CHAMPALIMAUD FOUNDATION

MEMORANDUM

FOR THE

AFRICAN PROGRAMME FOR ONCHOCERCIASIS CONTROL

PHASE II (January 1, 2002 - December 31, 2012)
PHASING OUT PERIOD (January 1, 2013 - December 31, 2015)

as amended and restated on December 5, 2007
A. GENERAL

This memorandum (hereinafter referred to as “this Memorandum”) establishes the framework for the operation of Phase II (as hereinafter defined) and the Phasing Out Period (as hereinafter defined) of the African Programme for Onchocerciasis Control (APOC) (hereinafter referred to as “the Programme”), and is in two parts.

Part I of this Memorandum sets forth the financial arrangements for the Programme. Each Contributing Party (as hereinafter defined) shall append its signature to Part I of this Memorandum as confirmation of such Contributing Party’s agreement to the terms and conditions set forth therein.

Part II of this Memorandum sets forth the institutional and operational aspects of the Programme. Each Participating Country (as hereinafter defined) shall append its signature to Part II of this Memorandum as confirmation of such Participating Country’s agreement to the terms and conditions set forth therein.

B. DEFINITIONS

Unless the context otherwise requires, wherever used in this Memorandum, the several terms defined herein have the following meanings:

(a) “APOC I Fund” means the Fund established for the purpose of financing Phase I of the Programme;

(b) “APOC II Fund” means the Fund established under Part I of this Memorandum for the purpose of financing Phase II and the Phasing Out Period of the Programme;

(c) “Contributing Party” means a government, intergovernmental organization, foundation, or private organization, which agrees to make a contribution to the APOC II Fund pursuant to Part I of this Memorandum and accepts to be bound by the terms of such Part, and Contributing Parties shall mean such parties, collectively;

(d) “CSA” means the Committee of Sponsoring Agencies described in Part II of this Memorandum;

(e) “JAF” means the Joint Action Forum described in Part II of this Memorandum;

(f) “Participating Country” means a country that has agreed to participate in the Programme pursuant to Part II of this Memorandum and accepts to be bound by the terms of such Part, and Participating Countries shall mean such parties, collectively;

(g) “Phase I” means the implementation period of the first phase of the Programme as originally conceived from January 1, 1996 – December 31, 2001, and extended thereafter to December 31, 2005;
"Phase II" means the implementation period of the second phase of the Programme from January 1, 2002 - December 31, 2012; and

"Phasing Out Period" means the period from January 1, 2013 - December 31, 2015, for winding up the Programme.

PART I

WHEREAS (A) the Contributing Parties have agreed to assist in the financing of the cost of Phase II and the Phasing Out Period of the Programme, currently estimated to cost one hundred thirty-four million, five hundred thousand United States Dollars (US$134,500,000);

(B) The International Bank for Reconstruction and Development (hereinafter referred to as "the Bank") has agreed to serve as fiscal agent of the Programme, and in that capacity to carry out the functions described in Part I of this Memorandum; and

(C) The World Health Organization (hereinafter referred to as "WHO") has agreed to serve as the executing agency for the Programme, and in that capacity to carry out the functions described in Part II of this Memorandum.

The Bank, WHO, and each Contributing Party hereby agree as follows:

ARTICLE I

APOC II Fund

Section 1.01. The APOC I Fund (TFM27451) shall, except as otherwise provided, be closed at the conclusion of Phase I of the Programme. Each Contributing Party for Phase II and the Phasing Out Period of the Programme that was a Contributing Party for purposes of Phase I of the Programme hereby agrees that any monies contributed to the APOC I Fund that are undischarged as of such date shall be credited to the APOC II Fund (TFM50169), together with any other assets or receipts of the APOC I Fund.

Section 1.02. The APOC II Fund shall be held in trust and administered by the Bank for the purposes, and in accordance with the provisions of Part I of this Memorandum.

Section 1.03. The APOC II Fund assets and accounts shall be kept separate and apart from all other assets and accounts of the Bank, and shall be separately designated in such manner as the Bank shall determine. Investment income shall be added to the amount of the APOC II Fund to be utilized for the same purpose.

Section 1.04. The Bank shall be responsible only for performing those functions specifically set forth in this Memorandum and shall not be subject to any other duties or responsibilities to any Contributing Party, including, without limitation, any duties or obligations that might otherwise apply to a fiduciary or trustee under general principles of trust or fiduciary law. Nothing in this Memorandum shall be considered a waiver of any privileges or immunities of the Bank under its Articles of Agreement or any applicable law, all of which are expressly reserved.
ARTICLE II

Contributions to, and Disbursements from, the APOC II Fund
Undertakings of the Bank as Fiscal Agent

Section 2.01. The Contributing Parties hereby undertake, subject to the conditions set forth in Part I of this Memorandum, to assist in financing the cost of the Programme.

