



National Drug Authority



MANAGEMENT SCIENCES FOR HEALTH
a nonprofit organization strengthening health programs worldwide

Memorandum of Understanding

Between

**Management Sciences for Health,
Center for Pharmaceutical Management (MSH/CPM)**

And

**The Uganda National Drug Authority (NDA)
on the planning for and implementation of an accredited drug seller initiative
in Uganda**

ARTICLE 1: PURPOSE

This Memorandum of Understanding, hereinafter referred to as the MOU, is entered into by MSH/CPM and Uganda's NDA for the purpose of establishing the general working parameters under which these two organizations will collaborate on an accredited drug seller initiative in Uganda.

ARTICLE 2: BACKGROUND

MSH/CPM and the NDA, hereinafter referred to as the Parties, propose to work collaboratively as part of the East African Drug Seller Initiative (EADSI) funded by the Bill & Melinda Gates Foundation to improve access to essential drugs and health supplies in Uganda through developing public-private partnerships building on the approach used by Tanzania in its Accredited Drug Dispensing Outlet (ADDO) program.

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The specific objectives of the proposal for Uganda are to:

- (a) Build key stakeholder consensus and develop an appropriate model based on the results of the situational analysis to introduce a private sector drug seller initiative in Uganda;
- (b) Implement the Ugandan model in one district and evaluate against one control district;
and
- (c) Develop a strategy for scaling up, establish infrastructure, and solicit funding for nationwide implementation of the model in Uganda.

Whereas MSH/CPM has received a grant of USD 2.88 million from the Bill & Melinda Gates Foundation to develop three separate East African public-private partnerships (one in Tanzania, one based regionally in Arusha, and one in Uganda) that will contribute to enhancing public access to and appropriate use of essential medicines and has designated this activity the East African Drug Seller Initiative (EADSI);


Whereas MSH/CPM has identified Uganda as a priority country and has approved an estimated budget ceiling of USD 1.24 million for establishing a program of activities under EADSI that would be implemented over the next two years with an estimated completion date of not later than October 15, 2010;

And whereas, the Parties understand that the intent of EADSI activities in Uganda is to assist in the establishment of self-sustaining programs to be operated by Ugandan organizations;

ARTICLE 3: COMMITMENTS OF THE PARTIES

Now, **therefore**, in consideration of the premises and the mutual obligations of the Parties stated in this MOU and subject to their respective rules, regulations, practices, procedures and the availability of funds, the Parties hereby agree as follows:


1. To collaborate in the design, planning, and implementation of the EADSI Uganda program.
Specific activities that will need to be completed collaboratively include:


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- (a) The development of specific program objectives, proposed interventions, and budget to be implemented in Uganda.
- (b) The establishment of Working Groups to provide regular and ongoing technical support and guidance to the EADSI Uganda program.
- (c) The selection of first phase districts where program activities will take place.
- (d) The implementation of the agreed upon interventions, including necessary training.
- (e) The development of a program evaluation strategy and collection of the data necessary for completing the evaluation.
- (f) Active participation, as required, in planning and implementing the full range of program initiatives.

2. Where proposed interventions and/or activities require changes in or additions to Ugandan laws, regulations, or administrative procedures, NDA shall make good faith attempts to facilitate the making of such changes in a timely fashion or, as appropriate, to seek exemption from such laws, regulations, or administrative procedures for purposes of the pilot initiative. Examples of interventions or activities that may require such action include:

- (a) The development and approval of regulations for accredited drug shops and dispensers;
- (b) The development of the list of approved medicines available for dispensing in accredited drug shops;
- (c) The development and approval of enforcement mechanisms for accredited drug shops and dispensers;
- (d) The development, approval and implementation of appropriate public and professional advocacy initiatives in districts and regions that address drug, pharmaceutical service, and health education issues;
- (e) The selection and approval of additional distributor(s) to supply essential drugs to accredited drug shops, in the selected district(s);
- (f) Any other activities that are jointly agreed as necessary for the success of the program and that require approval.



