknowledge the receipt of your letter dated September 9, 1998, proposing that in accordance with the agreement reached at the High Level Consultation held in September 1997 in Canberra, the following amendments be made to the Aid Treaty :

Article 3, Paragraph (1)

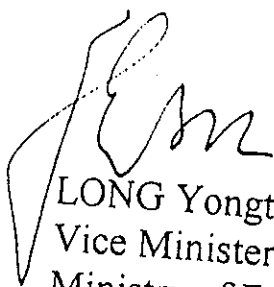
The Government of Australia shall meet foreign exchange rate costs relating to training, materials, services and equipment for each project, together with payment of salaries, allowances, travel between Australia and the project area and living expenses,

Additional administrative support (international telecommunications) and living accommodation costs of all Australian personnel.

We concur with the aforementioned amendments. Your letter and this letter constitute an amendment to the said Aid Treaty. This amendment will take effect on 25 September 1997.

Please accept, your excellency, the assurance of my highest consideration.

Yours sincerely,



LONG Yongtu
Vice Minister

Ministry of Foreign Trade and Economic Cooperation
P.R.C.

**MEMORANDUM OF UNDERSTANDING
RELATING TO
THE AUSTRALIA CHINA ENVIRONMENT DEVELOPMENT PROGRAM
UNDER THE PROGRAM OF
TECHNICAL CO-OPERATION FOR DEVELOPMENT
BETWEEN
THE GOVERNMENT OF AUSTRALIA
AND
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA**

- General*
1. This Memorandum of Understanding expresses the understandings of the Government of Australia and the Government of the People's Republic of China (hereinafter referred to as "the Parties") in relation to the Australia China Environment Development Program, (hereinafter referred to as the "Program").
 2. This Memorandum of Understanding is concluded pursuant to, and 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 Co-operation for Development, signed at Beijing on 2 October 1981, as amended on 17 August 1987 and 9 September 1998 (the "Agreement"). Unless otherwise provided in this Memorandum, the Agreement applies to this Program.
- Coordinating Authorities*
3. The Coordinating Authorities for this Program will be:
 - (a) for the Government of the People's Republic of China: the Ministry of Commerce (MOFCOM);
 - (b) for the Government of Australia: the Australian Agency for International Development (AusAID) of the Department of Foreign Affairs and Trade.
- Program Description and Objectives*
4. A brief history of the Program, including the program goal, purpose, component objectives and proposed outcomes are set out in Annex 1 to this Memorandum.
- Australian Financial Contribution*
5. The total Program budget will be determined on an annual basis taking into account achievements, the overall budget allocation for AusAID, and competing demands for funds within the Australian aid budget and within the China Country Program. A notional allocation of up to AUD25 million has been made to cover the costs of implementing the terms of this Memorandum.
- Australian Supplies*
6. For the purposes of the Program, the Government of Australia will provide the supplies set out at Annex 2 to this Memorandum.
- Australian Services*
7. For the purposes of the Program, the Government of Australia will provide the services set out at Annex 2 to this Memorandum.

- Australian Personnel** 8. For the purposes of the Program, the Government of Australia will provide the personnel set out at Annex 2 to this Memorandum. The Government of Australia and the Government of the People's Republic of China recognise that Article 8 of the Agreement will apply to these personnel.
- Chinese Financial Contribution** 9. The contribution of the Government of the People's Republic of China to the Program is set out at Annex 3 to this Memorandum.
- Chinese Supplies** 10. 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.
- Chinese Services** 11. 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.
- Chinese Personnel** 12. 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** 13. In accordance with the co-operative nature of the Program any intellectual property rights jointly developed through Program activities will be determined by both parties to this Memorandum.
- Evaluation and Review** 14. There will be an annual planning process to review Program developments and set directions for the following year. An Environment Advisory Team will be formed to review performance at activity and Program level and to assist the Program Manager to manage the annual planning process. AusAID and MOFCOM will be responsible for setting the strategic directions of the Program and for agreeing on major areas of activity on an annual basis. Australian and Chinese Program Partners will contribute to the annual planning process to ensure technical priorities are addressed. There will be a Performance Assessment Framework which demonstrates results against the program's objectives. A mid-term review will be conducted in 2008 to assess the Program's ongoing relevance and future directions and to evaluate the management of the program.
- Formal Communication** 15. For purposes of the 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), and Department of Trade and Economic Affairs (DITEA) will act on behalf on the Ministry of Commerce (MOFCOM).
- Amendments** 16. Amendments to this Memorandum may be made at any time by an Exchange of Letters between the Coordinating Authorities.

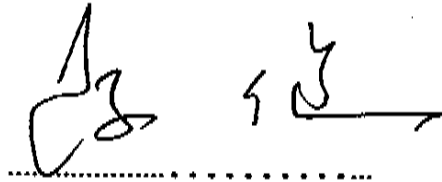
Duration

17. This Memorandum will take effect from the date of its signature and the Program will be deemed to have commenced from that date. The Government of Australia contribution to the Program and all commitments given herein will cease on 31 March 2012 or on such other date as may subsequently be arranged between the Coordinating Authorities of the two Governments.

