

Agreement on core support to Armauer Hansen Research Institute, 2016-2021.

This contribution agreement, hereinafter referred to as the *Agreement*, is entered into between

The Swedish International Development Cooperation Agency (Sida), represented by the Swedish Embassy in Addis Ababa,

and

Armauer Hansen Research Institute (AHRI)

Contact information to the parties:

Sida

Address: Embassy of Sweden, Addis Ababa
Dept./Unit: Bilateral Development Cooperation Section
Contact Person: Aklog Laike
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AHRI

Organization: Armauer Hansen Research Institute
Address: P.O.Box 1005, Addis Ababa, Ethiopia
Contact Person: Dr. Taye Tolera, Director General
E-mail: "Taye Tolera" <tayetolera@yahoo.com>

The following appendices are included in the *Agreement*:

- Annex I** **Application**
- Annex II** **Results Framework**
- Annex III** **Budget**
- Annex IV** **Procurement Rules and Regulations**
- Annex V** **Other documents relevant to the Agreement**



Article 1 – Scope and objectives of the agreement

AHRI has applied for a contribution in the form of core support in accordance with the Application, **Annex I**, Results Framework, **Annex II** and Budget, **Annex III**, hereinafter referred to as the *Core Activities*. Sida has decided to support the *Core Activities* under the conditions specified in this *Agreement*. All modifications to the *Agreement*, including the annexed documents, shall in advance be approved by Sida and documented in a written amendment.

The objectives and expected results of the *Core Activities* are to contribute to Ethiopia's ability to provide best health services to its citizens at any given time. Outcomes are expected in five core intervention areas: a) high quality and quickly adaptive research; b) national competence capacity building; c) information dissemination, promoting research relevance and use; d) innovation for more health for the money; and e) AHRI institution strengthening.

Article 2 – Funds allocated by Sida

Sida shall, subject to parliamentary appropriation of funds, allocate a contribution, hereinafter referred to as the *Funds*, of a maximum total amount of Forty nine million nine hundred ninety six thousand nine hundred six Swedish krona, (SEK 49,996,906), to AHRI as core support to the *Core Activities*.

Article 3 – Implementation Period

The *Core Activities* may be financed with *Funds* allocated by Sida during AHRI's fiscal years (July 1, 2016 – June 30, 2021) hereinafter referred to as the *Implementation Period*.

Article 4 – Undertakings by Sida

Sida shall monitor the compliance of this *Agreement* with particular focus on the results achieved in AHRI's *Core Activities*. The progress of the *Core Activities* will be measured against the current Results Framework, **Annex III**.

As a financier, Sida shall not bear any responsibility towards any third party with regard to the implementation of the *Core Activities*.

Article 5 – Undertakings by AHRI

AHRI confirms that the *Funds* shall be used exclusively to cover costs for the *Core Activities*. The *Funds* shall be recorded in and constitute a revenue in AHRI's budget. AHRI shall be fully responsible for the implementation of the *Core Activities* as described in the Application, Results Framework and Budget, **Annex I-III**, and the *Work Plan*. AHRI is responsible for managing *Funds* allocated by Sida, for having adequate financial systems and administrative capacity to properly handle the *Funds*. AHRI is also responsible for monitoring of the *Core Activities*.

The following special conditions shall apply for the *Funds*:

- Major reallocation of the budgets (+ or – 10% on each budget item) shall be agreed upon, in advance, in writing between the parties and with explicit reference to this clause in the agreement.

- Administrative costs shall not exceed 10% of the Sida-disbursed funds within the programme.
- AHRI will request Sida's no objection for tenders above 2,000,000 SEK
- AHRI will carry out an Environmental Impact Assessment of the project and report to Sida, the latest, by 30 June 2017.
- AHRI will carry out an efficiency audit during 2017 and report to Sida, the latest by 30 June 2017

Article 6 – Conditions for disbursements

A prerequisite for disbursement is AHRI's compliance with the terms of the *Agreement*. Sida's disbursements may only be conducted during the validity of the *Agreement* (Article 21) and for activities undertaken within the *Implementation Period* (Article 3). Disbursements of *Funds* shall be conducted in close correlation to AHRI's expenditure of the *Funds*. *After the first disbursement, a prerequisite for additional disbursement of Funds is AHRI's account of the use of previously disbursed Funds in a financial statement, as well as the submittal to and Sida's approval of reports and documents in accordance with this Agreement (Article 11).*

Disbursements of a maximum amount of forty nine million nine hundred ninety six thousands nine hundred six Swedish kronor, (SEK 49,996,906) to AHRI will be made in installments in SEK as follows:

- Maximum SEK 7,000,000 Upon signing of this agreement
- Maximum TSEK 12,260 September 2017.
- Maximum TSEK 12,644 September 2018.
- Maximum TSEK 9,204 September 2019.
- Maximum TSEK 6187 September 2020.
- Maximum TSEK 2,702 September 2021

A prerequisite for disbursement is AHRI's submittal of an request for disbursement, hereinafter referred to as the *Request*, in original to Sida. Authorized to represent AHRI and sign the *Request* is Dr. Taye Tolera, Director General. AHRI shall immediately inform Sida in writing of any changes.