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3. MSH/CPM within the limits of the EADSI grant will fund expenses associated with the implementation of a private sector drug seller initiative in one district in Uganda and the evaluation of this implementation against one control district. This will include expenses incurred by NDA as part of their responsibilities associated with implementation and evaluation (e.g., per diem and travel for implementation and evaluation activities in the two districts) as mutually agreed to with MSH/CPM. A budget showing MSH/CPM's responsibilities for such costs associated with these activities will be developed. NDA shall be responsible for all of its other costs, including its own general or basic incidental operating expenses and those costs incurred in support of these specified activities and, as a result of work performed under this MOU. This includes, but is not limited to staff time spent at meetings in Kampala, time needed to respond to questions or review documents, routine communications and office supply expenses, and general expenses associated with use of office space. Support for materials and personnel may be provided to NDA if needed to ensure availability of dedicated staff to start work on the EADSI initiative (e.g., see sub-section 3.3 below), but such support will be limited.

3.1 MSH/CPM has approved an estimated ceiling of \$ 1.24 million for the EADSI Uganda country program effective from January 2008 to October 2010. The value of the approved budget ceiling can be changed should the program be modified during the life of the project and pending approval by the Bill & Melinda Gates Foundation project officer.

3.2 Specific activities that require funding will be decided collaboratively by MSH/CPM and NDA.

3.3 MSH/CPM through the EADSI Uganda project will provide a sub-award to NDA to offset some of the costs incurred in carrying out its responsibilities related to the project. A 2-year sub-award of up to US\$100,000 will be made to move forward with the Ugandan private sector drug seller initiative. Terms and


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conditions of this sub-award will be part of a separate sub-award agreement to be made after final approval of the project.

3.4 It is recognized that both MSH/CPM and NDA have budget limitations as well as restrictions relating to what can be funded. These limitations and restrictions will be taken into account as the program is designed. In this regard, it is recognized that MSH/CPM is constrained under the terms of the EADSI grant from the Bill & Melinda Gates Foundation to restrict expenditures largely to the following areas (with the exception of the sub-award referenced in sub-section 3.3 of this MOU):

- Development of a pharmaceutical sector situational analysis for Uganda and determine gaps in access to medicines, vaccines, and other health commodities;
- Provision of technical assistance and consultant/contractor support necessary for the design and implementation of the Ugandan private sector drug seller initiative;
- Evaluation of the impact of programs designed to improve access.

4. The NDA with MSH/CPM technical support as needed shall establish and maintain a private sector drug seller initiative Steering Committee (SC) to oversee and guide implementation of the EADSI private sector drug seller initiated in Uganda. The Terms of Reference for the work of the SC will be developed as part of the activities under this MOU and will reflect mutual agreement of NDA and MSH/CPM.

4.1 Composition of the SC will be mutually agreed upon by the Parties, based on recommendations provided by the key stakeholders' meeting that was held on November 14, 2008.

4.2 The SC will meet at a minimum twice each a year.


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4.3 The SC shall provide guidance to NDA and the Working Groups on the proposed private sector drug seller model for Uganda, implementation and evaluation strategies, work plans, timeline, and progress of the program and matters pertaining to plans and strategies for seeking funding for nationwide roll out of the initiative if proven successful in the pilot activity.

5. In order to initiate EADSI activities, the Parties agree to:

5.1 For each of the technical areas facilitate the formation of Working Groups composed of staff of sufficient seniority and technical competence to participate authoritatively on behalf of their respective organizations in EADSI discussions and activities.

5.2 The Working Groups shall:

- (a) Review work plans and budgets to implement the agreed strategies;
- (b) Conduct regular supervision and monitoring of the programs;
- (c) Provide quarterly progress report of the programs to the Steering Committee.

ARTICLE 4: COMMUNICATIONS AND AUTHORIZED REPRESENTATIVES

The Parties to this Memorandum of Understanding and relevant contact information are as follows:

Vice President
Center for Pharmaceutical Management
Management Sciences for Health, Inc.
4301 North Fairfax Drive, Suite 400
Arlington, VA 22203-1627
USA
Tel: 1 703 524 6575

Executive Secretary
National Drug Authority
P. O. Box 23096
Kampala
Uganda
Tel: 256 41 255665 / 347391/2


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All notices pertaining to or required by the MOU shall be in writing, signed by an authorized representative, and delivered by hand or express certified mail to the Parties at the contact information listed above.

