

Agreement between the Norwegian Ministry of Foreign Affairs and the Government of the Republic of the Republic of Malawi regarding development cooperation concerning College of Medicine, University of Malawi: Specialist Education in Obstetrics and Gynecology in Malawi.

WHEREAS the Government of the Kingdom of Norway (Norway) and the Government of the Republic of Malawi (Malawi) have entered into a Memorandum of Understanding dated 9th June, 2008 regarding Development Cooperation.

WHEREAS Norway has supported Malawi College of Medicine (CoM) through agreements dated 19th of July 2001 (MWI-03/259 CoM Learning Environment), 28th of November 2003 (MWI-01/354 MCoM Continuation), 15th of May 2007 (MWI-05/034 MCoM Phase III), 5th of November 2010 (MWI-09/004 Malawi College of Medicine Phase IV), 23rd November 2011 (MWI-11/0017 Addendum Phase II cost overruns) 14th of November 2012 (MWI 12/0010),

WHEREAS the Malawi College of Medicine in letter dated 25.11.2013 has requested Norway for support to "Specialist Education in Obstetrics and Gynecology in Malawi".

WHEREAS the Norwegian Ministry of Foreign Affairs (MFA) has decided to comply with the request,

NOW THEREFORE MFA and Malawi (the Parties) have reached the following understanding which shall constitute an Agreement between the Parties:

Article I Scope and objectives

1. This Agreement sets forth the terms and procedures for MFA's support to the "Specialist Education in Obstetrics and Gynecology in Malawi" (the Project) as outlined in the Agreed Programme Summary in Annex I and further described in the Project Document "Application for grants from the Norwegian Ministry of Foreign Affairs Specialist Education in Obstetrics and Gynecology in Malawi", dated 25.11.2013, and revised budget dated 25.11.2013.
2. The Goal of the Project is to contribute to reduce maternal morbidity and mortality among Malawian women by training obstetricians and gynecologists.

The objectives of the program are to:

- train highly competent Malawian obstetricians/gynecologists able to provide high quality clinical care that meets international standards.
 - train future specialist who will serve as faculty for the CoM as well as other training institutions in the country
 - strengthen research activities and service provisions in obstetrics and gynecology as well as reproductive health in the country.
 - improve and strengthen the teaching environment and infrastructure by procuring state-of-the-art equipment that is currently not available in the department.
3. The Parties may agree on extending existing or including new Programme elements within the Programme, as well as on re-allocating funds within the Programme. Any such agreement shall be in writing, e.g. recorded in the Agreed Minutes from the consultations mentioned in Article VI.

Article II Cooperation – Representation

1. The Parties shall communicate and cooperate fully with the aim to ensure that the Goal and objectives are successfully achieved. The Parties further agree to cooperate on preventing corruption within and through the Programme, and undertake to take rapid legal action to stop, investigate and prosecute in accordance with applicable law any person suspected of misuse of resources or corruption. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to the Programme.
2. In matters pertaining to the implementation of the Programme the Norwegian Embassy in Lilongwe (the Embassy) and the Malawian Ministry of Finance (the Ministry) shall be competent to represent MFA and Malawi respectively. All communication the Agreement shall be directed to the Embassy.

Article III Contribution of MFA

3. MFA shall, subject to Parliamentary appropriations, make available to Malawi a financial grant not exceeding NOK 6 500 000 (Norwegian kroner six million five hundred) (the Grant) to be used exclusively to finance the Programme in the planned period November 2013 to September 2017.
4. Any accrued interests on the Grant may be used for the benefit of the Programme if agreed on by the Parties in writing.
5. Any unspent disbursed funds and accrued interests shall be returned to MFA upon completion of the Programme.

Article IV Contributions and obligations of Malawi

Malawi shall through College of Medicine as implementing agency be responsible for implementing the Programme, and shall hereunder:

1. Have the overall responsibility for the planning, implementation, reporting and monitoring of the Programme
2. provide the financial and other resources required in addition to the Grant
3. ensure that the Grant is used according to approved work plans and budgets,
4. ensure that Programme funds, which shall include any accrued interests, are properly accounted for, and that the Grant is reflected in the plans, budgets and accounting of Malawi,
5. promptly inform Norway of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme,
6. undertake the obligations set out in Article VI, Annex II and III of the Main Agreement
7. ensure that all permits, import licenses and foreign exchange permissions that may be required are granted,
8. ensure that representatives of Norway are permitted to visit any part of Malawi for purposes related to the Agreement and examine any relevant records, goods and documents.