The *Request* shall contain the following information:

- The word "*Request*" in the title
- Contribution no,
- Contribution name,
- AHRI's name in full,
- ORGs VAT no N/A
- AHRI's postal address in full,
- The request shall also contain information of the beneficiary bank, bank account number, IBAN or BIC-code and SWIFT-address.
- Accounting of the use of previously disbursed *Funds*,
- Requested amount in SEK,
- In which currency the requested amount shall be disbursed,
- Contact person, department, unit at Embassy.




AHRI shall work actively to prevent corruption, illegal or improper handling or other form of misuse of *Funds*. When planning and implementing the *Core Activities*, AHRI shall take the risk of corruption into account and identify key risks and risk mitigation measures. If a significant risk of corruption is identified, risk mitigating measures shall be adopted to reduce the identified risk. AHRI shall require its own staff, organizations to which *Funds* have been forwarded and their staff, consultants, suppliers or others participating in *Core Activities* funded by Sida, to refrain from receiving, to be promised a bribe or any other improper enrichment or benefit.

AHRI undertakes to investigate the presence of corruption, identify and take action, including legal actions, against persons who there is reason to suspect of corruption or other improper enrichment. AHRI shall immediately inform Sida about suspected corrupt behavior. AHRI shall continuously thereafter consult with Sida on the further handling of the matter. AHRI shall immediately initiate action to stop the corrupt behavior, investigate and if appropriate take action to prosecute and / or apply other sanctions in accordance with applicable law against any person suspected of misuse of resources, fraud or corruption in connection with the *Core Activities*. When the matter has been concluded, AHRI shall submit a final report regarding the suspected corruption to Sida.

Article 17 – Visibility and information

When referring to activities, fully or partly financed in accordance with this Agreement, AHRI shall always recognize and make public that the activities are financed through Swedish development aid.

The Sweden logotype shall be used in the production of information materials and in connection with information activities. The production of such materials is fully the responsibility of the project/programme and the liability of the contents lies with the publisher. “Sida” or “Sweden” cannot be used in any way that can be perceived as if Sida or Sweden has participated in the production or support any opinions presented. Sida and other departments of the Swedish administration abroad reserve the right to copy and distribute such materials if required.

Article 18 – Remedies

Sida has the right to withhold all or part of the *Funds* under this *Agreement* if the *Core Activities* regarding content and / or implementation differs significantly from what has been stated in the Application, Results Framework, Budget, Annex I-III, or otherwise differs from the terms of this *Agreement*. This right also exists when the *Core Activities* are compromised or circumstances come to light which causes the *Core Activities* to develop in an unfavorable way in any other significant respect.

Sida is entitled to reclaim *Funds* used in breach of the *Agreement*, including accumulated interest, if the *Core Activities* of content and implementation differ substantially from what has been stated in the Application, Results Framework, Budget, Annex I-III, or otherwise differs from the terms of this *Agreement*.



Article 19 – Dispute

Any, dispute, controversy or claim, arising out of / or in connection with the *Agreement*, that cannot be settled amicably shall be definitively resolved by arbitration in accordance with the rules of the arbitration institute of the Stockholm of Chamber of Commerce. A single arbitrator shall be appointed. The place of arbitration shall be Stockholm and the language used in the proceedings shall be English.

The Agreement shall be governed by the substantive law of Sweden without regard to its conflict of law rules.

Article 20 – Termination of agreement

Either party may by three months' written notice terminate the *Agreement*. AHRI may during the notice period use disbursed *Funds* for planned and ongoing *Core Activities* funded by Sida which cannot be cancelled. AHRI shall as to the extent possible terminate the *Core Activities* funded by Sida.

In the event of a serious breach of the *Agreement*, Sida is entitled to terminate the *Agreement* immediately.

Article 21 – Validity of the agreement

The *Agreement* is valid from the date when the last of the parties signed the *Agreement* and until six months after the *Implementation Period* or 31 December 2021. All rights and obligations of the parties pursuant to this Agreement shall continue unimpaired until the return of the remaining Funds to Sida and fulfillment of reporting requirements of this Agreement, at which time this Agreement expires.

Two originals of this Agreement have been signed, of which the parties have taken one each.

Addis Ababa 2016-07-18

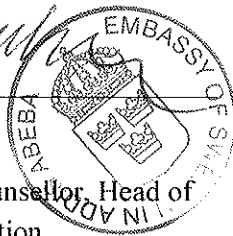
Place and date
On behalf of Sida

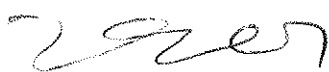
18 July 2016, Addis Ababa

Place and date
On behalf of the Armauer Hansen
Research Institute


Signature

Anneka Knutsson, Minister Counsellor, Head of
Bilateral Development Cooperation
(First name / last name / title)




Signature

Dr Taye Tolera, Director General
(First name / last name / title)

