

Specific Agreement

between

The Kingdom of Belgium

and

The Republic of Uganda

on

**ESTABLISHING A FINANCIAL MECHANISM FOR
STRATEGIC PURCHASING OF HEALTH SERVICES IN
UGANDA (SPHU)
UGA1603611 – N.N.1272**



**SPECIFIC AGREEMENT
BETWEEN THE KINGDOM OF BELGIUM AND
THE REPUBLIC OF UGANDA**

ON

**ESTABLISHING A FINANCIAL MECHANISM FOR STRATEGIC PURCHASING OF
HEALTH SERVICES IN UGANDA (SPHU)**

PREAMBLE

The Kingdom of Belgium, hereinafter referred to as "Belgium",
and the Republic of Uganda, hereinafter referred to as "Uganda",

Hereinafter jointly referred to as "the Parties".

- Considering the General Agreement on Direct Bilateral Cooperation between the Kingdom of Belgium and the Republic of Uganda signed in Kampala on the 1st of February, 2005;
- Referring to the agreed minutes of the Joint Commission signed in Kampala on April 5th, 2012;
- Referring to the minutes of the Special Partners Committee signed on the 14th of October 2014, specifically the decision to reallocate part of the Budget Support;
- Referring to the Special Partners Committee held in November 2015, specifically the decision to create a Basket Fund focusing on the health sector with the remaining Budget Support Funding (6 million euro);
- Referring to the minutes of the Partners Committee signed in June 2016, specifically the decisions to stop the extension of projects and to return the balance of unutilized fund to the Belgian Treasury, making it no longer transferable and consequently available for other projects with the Ugandan Government;
- Referring to the decision of the Belgian Minister of Development Cooperation, Digital Agenda, Telecommunications and Postal Services in September 2016 to cancel the Basket Fund and to transfer the 6 million euro to a new project;

Hereby agree as follows:

ARTICLE 1

Object of the Agreement

- 1.1. This agreement concerns the cooperation between the parties with regards to the project **"ESTABLISHING A FINANCIAL MECHANISM FOR STRATEGIC PURCHASING OF HEALTH SERVICES IN UGANDA (SPHU)"**, hereinafter referred to as the "Project".
- 1.2. The general objective is 'Contribute to Universal Health Coverage (UHC) in Uganda following a Rights Based Approach'.
- 1.3. The specific objective is to 'Build the capacities of the Ugandan health system in order to roll-out a Strategic Purchasing mechanism for Public and Private Not For Profit (PNFP) Health Services, with a particular focus on women, children and other vulnerable groups'.

ARTICLE 2

Responsibilities of the Parties

- 2.1 **Uganda** designates:
 - 2.1.1 The Ministry of Health hereinafter called MoH, as the entity responsible for the implementation of the project.
- 2.2 **Belgium** designates:
 - 2.2.1 The Directorate-General for Development Cooperation and Humanitarian Affairs within the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation hereinafter referred to as "DGD", as the entity responsible for the Belgian financial contribution to the Project. DGD is represented in Uganda by the Head of Cooperation for Development Cooperation at the Embassy of Belgium in Kampala.
 - 2.2.2 The Belgian Development Agency hereinafter referred to as "BTC", as the executing agency responsible for the implementation and the follow up of the Project. BTC is a public-law company with social purposes which fulfils its tasks according to a management contract signed with the Belgian State.

BTC is represented in Uganda by its Resident Representative in Kampala.

ARTICLE 3

Cost of the project and sources of its funding

- 3.1 The Government of Uganda will contribute cash towards implementation of Result Based Financing (RBF) and in kind (taxes, human resources, office

space). The cash contribution is estimated at 25% of the Belgian contribution, equivalent to 1,500,000 Euro (One million five hundred thousand Euro only) to the realization of this project.

- 3.2 Belgium undertakes to contribute a maximum amount of 6,000,000 Euro (six Million Euro only) to the project.
- 3.3 The modalities for use of this budget are further detailed in the Technical and Financial File annexed to this agreement.

ARTICLE 4

Technical and Financial File (TFF)

- 4.1 The Project will be implemented according to the Technical and Financial File, hereinafter referred to as "TFF", attached to this Specific Agreement.
- 4.2 With the exception of the Specific Objective of the Project (art.1.3), of the duration of the Specific Agreement (art. 12.1) and of the total budgets (art. 3), for which a modification needs an exchange of letters between the Parties according to article 12.4 of this Specific Agreement, the Steering Committee may adapt the TFF according to the evolution of the general context and/or the course of the Project.
- 4.3 BTC shall inform the DGD about the following modifications made to the Project:
- The way in which the Belgian and/or the Ugandan contribution is made available to the Project;
 - Results, including their respective budgets;
 - Responsibilities, attributions, composition and operating mode of the Steering Committee;
 - Approval mechanism for adapting the TFF;
 - Indicators for the specific objective and for the results;
 - Financial modalities for the implementation of the contribution of the Parties.

An adapted indicative financial project will be included, if deemed necessary.

ARTICLE 5

Obligations of the Parties

- 5.1 Each of the Parties shall take timely all institutional, administrative and budgetary measures required for the correct implementation of the commitments described in this Specific Agreement.



