



**AGREEMENT**

**BETWEEN**

**THE GOVERNMENT OF THE  
REPUBLIC OF SOUTH AFRICA  
AND**

**THE GOVERNMENT OF THE  
KINGDOM OF BELGIUM**

**ON CAPACITY BUILDING IN THE**

**DEPARTMENT OF HEALTH OF  
THE REPUBLIC OF SOUTH AFRICA PHASE II**

## PREAMBLE

The Government of the Republic of South Africa (hereinafter referred to as "Belgium") and the Government of the Kingdom of Belgium (hereinafter referred to as "South Africa") (hereinafter jointly referred to as the "Parties" and separately as a "Party");

**HAVING** regard to the General Agreement on Development Cooperation between the Government of the Kingdom of Belgium and the Government of the Republic of South Africa signed on 8 July 2002, of which the present Agreement is a subsidiary Agreement that will be executed within the provisions of the General Agreement and within the provisions of any other Agreement that may complete, replace or amend it;

**HAVING** regard to the Agreement Regulating Technical Assistance between the Government of the Kingdom of Belgium and the Government of the Republic of South Africa, signed on 18 October 2002;

**HAVING** regard to the Indicative Cooperation Programme between South Africa and Belgium approved by both Parties on 10 November 2006;

**HAVING** regard to the Note Verbale dated 23 March 2007 referring to the new management contract signed between the Government of the Kingdom of Belgium and its implementing agency, Belgian Technical Cooperation (BTC), which entered into force on 1 January 2007;

**CONSIDERING** the relations of friendship and solidarity between the two States;

**HEREBY AGREE** as follows:

## ARTICLE 1

### OBJECT OF AGREEMENT

1. This Agreement concerns the cooperation between the Parties with regard to the implementation of the project "Capacity building in the Department of Health of the Republic of South Africa - Phase II", hereinafter referred to as "the Project".
2. The objectives of the Project are as follows:
  - (a) The overall objective of the Project is to increase the efficiency, effectiveness and quality of care in the Republic of South Africa's health sector.
  - (b) The specific objective is to improve the management capacity of Government hospitals.

## ARTICLE 2

### DESIGNATION OF RESPONSIBLE ENTITIES BY THE PARTIES

#### For South Africa

1. South Africa shall designate the National Department of Health (hereinafter referred to as "NDoH") as the administrative entity responsible for the South African contribution and for executing the Project.
2. The NDoH shall designate the Chief Director: Human Resources Development and Management as the Project Manager responsible for the realisation of the specific objective. He or she may designate a deputy.
3. The Project Manager shall be responsible for the technical, administrative, budgetary and accounting management of the Project.

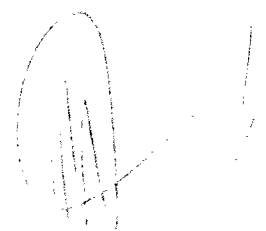
#### For Belgium

4. Belgium shall designate the Directorate General for Development Cooperation within the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, (hereinafter referred to as "DGDC"), as the Belgian administrative entity responsible for the Belgian contribution. The Attaché for Development Cooperation within the Embassy of Belgium in Pretoria represents the DGDC in South Africa.
5. Belgium shall designate the Belgian Technical Cooperation, (hereinafter referred to as "BTC"), a public-law company with social purposes, as the entity responsible for the implementation and follow-up of the Project.
6. The Resident Representative of BTC in Pretoria shall represent the BTC in South Africa. The responsibilities of BTC, as responsible entity, are specified in the agreement signed between BTC and Belgium.

## ARTICLE 3

### CONTRIBUTION OF THE PARTIES

1. Belgium undertakes to contribute the total amount of two (2) million EUR (2.000.000 EURO) for the financing of the Project.
2. The modalities for use of this budget are detailed in the attached Technical and Financial File.
3. South Africa undertakes to contribute by providing the necessary logistic and human resources and possible tax contributions as referred to in Article 7.



## ARTICLE 4

### TECHNICAL AND FINANCIAL FILE (TFF)

1. The Project shall be implemented in accordance with the Technical and Financial File (hereinafter referred to as the "TFF"), attached to this Specific Agreement.
2. With the exception of the Specific Objective, defined in Article 1, the Duration, defined in Article 12.2, and the Budget, defined in Article 3, for which a modification is necessary through an Exchange of Notes, in accordance with Article 11 of the present Agreement, the responsible entities for the implementation of the Project, i.e. the NDoH and the BTC, may amend the TFF according to a change in context or progress of the Project.
3. BTC shall inform Belgium about the modifications in the TFF relating to the following:
  - (a) Ways and means by which the contributions of Belgium and South Africa will be made available;
  - (b) Results of the intervention and their respective budgets;
  - (c) Responsibilities, attributions, composition and operating mode of the Joint Local Consultation Body;
  - (d) The mechanisms for the approval of the adaptations of the TFF;
  - (e) Result and specific objective related indicators of the Project;
  - (f) Financial mechanisms and procedures for the management of the contributions by the Parties.
4. An indicative adapted financial planning will be joined, whenever such a situation occurs.