Section 2.02. (a) At the time of the annual or biennial meeting of the JAF, as the case may be, or promptly thereafter, an understanding shall be reached between the Bank and each Contributing Party on the amount, if any, expected to be contributed by it during the following year, or biennially, as the case may be, and on the time or times at which payment should be made, such understanding to be subject, as necessary, to the approval of the appropriate legislative authorities.

(b) The Bank may include in its estimates of the amounts required to be paid in annually or biennially, as the case may be, for implementation of the Programme such sums as it shall consider necessary to establish and maintain a reasonable reserve to meet: (i) variances between actual and estimated expenditures; (ii) costs associated with closing down the Programme; and (iii) the cost of the annual audits of the Programme to be paid for out of the APOC II Fund in accordance with the provisions of Section 2.04 of this Memorandum. WHO shall provide all such information as the Bank shall reasonably request for such purpose, subject to the Financial Regulations and Rules of WHO.

Section 2.03. The Contributing Parties agree to accept the Bank's decisions as to the estimated requirements of the APOC II Fund and the reserve referred to in section 2.02 (b) above, for purposes of Part I of this Memorandum.

Section 2.04. The Bank shall maintain separate records and ledger accounts in respect of the funds deposited by the Contributing Parties with the Bank under this Memorandum, and the disbursements thereof. Within ninety (90) days of each March 31, June 30, September 30, and December 31, the Bank shall prepare, on a cash basis, an unaudited statement of receipts, disbursements, and fund balance with respect to the APOC II Fund, and forward a copy to the Contributing Parties. Each such statement shall be expressed in the currency in which the funds are maintained by the Bank. The Bank, shall, with respect to each calendar year in which the Programme is implemented, prepare a statement of contributions to, receipts of, and disbursements from the APOC II Fund, and cause such statement to be audited by the Bank's external auditors. The Bank shall thereafter send to each Contributing Party a copy of the report from such auditors. The cost of such statement and report shall be charged by the Bank to the APOC II Fund as an operating expense. The Bank shall waive its administrative fee for its role as fiscal agent of the APOC II Fund.

Section 2.05. The Bank shall pay to, or on the order of WHO, out of the monies of the APOC II Fund, amounts for payments to be made by WHO for the implementation of the Programme, in accordance with the provisions of Part I of this Memorandum. The Bank shall
have no responsibility to investigate the facts or matters stated in such order and may act solely
on the basis of the said order. The Bank shall not have any further responsibility to any
Contributing Party for the use of any funds disbursed from the APOC II Fund to WHO or any
other recipient in accordance with such orders.

Section 2.06. WHO shall deliver to the Bank a written application for each withdrawal of
funds from the APOC II Fund, in accordance with terms and conditions that shall be agreed upon
in writing between the Bank and WHO, based on the financial management and disbursement
policies applicable from time to time for Bank-administered trust funds. Without limitation to
the foregoing, any such application shall be submitted semi-annually on account of estimated
payments to be made during the following six-month period.

ARTICLE III

Undertakings of WHO

Section 3.01. Amounts disbursed from the APOC II Fund to WHO and any interest
earned by such amounts shall be used by WHO exclusively to finance the cost of goods and
services required to carry out the Programme. WHO shall waive its administrative fee for its role
as executing agency.

Section 3.02. WHO shall not, in respect of any year of the implementation of the
Programme, incur obligations against the APOC II Fund in excess of the amount of funds
committed to such Fund.

Section 3.03. (a) WHO shall submit to the CSA: (i) an annual report containing
appropriate information concerning the progress made in carrying out the Programme; and (ii) an
estimated budget for the following calendar year.

(b) Following the CSA review of the documents referred to in Section 3.03 (a),
WHO shall distribute the said documents to the members of the JAF for discussion in the JAF
annual meeting not later than 30 days before the date of such meeting.