ARTICLE 6
Steering Committee of the Project

- 6.1 The Parties agree to entrust the Steering Committee (SC) with the follow up, the monitoring and the control of the implementation of the Project.
- 6.2 The composition, the attributions, the responsibilities and the operating mode of the SC are specified in the TFF.
- 6.3 The SC sets up its internal regulations with respect to the other articles of this Specific Agreement. Minutes of the meetings will be signed by the Chair (MoH) and the Co-Chair (BTC Uganda) together with the Representative of MoFPED of the Project Steering Committee. A copy will be sent to the Head of Cooperation for Development Cooperation at the Embassy of Belgium in Kampala.
- 6.4 The SC shall meet at least twice per year and at the latest three months after the Signature of the present Agreement. Extraordinary meetings can be called by the Chair, according to the needs.
- 6.5 Not later than one month before the end of the Project, the SC will meet to examine the final draft report of the Project, prepared according to the regulations defined in the TFF, and to clarify the modalities for ending the Project as stipulated in article 12.2.

ARTICLE 7
Recruitment of Technical Assistance

- 7.1 The BTC will recruit and appoint international technical assistance, both short term and long term, for the implementation of the Project. MoH will be consulted in the process. Specific procedures are stipulated in the TFF.
- 7.2 Other national staff and expertise identified in the TFF will be recruited by BTC under Belgian law, and agreed by MoH.

ARTICLE 8
Privileges and Immunities

- 8.1 The expatriate personnel, put at the disposal of the project by BTC, will benefit from the privileges mentioned under article 8 of the General Agreement on Direct Bilateral Cooperation between the Kingdom of Belgium and the Republic of Uganda.
- 8.2 No part of the Belgian contribution shall be used to pay any taxes, customs or import duties or other tax-related fees on supplies, equipment, works and services.

- 8.3 If duties or taxes are due according to the national legislation, they will be covered by the Ugandan Party.

ARTICLE 9

Mutual information

Each Party shall forward to the other Party all information deemed relevant to the smooth and efficient implementation of the Project.

ARTICLE 10

Reports, Monitoring and Evaluation of the Project

Procedures for administrative and operational, accounting and financial reporting are detailed in the TFF. Each of the Parties can, at any time, jointly or separately, control or evaluate the progress of the implementation of the Project, provided the other Party is informed in advance. Each Party will communicate to the other Party the results of its controls and evaluations.

ARTICLE 11

Sustainability of the results of the Project

In order to ensure the sustainability of the results of the Project, Uganda will take all institutional, administrative and budgetary measures deemed necessary.

ARTICLE 12

Duration, extension, cancellation, modifications and litigation

- 12.1. The present Agreement shall enter into force on the date of signature by both Parties and is concluded for a period of 42 months and will not be extendable. The duration of the implementation of the project is 30 months.
- 12.2. Funds available for activities started before the expiration of this Specific Agreement will be automatically used beyond this date in case the related contracts have not been fully executed at the end of the said duration.
- 12.3. After the financial closure of the intervention, any unspent funds from the Belgian contribution will be recovered by the Belgian State.

To this end, the Ugandan Party commits itself to refund to the BTC the bank balances and ineligible amounts within three months of the Steering Committee's approval of the financial closure.



- 12.4. Either Party may suspend the implementation of the present Agreement. If one of the Parties deems that the other has failed to respect one of its fundamental obligations under the present Agreement, an obligation arising from the respect of human rights, democratic principles or the rule of law, as well as in cases of corruption, it shall notify the other Party of the relevant information required for a thorough examination of the situation, as well as of its intention to suspend the present Agreement in case of absence of an acceptable solution within three months. The Parties shall consult and determine the appropriate actions to be taken, within three months of the notification.
- 12.5. Either Party may suspend the implementation of the present Agreement in case of force majeure during the duration of this force majeure. The Party invoking a case of force majeure shall notify the other Party of the relevant information required for a thorough examination of the situation in order to find an acceptable solution for the Parties. The Parties shall consult and determine the appropriate actions to be taken, within three months of the notification.
- 12.6. This Agreement may be denounced by either Party by 'note verbale', subject to a three months' notice. In such case, any unused funds will be recovered by the Belgian State, as described in article 12.3. In any case, the contracts concluded in compliance with the TFF before the denunciation of this Agreement will be honoured as foreseen.
- 12.7. The maximum duration of 42 months cannot be changed. The amount of the present Agreement as stipulated in article 3 and its Specific Objective as described in article 1.3, can only be changed by an Exchange of Letters between the Parties.
- 12.8. Any dispute arising from the implementation or interpretation of the present Agreement shall be settled by negotiation.

ARTICLE 13

Addresses

All notifications related to the Specific Agreement and more specifically any such notifications pertaining to its **modification** or **interpretation** shall be handled via diplomatic channels at the following addresses:

for Belgium:

Head of Cooperation
Embassy of Belgium
Rwenzori Tower 6th floor
PO Box 7043
Kampala

for Uganda :

The Ministry of Finance, Planning &
Economic Development
Plot 2/12, Apollo Kaggwa Road
P.O. Box 8147
Kampala



All notifications and communications related to the **implementation** of this Specific Agreement shall be communicated to:

For Belgium:

BTC Resident Representative
P.O. Box 40131
Kampala

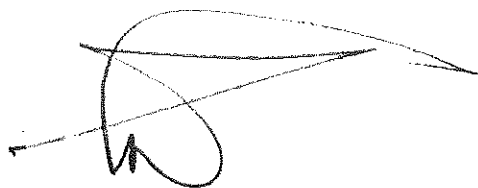
For Uganda

The Ministry of Health
P.O. Box 7272
Kampala

Done in Kampala, on 13 December, 2017, in two originals in the English language and each Party hereby acknowledging receipt of its copy.

In witness whereof, the undersigned being duly authorised thereto by their respective Governments, have signed this Agreement.

For Belgium



Erwin De Wandel
Deputy Head of Mission /
Head of Cooperation

Embassy of Belgium In Kampala

For Uganda



Matia Kasaija
Minister of Finance, Planning
and Economic Development

The Republic of Uganda