

**CTTB**  
**FINANCING**  
**AGREEMENT**

## Arrangement

### **Arrangement between the Interafrican Bureau of Animal Resources of the Organisation of African Unity (OAU/IBAR) and the Netherlands Minister for Development Co-operation.**

Whereas the Netherlands Minister for Development Co-operation (hereinafter referred to as the Minister) is prepared to support "*The Regional Programme for the Control of Tick and Tick Borne Diseases*"; our programme no: RF026404 for a total amount not exceeding 4.500.000,- Netherlands Guilders (NLG);

Whereas OAU/IBAR (hereinafter referred to as the Organisation) is prepared to receive the responsibility of implementing this programme;

Whereas the purpose of the programme is to improve livestock productivity by providing adequate and cost-effective veterinary services.

Now therefore, the Minister and the Organisation agree as follows:

1. The programme will be implemented as from 1<sup>st</sup> July 1997. It will be completed before 1<sup>st</sup> January 2000.
2. The Organisation shall be responsible for the implementation of the "*The Regional Programme for the Control of Tick and Tick Borne Diseases*". The programme exists of three components, a) the Tick and Tick Borne Disease Control Programme in Tanzania, b) Support to the Vaccine Production Centre in Lilongwe, Malawi, c) Support to the Regional Coordination by OAU/IBAR.

The Organisation will see to it that proposals for the three components for the programme, including a detailed workplan and budget, will be elaborated and submitted for approval within six months after signing of this Arrangement.

The aforementioned proposals will be based on Country Strategy Papers for the participating countries and a feasibility study for the VPC in Lilongwe.

The Organisation will make every possible effort to ensure timely and full implementation of the programme. Possible changes in the programme or in the implementation will only be possible with the consent of both parties.

The Minister carries no responsibility or liability to any third party for programmes or activities administered by the Organisation and carried out pursuant to this Arrangement.

3. The contribution by the Minister to the programme will be based on the afore mentioned approved proposals, but will not exceed 4.500.000,- NLG including programme costs proper, programme support costs and provision for cost increases.
4. Funds due to the programme costs proper reflect cost estimates expressed in the currency of the budget (CUR) at exchange rates and at cost levels prevailing at 1 July 1997. Funds made available under the provision for cost increases will be used by the Organisation only to the extent that prices, wages and salaries actually increase above the levels at which the original budget estimates are calculated. Reductions to the inputs agreed upon in the programme document may become necessary either due to changes in the CUR/NLG exchange rate or if cost increases exceed the provisions set out in this paragraph. Should these reductions in inputs risk jeopardising the attainment of programme objectives as agreed, the matter will be reviewed between the Organisation and the Minister.
5. Funds due to the Organisation under this arrangement will be transferred in instalments.  
The transfer of the first instalment for the Regional Coordination of NLG. 500.000,- and of an instalment of NLG. 422.941,- for the Tanzania programme, based on attached budgets, will be made to the bank-account-number of the Organisation as indicated at the bottom of the signed arrangement, after receipt by the Minister of a duly signed and dated original of this arrangement. Subsequent instalments will be transferred after receipt of a written payment request as well as the applicable financial and progress reports submitted by the Organisation. The instalments will take into account the reports and be based on actual programme progress achieved and real programme liquidity needs. The Minister reserves the right to fulfil his obligations where and as applicable in the legally acceptable currency of the Netherlands at the moment of payment.
6. The Minister reserves the right to establish the exact and definitive financial contribution to the programme upon receipt and approval of the final report and the financial accounts of the programme as referred to in Article 9. The contribution of the Minister will be provided only for programme activities which have actually taken place and will be based on actual costs incurred. Accounts will be settled and a last instalment if due will be transferred to the Organisation within two months after the establishment of the contribution. Funds which the Minister has placed at the Organisation's disposal and which rest after completion of the programme will be returned to the Minister at once and unconditionally.
7. Any interest accrued from temporary credit balances of programme funds and/or funds remaining due to fluctuations in the CUR/NLG exchange rate will be used to supplement funds available to the programme, in consultation with the Minister, or held at the Minister's disposal.
8. The Organisation shall administer and account for the funds in accordance with its

financial regulations and other applicable rules and procedures and practices and keep separate records and accounts for the programme.

9. The Organisation shall provide annual reports in writing drawn up in the English language.  
The periods covered will be from 1/7/97 to 31/12/97, 1/1/98 to 31/12/98 and 1/1/99 to 31/12/99 and shall be submitted within 6 weeks after completion of the period. It should contain an overview of programme's activities and a financial account, showing how the funds provided by the Minister for the programme have been allocated and used.  
The Organisation will submit reports and statements of account and requests for payment in the currency of the budget.  
The Organisation shall submit to the Minister, not later than 1-5-2000 a final report as well as a financial statement showing the funds received and expended for the programme.
10. In addition the Organisation shall, whenever its findings require, submit a report in writing to the Minister with recommendations, if necessary, concerning the implementation of the programme.  
Such a report will also be submitted if the Organisation sees fit to deviate in the implementation of the activities from the activities specified in the programme document or the implementation plans based thereupon, as referred to under paragraph 2.
11. The Organisation and the Minister shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the programme, the progress of the relevant implementing agencies in executing the Programme in conformity with the anticipated time-table and budget for the Programme.  
The Minister reserves the right, after prior consultation with the Organisation, to reduce or terminate prematurely the contribution to the programme. If funding is reduced or terminated, costs already incurred by the Organisation until that date will be reimbursed and, within reasonable limits, future financial commitments entered into by Organisation will be covered.
12. The Minister reserves the right to have a financial audit carried out on the programme by an independent auditor acceptable to both the Minister and the Organisation. Such audit shall be governed by the audit guidelines established by the Minister (annex 2).
13. The Organisation shall assist in evaluations of the programme, to be conducted or commissioned by the Minister. The Minister shall inform the Organisation of the results of such evaluations.
14. The offices responsible for coordination of all matters related to this Arrangement are:

For the Minister:

The Ambassador of  
the Royal Netherlands Embassy  
Lusaka  
Zambia

For the Organisation:

Dr. W. N. Masiga  
Dr. J. T. Musiime  
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15. This Arrangement as such does not create any rights or obligations under international law.
16. The Minister reserves the right to claim repayment of all or part of the funds transferred if contractual and/or reporting and accounting obligations are not met; or if it emerges, either from the reports referred to before or from some other source that the funds are not being used or have not been used for the implementation of the programme agreed; or if alternative funding proves to have been acquired (either wholly or in part), thus giving rise to double-financing (this includes other contributions).
17. If the Organisation, for any reason other than that referred to before and not through any fault of its own as referred to in previous article, has been able to perform only part of the programme, the Minister shall make a fair pro rata contribution for that part of the work which has been completed.
18. Any dispute which may arise between the parties as to the interpretation, application or performance of this Arrangement, including its validity or termination, or with regard to any further Arrangement which may result thereof and which cannot be settled amicably, may be submitted by either party to final and binding arbitration in accordance with the 'Permanent Court of Arbitration Optional Rules for Arbitration involving International Organisations and States, as in effect on the date this arrangement was agreed. The number of arbitrators shall be one.

In witness whereof, the undersigned have signed the present arrangement in the English language in two copies.

For the Netherlands Minister for  
Development Co-operation

Name: Mr. K.P.M. de Beer  
Date: 20/11/97

For the Organisation

Name: Dr. W. N. Masiga  
Date: 20/11/97