ARTICLE IV

Consultation, Suspension and Termination

Section 4.01. In the event that WHO and/or the Bank shall have determined that
circumstances have arisen which lead either party to conclude that it shall no longer carry out its
obligations hereunder:

(a) WHO and/or the Bank shall promptly notify each other and the Contributing
Parties, and the Bank may by notice to said Contributing Parties and WHO suspend
disbursements from APOC II Fund in whole or in part, provided, however, that such suspension,
shall not apply to amounts relating to obligations theretofore incurred by WHO for the
Programme; and
(b) WHO and the Bank shall forthwith consult with the Contributing Parties concerning measures to be taken to correct the situation. If, after such consultation, WHO and/or the Bank shall decide that the situation is not likely to be corrected, WHO and/or the Bank shall so notify the Contributing Parties. Upon such notification, the obligations of WHO and the Bank under Part I shall cease, except to the extent that there remains in APOC II Fund amounts contributed to such Fund and such amounts are needed by WHO to make payments on account of obligations theretofore incurred by WHO for the Programme, and to meet costs, if any, associated with closing down the Programme. To the extent that such amounts would not be needed by WHO, the Bank shall transfer the funds to the Contributing Parties in proportion to their respective contributions.

Section 4.02. Without limitation upon the provisions of Section 4.01, this Memorandum shall terminate upon completion of the Phasing Out Period, or upon disbursement by the Bank from the APOC II Fund of all amounts required to meet payments to be made by WHO with respect to Phase II and the Phasing Out Period or of any outstanding funds thereafter to Contributing Parties pursuant to the provisions of Section 4.03, whichever shall come later.

Section 4.03. Without limitation upon the provisions of Section 4.01, any monies remaining in the APOC II Fund on June 30, 2016, shall be disbursed in accordance with instructions given to the Bank by the Contributing Parties.

ARTICLE V

Additional Parties and Contributions

Section 5.01. Any government, intergovernmental organization, foundation or private organization that is not a party to Part I of this Memorandum, may in accordance with such arrangements as shall be agreed with the Bank, become a Contributing Party and shall be bound by Part I of this Memorandum on the date specified in such arrangements. The Bank shall promptly after such date notify the other Contributing Parties and WHO.

Section 5.02. The Bank may receive funds on behalf of APOC II Fund from any government, intergovernmental organization, foundation or private organization not wishing to become a Contributing Party, such funds to be held and used as part of APOC II Fund, subject to the provisions hereof, and in accordance with such arrangements as the Bank may approve.

ARTICLE VI

Notices and Requests

Section 6.01. Any notice or request required or permitted to be given or made under Part I of this Memorandum shall be in writing.

ARTICLE VII

Entry into Force
Section 7.01. Part I of this Memorandum shall enter into force upon signature by at least two Contributing Parties.

ARTICLE VIII

Disclosure of Information

Section 8.01. The Bank may disclose this Memorandum and information with respect to the related trust funds referred to herein in accordance with the Bank’s policy on disclosure of information.

ARTICLE IX

Contributions

Section 9.01. The Champalimaud Foundation confirms its commitment to support the second phase of the Programme. It will contribute One Million Euros for Phase II of the Programme.

CHAMPALIMAUD FOUNDATION

By: ________________________________
Authorized Representative

Name: MARIA LÉONOR BELEZA

Title: PRESIDENT

Date: 15/02/2017
PART II
Institutional and Operational Arrangements

1. Description of the Programme

1.1 Objectives

The objective of the APOC Phase II and the Phasing Out Period (the Programme) is to establish, within a period of 12 to 15 years, effective and self-sustainable community-directed ivermectin treatment throughout the endemic areas in the geographic scope of the Programme, develop the evidence base and assist countries to determine when and where ivermectin treatment can be stopped, and, if possible, in selected and isolated foci to eradicate the vector by using environmentally safe methods. The attainment of this objective is expected to contribute towards the elimination of onchocerciasis as a disease of public health and socio-economic importance throughout Africa and so contribute to improving the welfare of its people.

1.2 Participants

The Programme is based on a partnership between the governments, intergovernmental organizations and foundations contributing to the APOC II Fund (the “Contributing Parties”), the governments of African countries with endemic onchocerciasis having signed Part II of the Memorandum (the “Participating Countries”), the cosponsoring organizations of the Programme - UNDP, International Bank for Reconstruction and Development, and WHO (hereinafter called the “Sponsoring Agencies”) - Non-Governmental Development Organizations contributing to the Programme resources or providing operational and/or scientific support to the Programme (hereinafter called “NGDOs”) and private sector donor(s) of ivermectin.

1.3 Geographic Scope

Those areas of the Participating Countries where onchocerciasis is endemic.

