

SPECIFIC AGREEMENT

Between

The Kingdom of Belgium

and

The Republic of Uganda

on

**Sector Budget Support for the implementation of the
Health Sector Strategic and Investment Plan
(2010/11-2014/15)**



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 Co-operation between Uganda and Belgium," signed in Kampala, on 1st February 2005;
- Considering the agreed minutes of the Joint Commission on Development Co-operation between the parties, held in Kampala on 7th November 2008, Annex 8 "Belgium-Uganda Indicative Development cooperation Program (IDCP) 2009-2012";
- Considering the Compact for joint monitoring between the Government of Uganda and the Health Development Partners, Regarding Partnership Principles for Support to the Health Sector Strategic and Investment Plan, signed on the 22nd November 2010;
- Considering the Joint Assessment Framework agreed between the Government of Uganda and Budget Support Development Partners.

AGREE AS FOLLOWS:

Article 1: Definition and object of the agreement

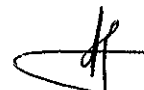
The Specific Agreement concerns the participation of Belgium in the realization of the objectives of the Health Sector Strategic and Investment Plan, developed for the period 2010/11 – 2014/15.

The overall goal of Health Sector Strategic and Investment Plan is to attain a good standard of health for all people in Uganda in order to promote a healthy and productive life.

The specific objectives of the Health Sector Strategic and Investment Plan are:

- Scale up critical interventions for health, and health related services, with emphasis on vulnerable population s
- Improve the levels, and equity in access and demand to defined services needed for health
- Accelerate quality and safety improvements for health and health services through implementation of identified interventions
- Improve the efficiency, and effectiveness of resource management for service delivery in the sector
- Deepen stewardship of the health agenda, by the Ministry of Health

The Parties consider Uganda's commitment to peace and to promoting free, credible and democratic political processes, independence of the judiciary, rule of law, human rights, good governance and probity of public life, including the fight against corruption, to be underlying principles for the provision of budget support.



Article 2: Responsibilities of both Parties

2.1 The Belgian Party designates:

2.1.1 The "Directorate General for Development Cooperation", of the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, hereinafter called DGD, as the Belgian administrative entity, responsible for the Belgian contribution. DGD is represented in Uganda by the Attaché for International Cooperation based in the Embassy in Kampala.

2.1.2 The "Belgian Technical Cooperation", hereinafter referred to as BTC, as the Belgian entity responsible for the Belgian participation in the monitoring of the implementation of the Health Sector Strategic and Investment Plan and the transfer of funds. BTC is represented in Uganda by its Resident Representative in Kampala.

2.2. The Ugandan Party designates:

2.2.1: The Ministry of Finance, Planning and Economic Development as the Ugandan administrative entity, responsible for the Ugandan contribution to the Health Sector Strategic and Investment Plan

2.2.2. The Ministry of Health as the Ugandan entity responsible for the implementation of the Health Sector Strategic and Investment Plan.

Article 3: Contribution of the Parties

3.1 The Belgian grant contribution to the Health Sector Strategic and Investment Plan is **10 Million €** over the financial years 2012/13 and 2013/14.

The first instalment of 5 Million € for the Ugandan budget year 2012/13 will be transferred after the signing of the Specific Agreement.

A second instalment of 5 Million € for the Ugandan budget year 2013/14 will be transferred after the following conditions have been met: (i) Uganda is on track with the IMF, (ii) a positive audit report¹ on FY 2011/12, (iii) an Annual Health Sector Performance Report on FY 2011/12, (iv) a Budget Execution Report on FY 2011/12, and (v) an annual sector work plan and budget on FY 2013/14.

Belgium will transfer its contribution to the central consolidated PAF account in the National Bank of Uganda as will be specified by the Ministry of Finance, Planning and Economic Development.

This account funds the Primary Health Care Conditional Grant (PHCCG) to the Districts.

¹ Positive audit meaning, either an audit report of the OAG without major remarks or with remarks but a convincing management response approved by the Health Development Partners group.