All notices and communications under or pursuant to this agreement shall be through:

Keith Johnson
Director, EADSI Program
MSH Center for Pharmaceutical Management
kjohnson@msh.org

Ms. Kate Kikule
National Drug Authority
P. O. Box 23096
Kampala

ARTICLE 5: COST


There are no transfers of costs associated with this specific agreement. The responsibilities of each party shall be implemented and completed using each Party's respective funding sources and other contractual instruments to be issued pursuant to the signing of this general MOU (such as the sub-award referred to in sub-section 3.3).

ARTICLE 6: PERIOD OF AGREEMENT

The present Memorandum of Understanding will be effective upon signature by both parties and will remain in force until October 15, 2010, subject to the availability of funds to support these activities.

ARTICLE 7: CONFIDENTIALITY AND PROPRIETARY INFORMATION

- In the process of collaborating with each other, each party may become privy to certain confidential information including that relating to the business practices of the other party.


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- Each party agrees that it will clearly designate proprietary and confidential information where possible and not divulge or transmit such information to any other persons or organizations without the expressed written permission of the owner of the information.
- Each party agrees that information need not be marked as confidential to be considered and treated as such under the terms of this clause.
- All such confidential information shall be considered proprietary unless it is provided specifically for disclosure to the public or other entity.
- Both Parties agree to share information related to pharmaceutical issues of relevance and within the limits of applicable laws and regulations so as to ensure the successful implementation of the EADSI Ugandan private sector drug seller initiative.
- Both Parties agree not to disclose proprietary information to any third party and not to use such information without the express written approval of the other Party.
- Both Parties further agrees to honour any copyrights, trademark rights and other proprietary rights of information shared in the process of carrying out joint activities
- Both Parties also agree not to quote any portion of reports or documentation out of context, misrepresent the findings of either Party, or otherwise use the information inappropriately.

ARTICLE 8: FORCE MAJEURE

Neither Party shall be liable for any unforeseeable event beyond its reasonable control not caused by the fault or negligence of such Party, which causes such Party to be unable to perform its obligations under this MOU, and which has been unable to overcome by the exercise of due diligence. In the event of the occurrence of such a force majeure event, the Party unable to perform shall promptly notify the other Party. It shall further use its best efforts to resume performance as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.


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ARTICLE 9: AMENDMENT AND TERMINATION

- Amendment: This Memorandum of Understanding may be amended in writing by mutual consent of each party's duly authorized representative.
- Termination: This MOU may be terminated for convenience by either Party at any time upon giving six months written notice of termination to the other party. It is understood that in the case of termination the parties shall complete the remaining obligations in effect at the time of termination or present an acceptable alternative.

ARTICLE 10: RESOLUTION OF DISAGREEMENTS

- The Parties shall use their best efforts to settle amicably any disagreement or controversy or arising out of, or relating to this memorandum of understanding.
- Since this is a memorandum of understanding, any disagreement or controversy not mutually resolved by the parties shall result in termination of this memorandum without further notice.
- The Parties by signing this MOU, understand that since there is no transfer of funds directly between the parties, there can be no financial claims made on a party by the other party

ARTICLE 11: INDEMNIFICATION

The Parties agree that they will indemnify and hold the other party harmless from all claims, causes of action, law suits, damages or from any and all liability of every nature and description resulting from the performance by the other party's employees, consultants and subcontractors, of its obligations under this Agreement or resulting from any actions taken by the other party based in whole or in part on the work performed under this Agreement. This article survives the termination of this agreement.

ARTICLE 12: RELATIONSHIP

It is understood and agreed that each Party is an independent entity, and nothing contained in Agreement will create any association, partnership, joint venture, employer-employee or agent-principle relationship.

ARTICLE 13: ENTIRETY OF AGREEMENT

This MOU contains the final and entire agreement between the parties and all future projects and/or contracts shall be in a separate writing based upon mutual agreement of the parties.


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In **WITNESS WHEREOF**, the duly authorized representatives of the Parties sign this Memorandum of Understanding in three (3) originals in the English language for equal content and validity on the dates and places indicated below.

On behalf of MSH/CPM



Yen Lim
Senior Contract Officer
Center for Pharmaceutical Management
Management Sciences for Health, Inc.
United States of America
Tel: 1 703 524 6575

On behalf of the NDA



Apollo Muhairwe
Executive Secretary
National Drug Authority
P. O. Box 23096
Kampala, Uganda
Tel: 256 41 255665

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