

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE KINGDOM OF NORWAY
AND
THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA
ON
DEVELOPMENT COOPERATION

1. INTRODUCTION

Norway and Tanzania have a long history of development cooperation. This Memorandum of Understanding (MOU) is an instrument to renew and enhance further the relations between our Governments. It builds upon the principles of the Joint Assistance Strategy for Tanzania (JAST).

2. DEVELOPMENT FRAMEWORK AND OBJECTIVES

Tanzania's overall development strategies are (i) the National Strategy for Growth and Reduction of Poverty (Mkukuta) and (ii) the Zanzibar Strategy for Growth and Reduction of Poverty (Mkuza). The strategies are in line with the aspiration of Tanzania Development Vision (Vision 2025) and Zanzibar Development Vision (Vision 2020).

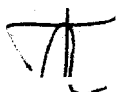
Tanzania's main objectives are to achieve

- high broad-based and pro-poor economic growth;
- improved social well-being and quality of life, with a particular emphasis on the most vulnerable members of society;
- good governance, transparency, accountability and the rule of law.

The main objectives will be reached through policies that are based on three major clusters: (i) Growth and Reduction of Income Poverty; (ii) Improved Quality of Life and Social Well-being; and (iii) Good Governance and Accountability.

Both Norway and Tanzania are committed to achieving the Millennium Development Goals (MDG) and to implementing the principles on Ownership, Harmonization, Alignment, Results and Mutual Accountability of the Paris Declaration on Aid Effectiveness.

Tanzania's commitment to Peace and Respect for Human Rights, Rule of Law, Democracy, Independence of the Judiciary and Good Governance, including the Fight against Corruption, is vital for achieving the above objectives, and is the foundation for the cooperation.



3. AREAS OF COOPERATION

The development cooperation will support Tanzania's efforts at realizing its development vision and main objectives. Norway will continue to seek Tanzania's guidance in the selection of sectors for cooperation, both in line with the JAST and in order to contribute to an efficient distribution of labor among Tanzania's development partners.

The key areas for long-term cooperation with the government sector will be:

Poverty Reduction through Good Governance and Budget Support

The cooperation will contribute to efficient and effective implementation of the Mkukuta and Mkuza, and to good governance, democracy and human rights through transparent and effective government systems for regulation, supervision and service delivery at both central and local government levels.

Natural Resource and Environment

The cooperation will contribute to sustainable management of natural resources and the environment, with a particular emphasis on good governance, and it will help ensuring a safe and sustainable environment in Tanzania.

Energy

The cooperation will contribute to providing reliable and affordable energy to consumers.

Norway Tanzania Partnership Initiative (NTPI)

The cooperation will contribute to achieving MDG 4 and 5 (Child Mortality and Maternal Health) in Tanzania, envisioned through the implementation of a results-based funding scheme to improve the health system performance.

Norwegian cooperation may also continue support for promotion of gender equality, for roads, higher education and research, and for combating the HIV/AIDS epidemic, in addition to assistance for facilitating development through direct investment and trade, educational grants and cultural cooperation.


The cooperation will also provide support for civil society, which is seen as a key component for continued strengthening of the democratic traditions of Tanzania.

Furthermore, Norway will continue its cooperation with regional organizations such as the AU, NEPAD, EAC and SADC, and will provide support for regional and sub-regional projects and programs where Tanzania may be one of the participating countries.

Finally, Norway will assist Tanzania and the UN in their efforts at implementing UN reforms at the country level. The pilot reform initiative aims at enhancing the efficiency and coherence of the organization through implementation of the recommendations of the High Level Panel on UN Reform.

4. ROLES AND RESPONSIBILITIES

To facilitate the effective and efficient implementation of the Mkukuta and the Mkuza, Norway and Tanzania will work to implement the principles of the Paris Declaration on Aid Effectiveness.



Tanzania is committed to exercising effective leadership in implementing the development policies and strategies put forward in the development strategies, and to taking the lead in coordinating development assistance at all levels. Norway will respect and support Tanzania's leadership and help to strengthen Tanzania's capacity to exercise it.

Norway will align its overall support with Tanzania's development strategies. Tanzania will strengthen its national systems, including public financial management and procurement systems, its institutions and procedures for effective, accountable and transparent management of aid and other financial resources. Norway will aim at increasing its use of the national Tanzanian systems in so far as they meet internationally accepted requirements.

Norway will work with other development partners to harmonize arrangements for planning, funding, disbursement, monitoring, evaluation and reporting to Tanzania. Norway will respect the principles of JAST for division of labor and aim at increasing the provision of assistance through program support and in particular through Tanzania's preferred aid modality, General Budget Support.

Tanzania will work to strengthen the linkages between the Mkukuta and Mkuza and the budget and endeavor to establish results-oriented reporting that monitors progress against key dimensions of the development strategies. Tanzania will be responsible for planning, implementing, monitoring and reporting on all government-sector activities supported by Norway. Individual agreements on support will serve as instruments for dialogue on results, management and implementation, and will specify the obligations of the parties.

Both Governments agree that no corruption or fraudulent practice will be accepted in the cooperation.

5. THE VOLUME OF ASSISTANCE

Norway will aim at allocating a minimum of NOK 2 000 000 000 (Norwegian kroner two billion) for the five year period 2007-2011 (the equivalent of NOK 400 000 000 annually) for support to the government sector in Tanzania. This level of assistance is subject to the annual allocations made by the Storting (the Norwegian Parliament) and to satisfactory performance with regard to Tanzania's commitments to reducing poverty, respect for human rights and promotion of good governance, including the fight against corruption.

In addition, Tanzania will receive assistance from regional and global funds, including support for the private sector, non-governmental, and multilateral organizations, educational grants for higher education abroad and technical assistance in specific areas, where Norway will participate as development partner.

6. MONITORING

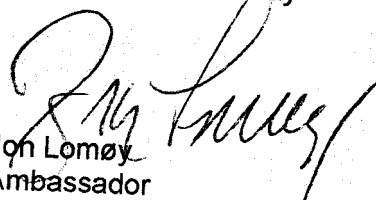
In accordance with the principles of the Paris Declaration on Aid Effectiveness, the implementation of this MOU will be monitored through the JAST monitoring working group and other existing monitoring and dialogue mechanisms.

7. VALIDITY

This MOU will be valid for the planned period of five years from 2007 to 2011. It may be terminated by either party with six months notice.

Done at Dar es Salaam on 9th of November 2007

For the Government of
the Kingdom of Norway



Jon Lomøy
Ambassador

For the Government of
the United Republic of Tanzania



Zakia H. Meghji
Minister of Finance