Within a month of the transfer being made by Belgium, the Bank of Uganda will issue a receipt to the BTC Resident Representative in Kampala, confirming the amount received and the bank account to which it was lodged.

3.2 In case of a negative audit, a management response is needed. An action plan for implementation of the management response needs to be presented by the Government of Uganda and approved by the development partners. This is a sufficient condition for the transfer of funds.

3.3 The planned disbursements can be delayed or even cancelled, in an evident case of fraud, in case not sufficiently corrected, after being detected and notified. In the case of serious misappropriation or misuse of transferred funds, Belgium reserves the right to unilaterally or jointly claim repayment in full or in part of the funds.

3.4 If Belgium considers there has been a breach of commitments or underlying principles by the Government of the Republic of Uganda, Belgium will send a clear, transparent signal that the government's actions are being taken seriously and that the level of trust in the relationship has been damaged. The appropriate response will be considered in consultation with other Development Partners members of the Joint Budget Support Framework and will depend on:

- The seriousness of the specific situation and the circumstances that led to a breach of the partnership commitments;
- The impact that any decision will have on poor people and longer-term poverty reduction efforts.

Article 4: Monitoring, Control and evaluation

4.1 The parties shall take all necessary administrative and budgetary measures to achieve the objectives of this Specific Agreement, including joint or separate technical, administrative and financial control and evaluations as mentioned in the Compact. The Parties shall inform each other about the results and possible recommendations of these control and evaluation exercises.

4.2 The Joint Sector Review shall be held at least once a year. The mission will review the performance of the sector during the previous year and agree on sector priorities and resource allocation for the next financial year.

4.3 BTC is responsible for the Belgian participation in the monitoring of the implementation of the programme in close collaboration with the Attaché for International Cooperation at the Embassy of Belgium in Kampala. The Belgian technical expertise, provided by BTC and based in Kampala will work closely with the other Development Partners and within the existing framework of monitoring mechanisms.

4.4 Belgian focus in policy dialogue will be on: Planning and Budgeting, Public Finance Management, Human Resources, Monitoring & Evaluation and Health Sector Performance as well as other areas seen as critical to be followed in policy dialogue.



Article 5: Entry into force, Duration, Modifications and Termination

- 5.1. This Specific Agreement will enter into force on the date of its signature by both parties.
- 5.2. This Specific Agreement is valid for a period of 36 months starting from its date of signing.
- 5.3. The provisions of this Specific Agreement may be modified by mutual agreement between the Parties, through exchange of letters.
- 5.4. Any disputes related to the application and interpretation of this Specific Agreement shall be settled through bilateral negotiation.
- 5.5. This Specific Agreement may be denounced by each of the Parties, through verbal note, subject to a six months' notice.

Article 6: Notifications

All notifications related to this Specific Agreement and more specifically modifications and interpretations of this Agreement, shall be communicated through diplomatic channels at the following addresses:

for Uganda, to
Ministry of Finance, Planning
And Economic Development
P.O. Box 8147
Kampala

for Belgium, to
Embassy of Belgium
P.O. Box 7043
Kampala

All notifications related to the execution of this Agreement shall be addressed at following institutions:

for Uganda, to
Ministry of Health
P.O. Box 7272
Kampala

for Belgium, to
BTC Representation in Uganda
P.O. Box 40131
Kampala



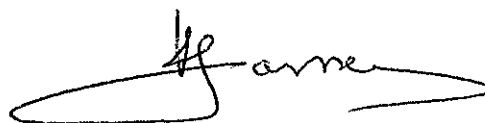
Article 7: Final dispositions

In witness whereof, the undersigned, duly authorized thereto, have signed the present Specific Agreement.

Done in duplicate at Kampala, on the 12th of November 2012
in the English language, both copies being equally authentic.

for the Republic of Uganda

For the Kingdom of Belgium



Maria KIWANUKA

Alain HANSEN

Minister of Finance, Planning and
Economic Development

Ambassador