Article V Disbursements

1. The Grant will be disbursed upon semi-annual written requests from College of Medicine based on the financial needs of the Programme and, except the first request, on approved work plans and budgets. The contribution shall be deposited to:

Account name: College of Medicine Obstetrics and Gynaecology
Account number: 1000903996
Swift Code: NBMAMWMW003
Bank Name: National bank of Malawi
Address: Chichiri Service Centre
P.O. Box 30365
Chichiri
Blantyre 3
Malawi

The first disbursement, amounting to NOK 3 450 000, will be made upon signing of this Agreement.

College of Medicine shall as a rule submit semi-annual requests for reimbursement. However, more frequent reimbursements may be agreed upon by the Parties. Planned payment schedule:

2013: NOK 3 450 000
2014: NOK 840 000
2015: NOK 840 000
2016: NOK 800 000
2017: NOK 570 000

2. When determining the amount to request, College of Medicine shall take into account unspent disbursed amounts and income from all sources as well as any accrued interests which the Parties have agreed on using for the benefit of the Programme according to Article III, Clause 2.

Along with the requests, except the first request, College of Medicine shall state the cash balance of the Project and shall submit statements of cash and bank balances from the Project's accounting records.

3. Funds will be transferred upon MFA's approval of the requests to a separate Project bank account with the Ministry of Finance, and shall be made available to the Project immediately.
4. College of Medicine shall immediately, in writing, acknowledge receipt of the funds. The date of receipt shall be stated as well as the exchange rate applied.
5. All disbursements to suppliers of goods or services shall be made by College of Medicine

Article VI Annual Meeting

1. Representatives of the Parties shall have an Annual Meeting within May each year in order to:
 - discuss the progress of the Programme, including results and fulfillment of agreed obligations,
 - discuss and, if feasible, approve annual work plans and budgets
 - discuss issues of special concern for the implementation of the Programme, such as the major risk factors set out in the Agreed Programme Summary in Annex 1, and how to manage such risks/issues.

Each of the Parties may include others to participate as observers or as advisors to their delegations.

2. The documentation specified in Articles VII and IX shall form the basis for the consultations.
3. The Annual Meeting shall be called by College of Medicine and chaired by College of Medicine.
4. Main issues discussed and points of view expressed as well as any decisions shall be recorded in Agreed Minutes. The Agreed Minutes shall be drafted by College of Medicine and be submitted to MFA for comments no later than two weeks after the Annual Meeting.

Article VII Reports

1. College of Medicine shall submit to MFA the reports and documentation specified below. MFA shall respond within three weeks upon reception of the reports and documentation.
2. A progress report shall be submitted quarterly within each quarter, alternatively three weeks before a specific meeting, e.g. the Annual Meeting.

The progress reports shall be prepared in accordance with the format in Annex 2 to this Agreement, and shall include the following information:

- a description of actual outputs compared to planned outputs (as defined in the work plans),
 - a brief summary of the use of funds compared to budget,
 - an assessment of the efficiency of the Programme (how efficiently resources/ inputs are converted into outputs),
 - an explanation of major deviations from plans,
 - an assessment of problems and risks (internal or external to the Programme) that may affect the success of the Programme,
 - an assessment of the need for adjustments to activity plans and/or inputs and outputs, including actions for risk mitigation.
 - a brief assessment of achievements in relation to objectives
3. A work plan shall be submitted annually within 3 weeks before a specific meeting, e.g. the Annual Meeting. The work plan shall specify planned outputs and time schedules for the next calendar year.
 4. The following annual financial statements and budget shall be submitted within 3 weeks before specific consultations, e.g. the Annual Meeting:
 - a. Financial statements for the Programme consisting of:
 - i) A statement showing cash receipts/income and expenditures for the previous period structured as and compared to approved budgets for such previous period. The statement shall capture all sources of funding, with sufficient segregation of data to permit identification of individual sources of funds and disbursements on major Programme activities or types of expenditure,
 - ii) a statement of cash and bank balances,
 - iii) relevant notes to the above mentioned statements including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the Programme.
 - b. Budget for the Programme for the coming calendar year, showing estimated income from all sources and planned expenditures.

The financial statements and budget(s) shall give complete and detailed information on the financing of the Programme.

5. A final report shall be submitted within 4 months after the completion of the Programme. If the Programme is not completed by April 2018, a status report shall be submitted to MFA by the said date. The final report shall include:

- The topics listed in Clause 2 above for the whole Agreement period,
- an assessment of the effectiveness of the Programme, i.e. the extent to which the Purpose has been achieved,
- an assessment of impact (if possible), i.e. the changes and effects positive or negative, planned and unforeseen of the Programme seen in relation to target groups and others who are affected,
- an assessment of sustainability of the Programme, i.e. an assessment of the extent to which the positive effects of the Programme will still continue after the external assistance has been concluded,
- a summary of main "lessons learned".

