

KONINKRIJK BELGIË
Federale Overheidsdienst
Buitenlandse Zaken,
Buitenlandse Handel en
Ontwikkelingssamenwerking

Bilaterale Samenwerking Oost en Zuidelijk Afrika

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Aan de Heer Carl Michiels
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Onderwerp: **Mozambique: 'Common Fund for the implementation of the Revenue Authority Reform in 2011'**
**Notificatie van de Bijzondere Overeenkomst en vraag om addendum
Uitvoeringsovereenkomst**

Geachte Heer Voorzitter,

De bijzondere overeenkomst voor in rand vermeld programma werd ondertekend in Maputo op 7 december 2011 en vastgelegd door onze financiële dienst op 12 december 2011.

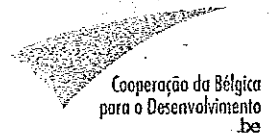
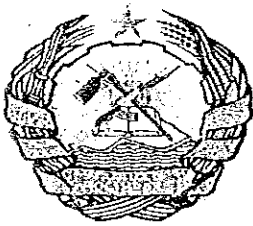
In bijlage 1 vindt U een kopie van de Bijzondere Overeenkomst. Mogen wij u verzoeken om ons zo snel mogelijk een bijbehorende ondertekende uitvoeringsovereenkomst te willen overmaken. Immers, de door BTC voorgestelde overeenkomst (met uw brief ref OP/0/2011/123/ENB, in bijlage 2) kon niet aanvaard worden omdat de erin opgenomen expertise reeds voorzien en vastgelegd was in de bestaande uitvoeringsovereenkomst voor de eerste fase van dit programma (uitvoeringsovereenkomst genotificeerd op 20/04/2010 en geldig tot het einde van de voorziene expertise van 36 maanden, dus tot 19/04/2013, kopie in bijlage 3). De nieuwe uitvoeringsovereenkomst moet dus enkel nog de betaling van 1 mio EUR aan Mozambique bepalen. Dit werd al telefonisch met uw diensten besproken.

Hoogachtend,

Melanie Schellens
Diensthooft

Bijlage(n):3

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Specific Agreement

Between

The Kingdom of Belgium

And

The Republic of Mozambique

On

**Common Fund for the Implementation of the Revenue Authority
Reform in 2011**

December 2011

The Kingdom of Belgium, hereinafter referred to as "Belgium",

And

The Republic of Mozambique, hereinafter referred to as "Mozambique",

Hereinafter jointly referred to as "the Parties";

- Considering the "General Agreement on Development Co-operation between Mozambique and Belgium", signed in Brussels, on 11th May 2001;
- Considering the agreed minutes of the first Joint Commission on Development Co-operation held in Maputo on 3rd May 2006 between the Republic of Mozambique and the Kingdom of Belgium and its annexed Indicative Cooperation Programme for the period 2006-2008";
- Considering the agreed minutes of the Belgo-Mozambican Special Partner Committee, held in Maputo, on 19th May 2009;
- Considering the "Memorandum of Understanding between the Government of Mozambique and Development Partners on the Common Fund for the Implementation of the Revenue Authority 2007-2010", approved by the Revenue Authority, representing Mozambique, on 25 October 2007 and with an additional clause build in for Belgium;
- Considering the Addendum to the "Memorandum of Understanding between the Government of Mozambique and Development Partners on the Common Fund for the Implementation of the Revenue Authority 2011" extending the validity of the Memorandum until 31 December 2011.

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 Common Fund for the Implementation of the Revenue Authority Reform, developed for the period 2009-2011.

The overall goal of the Revenue Authority Reform are defined in article 1.1.(iv) of the MoU:

- Implementation and operationalisation of the Revenue Reform;
- Establishment and use of modern management practices in the Revenue Authority;
- Improvement in the revenue collection in terms of absolute volume and in percentage of the GDP, through collection improvement and broadening of the tax base;
- The improvement of tax collection in terms of tax efficiency and justice.

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 Mozambique by the Attaché for International Cooperation based in Maputo.

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 Common Fund for the Implementation of the Revenue Authority Reform and the transfer of funds. BTC is represented in Mozambique by its Resident Representative in Maputo.

2.2. The Mozambique Party designates:

The Revenue Authority – Autoridade Tributária- as the Mozambique entity responsible for the implementation of the Common Fund for the Implementation of the Revenue Authority Reform according to the provisions of the Memorandum and its Addendum.

Article 3: Contribution of the Parties

3.1 The Belgian grant contribution to the Common Fund for the Implementation of the Revenue Authority Reform is 1.000.000 € over the financial year 2011. The Belgian contribution to the sector budget will contribute to an annual increase in the allocation to the Revenue Authority budget, during this period.

An instalment of 1.000.000 € for the Mozambique budget year 2011 will be transferred after the signing of the Specific Agreement and is based on the existence of:

1. Approved Annual Plan and Budget for the Tax Reform Common Fund of 2011,
2. Annual Report of the Tax Reform Common Fund of 2010 submitted to the Partnership Committee;
3. An external audit of the Tax Reform Common Fund in 2010 submitted to the Partnership Committee;
4. A valid MoU for the Tax Reform Common Fund;
5. A disbursement request from the Authorities, based on the disbursement calendar submitted to the partnership committee.

Belgium will transfer its contribution to the Common Fund foreign Exchange account at the Banco De Moçambique as will be specified by the Revenue Authority. Within a month of the transfer being made by Belgium, the Banco de Moçambique will issue a receipt to the BTC Resident Representative in Maputo, 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 country and approved by the development partners. This is a sufficient condition for the transfer of funds.

3.3 The planned disbursement 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.

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 MoU. The Parties shall inform each other about the results and possible recommendations of these control and evaluation exercises.

4.2 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 in Maputo. The Belgian technical expertise, provided by BTC and based in Maputo will work closely with the other Development Partners and within the existing framework of monitoring mechanisms.

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 24 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 Mozambique, to
The Revenue Authority

Address

for Belgium, to
Attaché of Development Cooperation
Embassy of Belgium
Av. Kenneth Kaunda 470
Maputo

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

For Mozambique, to
The Revenue Authority

Address

for Belgium, to
Resident Representative
BTC Office Mozambique
Av. 24 de Julho, 7 – 6º Andar D
Polana Shopping Centre
Maputo

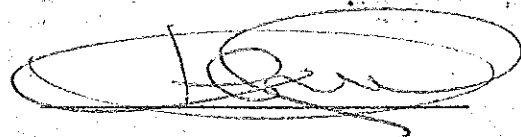

Article 7: Final dispositions

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

Done in duplicate at Maputo, on the date 7th December 2011 in the English and Portuguese Languages, both copies being equally authentic.

For Mozambique

For the Kingdom of Belgium



Rosário B. F. Fernandes

Marc Deneer

The President of the Revenue Authority

Head of Belgium Cooperation

Annex 1: Memorandum of Understanding between the Government of Mozambique and Development Partners on Common Fund for the Implementation of the Revenue Authority Reform 2007 – 2010.

Annex 2: Addendum to the Memorandum of Understanding between the Government of Mozambique and the Development Partners on Common Fund for the Implementation of the Revenue Authority Reform in 2011.