THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE AND ECONOMIC AFFAIRS

Telegrams: "TREASURY" DAR ES SALAAM.
Telephone: 2111174/5 OR 2112187.
Telex No.: 41329.
Fax No.: 2117790 OR 2123924
All official Communication
Should be addressed to
The Permanent Secretary Treasury.
In reply please quote:

P. O. BOX 9111,
DAR ES SALAAM

Ref. No. : **TYC/E/450/33/22**

December 8, 2009

The Ambassador,
Royal Norwegian Embassy,
P.O. Box 4626,
DAR ES SALAAM

T.e
1.3.10
Mun

Dear Sir,

RE: SIGNED AGREEMENT ON NORWAY SUPPORT TO THE PROGRAMME ON CLIMATE CHANGE IMPACTS, ADAPTATION AND MITIGATION IN TANZANIA (CCIAM)

Attached hereto please find original of the above mentioned Agreement between the Norwegian Ministry of Foreign Affairs and the Government of the United Republic of Tanzania regarding support to the Programme on Climate Change Impacts, Adaptation and Mitigation in Tanzania (CCIAM) from 2009 – 2014 duly counter-signed by the Permanent Secretary on December 7, 2009, for your record and necessary action.

Thank you for your cooperation.

Yours sincerely,

HJudica.
Judica Omari
For: PERMANENT SECRETARY - FINANCE AND ECONOMIC AFFAIRS

The Permanent Secretary,
Vice Presidents Office,
DAR ES SALAAM

The Permanent Secretary,
Ministry of Education and Vocational Training,
DAR ES SALAAM

The Permanent Secretary,
Ministry of Infrastructure Development,
DAR ES SALAAM

The Vice Chancellor,
Sokoine University of Agriculture (SUA),
P.O. Box 3000,
MOROGORO

The Vice Chancellor,
University of Dar es Salaam (UDSM),
P.O. Box 35091,
DAR ES SALAAM

The Director General,
Tanzania Meteorological Agency (TMA),
Ubungo Plaza,
P.O. Box 3056,
DAR ES SALAAM

The Chief Executive Officer,
Public Procurement Regulatory Authority,
P.O. Box 49,
DAR ES SALAAM

The Vice-Chancellor,
Ardhi University (ARU),
P.O. Box 35176,
DAR ES SALAAM

The Controller and Auditor General,
National Audit Office,
P. O. Box 9080,
DAR ES SALAAM

The Accountant General,
Ministry of Finance and Economic Affairs,
DAR ES SALAAM

AGREEMENT

between

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

and

THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA

regarding

support to the programme on Climate Change Impacts, Adaptation and Mitigation in Tanzania, 2009-2014 (CCIAM).

WHEREAS the Government of the Kingdom of Norway (Norway) and the Government of the United Republic of Tanzania (Tanzania) have entered into an agreement regarding Cooperation for Promotion of Economic and Social Development of the United Republic of Tanzania, dated 13th of June 1988 and prolonged by Addenda of which the latest is dated 1st of November 2007 (the Main Agreement),

WHEREAS Norway and Tanzania signed a Letter of Intent on a Climate Change Partnership with a focus on reduced emissions from deforestation on 21 April 2008,

WHEREAS Tanzania in letter dated 27 November 2008 has requested Norway for support to the programme on *Climate Change Impacts, Adaptation and Mitigation in Tanzania, 2009-2014 (CCIAM)*, and

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

NOW THEREFORE MFA and Tanzania (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 programme on Climate Change Impacts, Adaptation and Mitigation in Tanzania 2009-2014, CCIAM, (the Programme) as outlined in the Agreed Programme Summary in Annex 1 and further described in the Programme Document *"Climate Change Impacts, Adaptation and Mitigation in Tanzania, 2009-2014"* as submitted

by Sokoine University of Agriculture (SUA), in collaboration with the University of Dar es Salaam (UDSM), Ardhi University (ARU), Tanzania Meteorological Agency (TMA) and Norwegian University of Life Sciences (UMB) and dated July 1st 2009 .

2. The Goal of the Programme is *"Better management of natural resources and the environment through appropriate adaptation and mitigation strategies and participation in climate change initiatives"*.

The Purpose of the Programme is to *"Develop and sustain adequacy in national capacity to address the effects and challenges of climate change in Tanzania"*.

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 Purpose 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 Royal Norwegian Embassy in Dar es Salaam (the Embassy) and the Tanzania Ministry of Finance and Economic Affairs shall be competent to represent MFA and Tanzania respectively. All communication to MFA in regard to the Agreement shall be directed to the Embassy.