Article VIII Procurement

1. College of medicine undertakes to effect all procurements of goods and services necessary for the implementation of the Programme.
2. The procurements shall be performed in accordance with generally accepted procurement principles, good procurement practices and the procurement regulations of Malawi. Norwegian suppliers shall be given the same opportunities as other suppliers to compete for deliveries.

College of Medicine shall observe the highest ethic standards during the procurement and execution of contracts, and shall ensure in its national legislation adequate and effective means to punish and prevent illegal or corrupt practices.

No offer, gift, payment or benefit of any kind, which would or could, either directly or indirectly, be construed as an illegal or corrupt practice, e.g. as an inducement or reward for the award or execution of procurement contracts, shall be accepted. Invitations to make offers as well as the procurement contracts shall, respectively, include a clause stating that the offer will be rejected and/or the contract cancelled in case any illegal or corrupt practices have taken place in connection with the award or the execution of the contract.

3. Contracts entered into exceeding threshold amount NOK 100 000 shall be submitted to MFA for information.

Along with the documentation mentioned above College of Medicine shall confirm in writing that the procurement regulations agreed on in Clause 2 above, have been adhered to.

4. College of Medicine shall upon request furnish MFA with all relevant information on its procurement practices and actions taken, and provide access to all related records and documents. MFA may require access to information even during the stage in the procurement procedure when it is restricted to the officers performing the procurement. Restrictions on such information shall be respected until the information can be made public without any risk of detriment to the result of the procurement.

Article IX Audit

1. The annual financial statements of the Programme shall be audited by an independent professional accountant/accountancy firm in public practice (external auditor/ audit firm) acceptable to MFA in accordance with principles for governmental sector auditing. The audit shall be aimed at being done together with other partner's support to the project.

The cost of audit shall be covered by the Programme.

2. The audit shall be carried out in accordance with international auditing standards. The auditor shall state in the report which auditing standards that have been applied.
3. The audit report shall state the auditor's opinion/findings as to:
 - Whether the financial statements present fairly, in all material respects, the Programme's cash receipts/income and expenditures as well as the cash/bank/financial position in accordance with an acceptable financial reporting framework,
 - whether the audit has uncovered any material weaknesses in relevant internal control(s),
 - whether the audit has uncovered any illegal or corrupt practices,
 - whether funds have been used exclusively to cover Programme expenditures,
 - whether cash receipts/income and expenditures are properly accounted for,
 - whether the Grant is reflected in the budgets and accounting of College of Medicine and the Ministry of Health.
 - Whether appropriate internal controls to counteract illegal or corrupt practices have been established and are complied with.
4. Malawi shall submit to MFA the audit report and any other report from the auditor significant to the implementation of the Programme within November each year. Malawi shall comment upon the auditor's findings. MFA shall respond within two weeks upon reception of the report.

Article X Reviews – Evaluation

1. An end review focusing on progress to date and the effectiveness of the Programme, i.e. the extent to which the Purpose is being/has been achieved, shall be carried out by April 2018. An assessment of the Programme's impact may also be included in the review(s).

In addition the Parties may agree carrying out an evaluation of the Programme.

2. The cost of the review(s)/evaluation(s) shall be covered by the Programme.
3. Norway reserves the right to carry out independent reviews or evaluations of the Programme as and when MFA deems it necessary. The cost for such reviews will be covered by funds over and above the Grant.

Article XI Reservations

1. MFA reserves the right to withhold disbursements at any time in case e.g.:
 - The Programme develops unfavorably in relation to the Goal and Purpose,
 - substantial deviations from agreed plans or budgets occur,
 - resources to be allocated by College of Medicine and by CDC are not provided as agreed,
 - the documentation specified in Articles VII and IX has not been submitted as agreed,
 - the financial management of the Programme has not been satisfactory,
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2. MFA reserves the right to reclaim all or parts of the Grant and cancel the Agreement if Programme funds are found not to have been used in accordance with the Agreement or are found not to be satisfactorily accounted for.
3. MFA has the right to cancel the Agreement or portion of the Agreement, and has the right to demand the cancellation of any contract financed under the Agreement, with immediate effect if it determines that corrupt or fraudulent practices were engaged in by representatives of College of Medicine or by a beneficiary of Programme funds during procurement or execution