1.4 Fiscal Agent and Executing Agency

The International Bank for Reconstruction and Development is the fiscal agent of the Programme. The Parties recognize that the International Bank for Reconstruction and Development, may, in its capacity as fiscal agent disclose this Memorandum and information with respect to related trust funds referred to in Part I in accordance with Article VIII of Part I of this Memorandum. WHO is the Executing Agency of the Programme. Each of the Sponsoring Agencies, within their respective spheres of competence, will assist with the social and economic development of the areas of the Programme in which onchocerciasis has been controlled.
2. Institutional Framework

APOC shall comprise the following components:

2.1 Joint Action Forum (JAF)

2.1.1 Composition

The Joint Action Forum ("JAF") shall consist of representatives of: (a) the Contributing Parties; (b) the Participating Countries; (c) the three Sponsoring Agencies; (d) eleven representatives of NGDOs selected for a term of three years by the NGDO Coordination Group; and (e) private sector donor(s) of ivermectin used by the Programme. NGDOs not selected may attend as observers at the request of the NGDO Coordination Group and approval of the JAF.

2.1.2 Functions

The JAF shall:

(a) review and approve the proposed plans of actions and budgets of the Programme;

(b) assess the global financing requirements of the Programme;

(c) decide on the inclusion of countries in the Programme on the recommendation of CSA;

(d) in exceptional circumstances, and upon recommendation of the CSA, to authorize, on a temporary basis, the expansion of APOC’s scope of activities to former OCP countries where the epidemiological situation requires urgent attention; and

(e) consider such other matters relating to the Programme as may be referred to it by any member.

2.1.3 Operation

The JAF shall operate as follows:

(a) It shall meet annually or biennially, as it may so decide.

(b) It shall be presided over by a chairperson, elected at the beginning of its session from among members representing governments.

(c) It shall normally take its decisions by consensus. Nevertheless, should a vote be required it shall be taken by members belonging to categories (a), (b), and (c) mentioned in paragraph 2.1.1.
(d) Each member of the JAF shall make arrangements to cover the expenses incurred by its representatives in attending meetings of the JAF.

(e) The secretariat of JAF shall be provided by the Executing Agency.

2.2 The Committee of Sponsoring Agencies (CSA)

2.2.1 Composition

The CSA shall be composed of representatives of the three Sponsoring Agencies, who shall decide the number and level of their representatives. A representative of the NGDO Coordination Group and a representative of private sector donor(s) of ivermectin used by the Programme will be invited to participate in the sessions of the CSA. At the time of concluding the Memorandum, Merck & Co. is the sole donor of ivermectin to the Programme. If there should be additional donors in the future, all such donors would be asked to select one from among them to represent the group.

2.2.2 Functions

The CSA shall:

(a) review the plans of actions and budgets prepared by the Executing Agency;

(b) examine reports submitted to it by any of the Sponsoring Agencies and statutory bodies of the Programme, and transmit these with any observations considered necessary to the JAF not less than thirty days before the latter’s periodic meeting;

(c) approve adjustments to the plan of Action and Budget upon the recommendation of the Programme Director in the context of overall financing availabilities;

(d) promote close collaboration in the operations of APOC and the Onchocerciasis Control Programme (OCP) for the duration of the latter programme; and

(e) act on behalf of JAF between sessions in circumstances requiring action before the next session of the JAF, subject to the latter’s ratification.

2.2.3 Operation

The CSA shall operate as follows:

(a) It shall meet in conjunction with the CSA sessions of the OCP as appropriate, for the duration of that programme.

(b) It shall be presided over on a rotational basis by a chairperson elected from among its members.
(c) Each agency shall bear the cost of the expenses incurred by its representatives in attending sessions of the CSA.

(d) It may hold sessions through the use of teleconference facilities.

2.3 Programme Management

(a) APOC shall be managed by the Executing Agency. The Executing Agency shall appoint a Programme Director, shall assign other international staff and other personnel to the Programme as specified in the Plans of Action, shall provide the Programme with permanent technical and administrative assistance, and shall be responsible for the work plans and budgets and for the implementation of the Programme as approved by the JAF.

(b) The Programme Director shall develop standard procedures and guidelines for the design, execution and monitoring of community-directed ivermectin distribution projects, approve and disburse funds to projects, ensure monitoring and evaluation of ivermectin distribution projects and ensure that applied and operational research is carried out in support of control, maintain a geographical information system, ensure training of national staff, maintain contact with the NGDO Coordination Group, support the Programme’s statutory bodies and generally take into account what would be appropriate for the proper running of the Programme. The Programme Director will report to the JAF through the CSA all approved projects.