Collaborating institutions in Tanzania are Sokoine University of Agriculture (SUA), University of Dar es Salaam (UDSM), Ardhi University (ARU), Tanzania Meteorological Agency (TMA); and in Norway Norwegian University of Life Sciences (UMB)

The Ministry of Education and Vocational Training (the Ministry) shall through SUA have the overall responsibility for the implementation of the Programme.

Article III
Contribution of MFA

1. MFA shall, subject to Parliamentary appropriations, make available to Tanzania a financial grant not exceeding NOK 93,879,100 (Norwegian kroner Ninety Three Million, Eight Hundred and Seventy Nine Thousand, One Hundred) for the planned period 2009 – 2014.

2. In order to ensure high quality accounting of the Project, MFA shall make available to the Tanzania Ministry of Finance and Economic Affairs and any partner subcontracted by them external financial management advisory services, including technical advice and relevant training. The cost of such services will be covered by MFA over and above the Grant.

3. Any accrued interests on the Grant may be used for the benefit of the Programme if agreed by the Parties in writing.

4. Any unspent disbursed funds and accrued interests shall be returned to MFA upon completion of the Programme.

Article IV
Contributions and Obligations of Tanzania

Tanzania shall 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 Tanzania,

5. Promptly inform MFA of any circumstances that interfere or threaten to interfere with the successful implementation of the Programme,

6. Undertake the obligations set out in the Main Agreement with regard to technical assistance personnel and contractors provided by Norway,

7. Bear or exempt any customs duties, taxes and fees on all equipment, materials and supplies financed by the Grant and imported into Tanzania for the benefit of the Programme,

8. Ensure that all permits, import licences and foreign exchange permissions that may be required are granted,

9. Ensure that representatives of Norway are permitted to visit any part of Tanzania for purposes related to the Agreement and examine any relevant records, goods and documents,

10. Ensure that SUA, as the main cooperating partner, enters into contracts with the collaborating partners mentioned in Article I, clause 1. The contracts and subsequent amendments shall be submitted to MFA for information,

11. Cooperate fully with external financial management advisor(s) made available by MFA pursuant to Article III, clause 2 above,

12. Ensure that subcontracted partners are obliged, through relevant clauses in their contracts, to supply annual certified financial statements and to cooperate fully with external financial management advisor(s).

Article V
Disbursements

1. The Grant will be disbursed upon semi-annual written requests from Tanzania based on the financial needs of the Programme and, except the first request, on approved work plans and budgets. The first disbursement will be made upon signing of this Agreement and approval by MFA of a written disbursement request from Tanzania.

2. When determining the amount to request, Tanzania 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 3.

   Along with the requests, except the first request, Tanzania shall submit statements of cash and bank balances from the Programme's accounting records.

3. Funds will be transferred into the Exchequer Development Account upon MFA's approval of the requests. From that account funds will be released through the Ministry of Education and Vocation Training to a separate and convertible bank account. The funds shall be made available to the Programme immediately through SUA as the main cooperating partner.

   Tanzania shall immediately, in writing, acknowledge receipt of the funds. The date of receipt shall be stated as well as the exchange rate applied.

4. All disbursements to suppliers of goods or services shall be made by Tanzania.

Article VI
Annual Meeting

1. Representatives of the Parties shall have an Annual Meeting tentatively in November each year in order to:

   - Discuss the progress of the Programme, including results and fulfilment of agreed obligations,
   - Discuss and, if feasible, approve annual work plans and budgets for the following year,
   - 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 I, and how to manage such risks/issues.

2. The documentation specified in Articles VII and IX shall form the basis for the consultations.

3. The Annual Meeting shall be called by SUA and chaired by the Ministry of Education and Vocational Training. Members of the Annual Meeting will be representatives from: SUA and the collaborating partners; Ministry of Education and Vocational Training; Ministry of Finance and Economic Affairs; Ministry of Natural Resources and Tourism; Vice Presidents Office; Commission for Science and Technology (COSTECH); Ministry of Infrastructure Development and the Embassy. SUA, the collaborating partners and the Embassy may include others to participate as observers or advisors. Representatives from Norwegian institutions will be invited and cost of their participation shall be covered by the budget allocated to UMB.

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 SUA and sent to the Ministry and MFA no later than two weeks after the Annual Meeting. The Agreed Minutes shall be signed by both the MFA and the Ministry and distributed to the participating institutions no later than one month after the Annual Meeting.

5. An Inception meeting will be held five months after signing of this Agreement. The Inception meeting will have the same status as the Annual Meetings.