ANNEXES 1 - 3 form an integral part of this Memorandum.

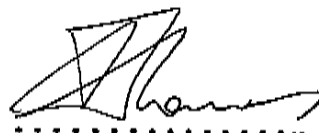
SIGNED at Beijing in duplicate, this 16th day of October 2006 in the English and Chinese languages, both texts being equally authentic.

**FOR THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA**



Chen Jian
Assistant Minister
Ministry of Commerce

**FOR THE GOVERNMENT OF
AUSTRALIA**



Dr Alan Thomas
Ambassador
Australian Embassy, Beijing

ANNEX 1 PROGRAM DESCRIPTION

1. Program Origin and Preparation

The China-Australia High Level Consultations (HLC) in April 2004 agreed that the Australia-China development cooperation program for 2006-2010 would focus on the sectors of governance, health, environment and regional cooperation, while maintaining commitment to cross-cutting gender issues and the principle of balanced development. In the environment sector, sustainable management of water resources; cleaner energy production and China's impact on climate change have been identified as particularly significant environmental challenges facing China where Australian assistance would produce mutual benefits. Australia is well placed to provide targeted assistance in these areas and would build on a strong base of environment activities in China. Water resource management should be a major initial emphasis for the environment program but flexibility exists to undertake work on other significant environmental issues.

AusAID fielded a Scoping Mission to develop an Environment Sector Strategy (ESS) from 15 February to 4 March 2005. The mission and subsequent draft ESS identified four main themes for the future program: (i) improving environmental governance including the establishment of water entitlements and markets; (ii) assisting China to apply principles of integrated river basin management; (iii) building linkages between key Australian and Chinese institutions including Government to Government linkages; and, (iv) addressing the relationship between the environment and poverty. In August 2005, AusAID mobilised a team to prepare a Program Design Document (PDD) which was guided by the ESS. The PDD provides a framework for implementation of the Strategy by ensuring the implementation principles described in the Strategy are applied, and that the strategic objectives are met.

2. Program Goal and Purpose

The goal of the ACEDP is:

"to support China's policies for a better environment."

The purpose of ACEDP is to improve environmental protection and natural (in particular water) resource management to balance the needs of environment and human development in China.

3. Program Description

ACEDP has three component objectives, which are described below.

Component 1: Environmental Governance and Dialogue

Component Objectives: *To demonstrate methods and applications of improved environmental governance in China, and*

To develop and enhance the environment policy dialogue between China and Australia.

OUTCOME 1.1: Improved environmental governance in China, initially in relation to water resource management

Achieved through: Demonstrations and adaptations of water policy mechanisms to maintain ecosystems services and achieve environmental outcomes, including market based approaches (water trading and pricing), incentives, awareness, legislation etc

OUTCOME 1.2: Scientific and technological tools that can enhance environmental management in China are more integrated with policy processes, initially in the area of water resource management

Achieved through: Adaptation and integration of scientific and technological tools that can enhance water resource management in China

OUTCOME 1.3: Improved models to address environmental impacts that exacerbate poverty, and integration of these models in policy processes

Achieved through: Demonstrations and adaptation of models to address environmental impacts that exacerbate poverty, and integration of these models in policy processes

OUTCOME 1.4: Strong bilateral linkages for dialogue in the environment sector, enhancing existing engagement between Chinese and Australian agencies, and shared knowledge on a range of environmental management issues of mutual interest

Achieved through: Activities that enhance environment policy dialogue and support exchange of expertise between China and Australia on environmental issues of mutual interest

OUTCOME 1.5: Active high level policy dialogue to promote/develop priorities for ACEDP

Achieved through: Activities that support identification of priorities for ACEDP through whole of government consultation at all relevant levels

Component 2: Integrated River Basin Management

Component Objective: *To assist with the practical application of Integrated River Basin Management principles in China.*

OUTCOME 2.1: Shared understanding of Integrated River Basin Management (IRBM) principles and practices in Australia and China

Achieved through: activities that support engagement between Australia and China on IRBM principles

OUTCOME 2.2: Practical application of IRBM principles in China

Achieved through: Activities that support strategic demonstrations and piloting of models and policy options for IRBM in China, including integrated resource assessment, participatory planning and community ownership

Component 3: Program Management

Component Objective: *To provide strategic direction to, and effective coordination and efficient management of, ACEDP.*

The overall Program objectives will be realised if:

- The Program is guided strategically by high-level technical advice from both Australia and China;
- Individual activities, and the Program as a whole, are effectively coordinated with the efforts of other stakeholders - including Government agencies in Australia and China as well as other donors; and
- The Program is well managed.

4. Program Partners

Partners to the Program may include Australian or Chinese Government departments, agencies or research organisations as well as other donor organisations including bilateral donors, multilateral development banks and UN agencies which may be involved in implementation of Program activities.