(c) The Programme or its agents may, at any time, carry out a financial and/or technical audit of any project funded by the Programme.

(d) The Programme’s headquarters will be located in Africa. To strengthen the existing partnership with the NGDOs, needed liaison, coordination and administrative support shall be maintained at WHO Headquarters in Geneva on a reimbursable basis.

(e) In recognition that the sustainability of community-directed treatment with ivermectin is enhanced by incorporating other diseases in such community-directed activities, the Programme Director shall be authorized to approve funding for projects combining community-directed treatment activities for other diseases with those for onchocerciasis, within the geographic scope of the Programme, notwithstanding the fact that part of the funds may be applied to activities which are not strictly in support of activities related to the distribution of ivermectin.
2.4 Technical Consultative Committee (TCC)

2.4.1 Composition

The Technical Consultative Committee ("TCC") shall be composed of a maximum of twelve members as follows: Eleven members shall be experts appointed by the Executing Agency upon the recommendation of the CSA, three of whom shall be proposed by the NGDO Coordination Group, and one member shall be a representative of nonprofit ivermectin donation programmes (at the time of concluding the Memorandum, the sole such programme being the Mectizan Donation Programme). The members appointed by the Executing Agency shall have a membership of three years, renewable for a maximum of three years. The initial terms of such memberships shall be set by the Executing Agency in a manner to permit a staggering of terms.

2.4.2 Functions

The TCC shall:

(a) advise the Programme Director:
   (i) on criteria for eligibility and phasing of implementation of community-directed ivermectin distribution projects, as well as components of such projects involving other disease control activities as envisaged in paragraph 2.3 (e);
   (ii) on parameters which applications for funding by APOC should address;
   (iii) on the acceptability of new project proposals for funding by APOC; and
   (iv) on technical and operational research matters related to APOC;

(b) review applications for funds for new ivermectin distribution projects, based on technical justification and financial feasibility, and make recommendations to the Programme Director on their acceptability for APOC funding;

(c) review overall progress towards sustainability and integration of community-directed treatment with ivermectin into the health system and make recommendations to the Programme Director on any appropriate action.

(d) review new National Plans.

The Secretariat of the TCC shall be provided by the Executing Agency.

2.4.3 Operation

The TCC shall be convened by the Programme Director as needed, but at least once a year. It shall be presided over by a chairperson selected from among the experts appointed by the Executing Agency.
2.5 **NGDO Coordination Group**

The NGDO Coordination Group is composed of a limited number of NGDOs collaborating with the Executive Agency and responsible for most of the ivermectin currently distributed in Africa outside the OCP area. The members of this Group, working together with the Ministries of Health, are involved in the management, financing and training aspects of ivermectin distribution projects and they assist Ministries of Health of the Participating Countries in the establishment of National Onchocerciasis Task Forces.

3. **Obligations Of The Participating Countries**

3.1 The National Onchocerciasis Task Forces ("NOTF") will be established by Ministries of Health of Participating Countries (with, whenever possible and desired by the Participating Countries, the assistance of member organizations of the NGDO Coordination Group) in collaboration with APOC staff. It will be the usual instrument for making application for APOC funding.

3.2 The Ministries of Health of the Participating Countries through the NOTFs will develop national action plans.

3.3 The NOTF will be responsible for 25% of the ivermectin distribution project costs (in cash or in kind) which will not be available from the APOC II Fund.

3.4 (a) The Participating Countries, insofar as they are not already bound to do so, shall apply to the Executing Agency, its staff, funds and properties and assets assigned to the Programme the provisions of the Convention on the Privileges and Immunities of the Specialized Agencies.

(b) Staff of the Executing Agency, including advisers engaged by it as members of the staff assigned to carry out the purposes of Part II of the Memorandum shall be deemed to be officials within the meaning of the above Convention. The Programme director shall be afforded the treatment provided for under Section 21 of the said Convention.

(c) The Participating Countries hereby assure free entry of ivermectin into their respective countries for delivery to the applicant (NOTF) without imposing duty, tax, or other costs.

3.5 The Participating Countries shall provide all necessary facilities to NGDOs involved in the carrying out of projects funded by the Programme.

3.6 (a) Subject to security regulations in force, the Participating Countries shall provide access to all technical reports, maps, files and other items of information, whether published or not, that may be regarded as necessary for the execution of the Programme or individual project.
(b) When required, the Participating Countries shall provide the Programme free of charge, by the swiftest means, with the meteorological and hydrological information which may be needed for the proper execution of the project.

DONE in three original copies in both English and French, all texts being equally authentic.