Article VII
Reports

1. Tanzania shall submit to MFA the reports and documentation specified below.

2. An annual progress report, including annual financial statement, shall be submitted within four weeks before the Annual Meeting. The annual report shall be prepared in accordance with a format proposed by the cooperating partners and approved by MFA. The report shall include, but not be limited to, the following information:

   - Description of actual outputs compared to planned outputs (as defined in the work plans),
   - Brief summary of the use of funds and inputs compared to budget,
   - Assessment of the efficiency of the Programme (how efficiently resources/inputs are converted into outputs),
   - Explanation of major deviations from plans,
   - Assessment of problems and risks (internal or external to the Programme) that may affect the success of the Programme,
   - Assessment of the need for adjustments to activity plans and/or inputs and outputs, including actions for risk mitigation,
   - Brief assessment of achievements in relation to Purpose,
   - Annual financial statement consisting of:
     - A statement showing 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,
     - A statement and a clear breakdown of cash and bank balances,
     - 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.
   - Annual work plan specifying planned outputs and time schedules.
   - Budget for the Programme for the coming fiscal year showing estimated income from all sources and planned expenditures (in format comparable to the financial statements).

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

3. In addition to the annual progress report, the Programme shall prepare and deliver information material including policy briefs and other popular reports and submit these to MFA and to other relevant stakeholders to the Programme.

4. A final report shall be submitted within six months after the completion of the Programme. If the Programme is not completed by the agreed date, a status report shall be submitted to MFA by the said date.

The final report shall include, but not be limited to:

- The topics listed in clause 2 above for the whole Agreement period,
- Assessment of the effectiveness of the Programme, i.e. the extent to which the Purpose has been achieved,
- Assessment of impact, 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,
- 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,
- Summary of main "lessons learned".

Article VIII
Procurement

1. Tanzania 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 Tanzania. Norwegian suppliers shall be given the same opportunities as other suppliers to compete for deliveries.

   Tanzania 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. Tanzania 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 coordinating partner institution (SUA) will submit to MFA a consolidated and audited financial statement for the entire programme. The annual financial statements of the Programme shall be audited by the National Audit office, or by an external, independent and qualified auditor approved by the Controller and Auditor General.

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 include 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 cash receipts/income and expenditures are properly accounted for.

Tanzania shall submit to MFA the audit report and any other report from the auditor significant to the implementation of the Programme within 1st March following the end of the Tanzanian fiscal year. Tanzania shall comment upon the auditor's findings. MFA shall respond within four weeks upon receipt of the report.

6. The choice of audit firm shall be submitted to Norway for approval before entering into force.

7. The cost of the audit shall be covered from the Grant.

8. MFA may appoint an independent auditor to undertake audit if deemed necessary. Audits may also be carried out by the Norwegian Audit General as and when deemed necessary. Cost for an independent audit by MFA will be covered over and above the Grant.

Article X
Reviews - Evaluation

1. A mid-term review focussing 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 when the Programme is mid-way through its implementation. An assessment of the Programme's impact may also be included in the review.

2. An end-review shall be done shortly after the completion of the activities of the Programme. The purpose will be to assess to what extent the Programme has reached its objectives, as well as document the experience gained and learning elements.

3. The cost of the reviews shall be covered by funds over and above the Grant.

4. MFA 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 unfavourably in relation to the Goal and Purpose,
   - Substantial deviations from agreed plans or budgets occur,
   - Resources to be allocated by Tanzania 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,
   - The contracts referred to in Article IV, clause 10 are breached or terminated before all obligations therein are fulfilled.

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 Tanzania or by a beneficiary of Programme funds during procurement or execution of the contract without Tanzania having taken timely and appropriate action satisfactory to MFA to remedy the situation.

4. Before MFA withholds disbursements, reclaims funds or cancels the Agreement, the Parties shall consult with a view to reaching a solution in the matter.

Article XII
Distribution of the Agreement

The Parties shall distribute copies of the Agreement to the respective ministries, authorities and other institutions involved in the Programme or otherwise in need of information on its content.

Article XIII
Entry into Force - Termination - Disputes

1. The Agreement shall enter into force on the date of its signature, and shall remain in force until the Parties have fulfilled all obligations arising from it. Whether the obligations are fulfilled, shall be determined in consultations by the Parties.

2. Notwithstanding the previous clause each Party may terminate the Agreement upon three months written notice.

3. In case of termination of the Agreement Tanzania shall exert its best efforts to bring the Programme to an end in a rapid, orderly and economical manner as to the use of the funds from MFA. Tanzania shall not commit the Programme funds from the date of the receipt of the notice of termination. Any unspent funds not committed by the date of the receipt of the notice of termination, shall be returned to MFA without delay.