Given the evolving nature of the Program and the broad issues it covers, the Program will not have a single Chinese implementation agency.

5. Program Management and Coordination

AusAID will engage a managing contractor to manage the Program.

AusAID and MOFCOM will be responsible for providing strategic direction to the Program. This will include, inter alia, annual consultations for purposes of setting Program policy directions. AusAID and MOFCOM will also facilitate the participation of relevant Program Partners.

An annual planning process will involve senior level consultations with Program Partners to identify priorities consistent with ACEDP objectives. The process will be led by the Program Manager with support, as required, by the Environment Advisory Team (EAT).

Annual Plans will be developed to review ACEDP progress, including activities funded by other flexible mechanism ; identify strategic priorities consistent with ACEDP objectives; and identify major activities for approval and implementation. The Annual Plan will specify roles and responsibilities of Program Partners in activity development, implementation, monitoring and evaluation. The Annual Plan will be approved during annual consultations with AusAID and MOFCOM.

6. Monitoring and Evaluation

With input from AusAID and MOFCOM, the Program Manager will be responsible for developing and managing a Performance Assessment Framework to clearly demonstrate results against the Program's objectives. While the Framework will be revised and improved over time, it will initially be based on the objectives and indicators specified at the purpose and component objective levels in the ACEDP Results Spectrum.

The Program Manager will be required to develop a Monitoring and Evaluation (M&E) Strategy that enables monitoring at activity level that can be scaled up to provide the data for evaluation of the impact of activities against Program objectives as required by the Performance Management

Framework. The M&E strategy will apply to all components of the Program, including the program management component (Component 3).

ANNEX 2

CONTRIBUTION OF THE GOVERNMENT OF AUSTRALIA

The Government of Australia will make contributions of grant aid to the Program. The Program budget will be determined on an annual basis taking into account achievements, the overall budget allocation for AusAID, and competing demands for funds within the Australian aid budget and within the China Country Program. A notional allocation of up to AUD25 million over 5 years has been made to cover the costs of implementing the terms of this Memorandum.

This contribution is expected to comprise personnel, procurement, training and other costs. It will be spread over the Program implementation period, listed by the type of inputs, as outlined below.

(a) Personnel

The Government of Australia will provide travel costs and remuneration for all Australian personnel assigned to the Program, and all Australian personnel engaged by subcontract for activities under the Program.

(b) Procurement

Procurement is not expected to be a significant item in proposals for the Program.

(c) Training

Where activity proposals accepted for implementation under the Program include training to be undertaken in Australia, the Government of Australia will meet the costs of:

- Short-term and medium-term study in Australia;
- Short-term visits to Australia; and
- Work placements in Australia.

These costs should comprise return economy air travel from the point of embarkation to Australia, some miscellaneous travel expenses (e.g. departure taxes, travel and medical insurance and in-Australia surface travel), the participant's accommodation, meals and incidentals costs in Australia and the tuition/training and resource/material fees.

(d) Other

AusAID will provide funds for Program operational costs, including a financial facility to fund Program activities. These funds will provide for activity development and design, implementation, and research and analysis of potential Program activity areas.

ANNEX 3

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

The Government of the People's Republic of China will make contributions to the Program over the period of Program implementation. These contributions may be subject to change by consultation between the Parties. In general, Central Government inputs will help to ensure the quality and sustainability of the Program. Details of the Chinese contribution will be agreed at activity level. It is expected the Chinese counterpart contribution would cover the following:

(a) Personnel

Program Level

Chinese government agencies will provide appropriate personnel during the annual planning cycle to identify and design activities to be implemented by the Program; this will include attending workshops to discuss the draft Annual Plan, other meetings as necessary, investing resources into building partnerships with Australian agencies and in the development of appropriate activity designs.

Activity Level

Chinese agencies will also provide appropriate personnel in the design and implementation of activities. Details of such contribution will be specified in the agreement between the implementation agencies for the activities and Chinese Government agencies will formally notify MOFCOM of their contribution to activities.

(b) Training

The ACEDP will negotiate the counterpart contribution for each individual activity, with the relevant Program Partner as part of the activity design process. Principles in relation to Chinese contributions to training are set out below:

In-China Training costs which would normally be included:

- Costs of running the training programs in China (eg the venue costs, provision of support personnel and other relevant local costs);
- Costs of conducting workshops in China (eg the venue costs, provision of support personnel and other relevant local costs); and
- Costs of local participation in training programs and workshops (including costs such as internal travel, participant accommodation and per diem).

In-Australia Training costs which would normally be included:

- Costs associated with obtaining satisfactory medical clearances (where required) for participants travelling to Australia;
- Costs associated with obtaining satisfactory travel clearances and documentation from the GOPRC including all Visa fees, passport costs and any other related preparation costs;
- Transport and per-diem costs associated with the participants travel within China to reach their point of embarkation and departure for Australia.

(c) Data

Chinese agencies will provide appropriate data for the design and implementation of the activities.

(d) Other

Provision of interpretation and translation will be decided on an activity by activity basis.