## ARTICLE 5

### OBLIGATIONS OF THE PARTIES

Each of the Parties shall undertake all the necessary institutional, administrative and budgetary measures to fulfil their obligations as defined in the present Agreement.

## ARTICLE 6

### JOINT LOCAL CONSULTATION BODY OF THE PROJECT

1. The Parties agree to establish the Joint Local Consultation Body (hereinafter referred to as the "JLCB").
2. The Parties agree to entrust the JLCB with the monitoring and evaluation of the Project.
3. The composition, responsibilities, operational provisions of the JLCB are defined in the TFF.
4. The JLCB shall determine its own rules of procedure in accordance with this Agreement.

Minutes of the meetings of the JLCB shall be compulsory and signed by the representative of the NDoH and the BTC Resident Representative. A copy of the minutes shall be transmitted to the Attaché for Development Cooperation.

5. The JLCB shall meet not later than three (3) months after the signature of this Agreement and subsequently every six (6) months.

6. The JLCB shall meet not later than three (3) months before the termination of this Agreement, to examine and approve the final report of the Project, prepared by the implementers and according to the BTC format.

## **ARTICLE 7**

### **TAXES, TAXATION AND IMPORT**

1. The contribution by Belgium shall, to the extent provided for by the domestic law of South Africa, not be used for paying taxes, customs duties, import duties and other fiscal or administrative charges (i.e. Value Added Tax) on the supplies, works and services which are part of the Project.

2. If, in accordance with the domestic law of South Africa, taxes or duties are due, they shall be payable by the South African Party.

## **ARTICLE 8**

### **REPORTING, CONTROL AND EVALUATION**

The TFF shall indicate the administrative, operational, accounting and financial procedures for reporting. Each of the Parties may, at any given moment, provided that the other Party has been informed in advance, proceed, jointly or solely, to monitor, control, audit and/or evaluate the Project. Both Parties shall inform each other about the results and conclusions of these exercises.

## **ARTICLE 9**

### **THE POST-PROJECT PERIOD**

South Africa shall undertake all the necessary institutional, administrative and budgetary measures to sustain the results of the Project.

## **ARTICLE 10**

### **SETTLEMENT OF DISPUTES**

Any dispute between the Parties arising out of interpretation or implementation of this Agreement shall be settled amicably through consultation or negotiations between the Parties.

ARTICLE 11

AMENDMENT TO AGREEMENT

This Agreement may be amended by mutual consent of the Parties through an Exchange of Notes between the Parties through the diplomatic channel.

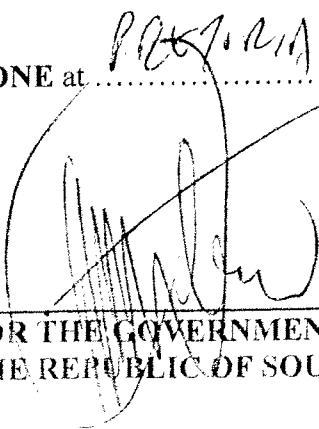
ARTICLE 12

ENTRY INTO FORCE, DURATION AND TERMINATION

1. This Agreement shall enter into force on the date of its signature by both Parties.
2. This Agreement shall remain in force for a period of four (4) years. The duration of the implementation of the Project shall be three (3) years.
3. Contracts signed with third parties before the end of the Project shall be respected by both Parties.
4. After the financial closing of the Project, the unused funds shall be reprogrammed as project aid in the Indicative Cooperation programme in progress at a Partners Committee and confirmed by an Exchange of Notes.
5. This Agreement may be terminated by either Party giving three (3) months' written notice in advance through the diplomatic channel to the other Party of its intention to terminate this Agreement.
6. In the event of termination of this Agreement, the available balance of the funds shall be reallocated by mutual agreement, not later than the expiry of the notice contemplated in sub-Article (5) However, Contracts signed with third parties before the cancellation of the Agreement shall be respected. Both Parties shall agree on the reallocation of the available balance, through an Exchange of Notes.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments have signed and sealed this Agreement in duplicate in the English language, both texts being equally authentic.

DONE at Pretoria on this 14<sup>th</sup> day of January 2011.

  
FOR THE GOVERNMENT OF  
THE REPUBLIC OF SOUTH AFRICA

  
FOR THE GOVERNMENT OF  
THE KINGDOM OF BELGIUM