4. If any dispute arises relating to the implementation or interpretation of the Agreement, the Parties shall consult with a view to reaching a solution.

IN WITNESS WHEREOF the undersigned, acting on behalf of the respective Party, have signed the Agreement in two originals in the English language.

Place: Dar es Salaam Date: 10/11/09

For the Norwegian Ministry of Foreign Affairs

Jon Lomøy
Ambassador

For the Government of the United Republic of Tanzania

Rkhlujjah

The Permanent Secretary
Ministry of Finance and Economic Affairs

Enclosures:
Annex I - Agreed Programme Summary

ANNEX I
AGREED PROGRAMME SUMMARY

1. Identification of the Programme

- Programme Title: Climate Change Impacts, Adaptation and Mitigation in Tanzania, 2009-2014 (CCIAM)
- Implementing institutions: Sokoine University (SUA) in close collaboration with University of Dar es Salaam (UDSM), Ardhi University (ARU), Tanzania Metrological Agency (TMA) and Norwegian University of Life Sciences (UMB).

2. Description of the Programme

2.1 The overall **goal** of the CCIAM programme is *"Better management of natural resources and the environment through appropriate adaptation and mitigation strategies and participation in climate change initiatives"*.

2.2 The **purpose** of the Programme is to *"develop and sustain adequacy in national capacity to address the effects and challenges of climate change in Tanzania"*.

2.3 Main **outputs** and **indicators** of the Programme are:

Outputs	Indicators
1. Appropriate climate change mitigation and adaptation strategies in forestry, other land uses, ecosystems and biodiversity management developed	• By 2012, appropriate climate change mitigation and adaptation strategies in forestry and other land uses documented. • By 2014, appropriate climate change mitigation and adaptation strategies and technologies developed.
2. Climate change impacts on and vulnerability of ecosystem services and livelihoods under REDD initiatives assessed	• By 2012, climate change impacts on and vulnerability of ecosystem services and livelihoods under REDD initiatives in Tanzania better understood and documented. • By 2014, technologies to address climate change impacts on and vulnerability of ecosystem services and livelihoods under REDD initiatives in Tanzania developed.
3. Policy and legal framework of climate change adaptation and mitigation with emphasis on economic efficiency, ecological effectiveness and wider political legitimacy analysed	• By 2012, analysis of at least three policies and legal frameworks of climate change adaptation and mitigation completed. • By 2014, at least three policies and legal frameworks of climate change adaptation and mitigation recommended.
4. Capacity building, dissemination and strategic interventions for adaptation and	• By 2014, the expertise in climate change issues of the participating institutions in

mitigation to climate change developed and undertaken	Tanzania increased. • By 2014, climate change issues mainstreamed in the curricula of tertiary institutions. • By 2014, best practices and lessons learnt on climate change issues disseminated and awareness rose.

2.3 The main **input** to the Programme is the financial support of 93,879,100 NOK.

2.4 Main risks (internal/external) are:

- Programme may become over bureaucratic, which will hamper implementation.
- Universities may be overstretched with competing demands for climate change related work
- Although closely linked, the implementation of the REDD pilot projects are largely beyond the control of the CCIAM programme.
- Results from research are not disseminated properly and can not be used to inform policy makers and practitioners.

3. Tentative Budget (in NOK)

Component	Year 2009/2010	Year 2010/2011	Year 2011/2012	Year 2012/2013	Year 2013/2014	Total
Research	5 648 250	6 668 250	9 130 000	8 730 000	7 750 000	37 926 500
Strategic interventions	1 831 520	2 736 520	2 736 520	2 736 520	2 451 520	12 492 600
Capacity building - Training	3 000 000	4 900 000	3 400 000	1 900 000	1 400 000	14 600 000
Capacity building - Infrastructure	2 950 000	3 300 000	2 800 000	2 150 000	750 000	11 950 000
Coordination	1 602 000	1 602 000	1 602 000	1 602 000	1 602 000	8 010 000
Other	1 780 000	1 780 000	1 780 000	1 780 000	1 780 000	8 900 000
Grand Total	**16 811 770**	**20 986 770**	**21 448 520**	**18 898 520**	**15 733 520**	**93 879 100**

3.1 Tentative Disbursement schedule

Year	1st Disbursment	2nd Disbursment	Total
2009/2010	16 811 770		16 811 770
2010/2011	10 493 385	10 493 385	20 986 770
2011/2012	10 724 260	10 724 260	21 448 520
2012/2013	9 449 260	9 449 260	18 898 520
2013/2014	7 866 760	7 866 760	15 733 520
Grand Total			**93 879 100**