



ROYAL NORWEGIAN EMBASSY

Executive Director
Agricultural Council of Tanzania
P.O. Box 14130
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Your ref.:
ACT/RNE/2011/05

Our ref.:
TAN 3124 / 201000660

Date:
26 September 2011

Norwegian Grant for Agricultural Council of Tanzania – Addendum to Contract TAN-10/0051 Southern Agricultural Growth Corridor (SAGCOT II) Investment Blueprint

Reference is made to the above-mentioned Contract accepted by you on 23 August 2010 regarding Norwegian financial support totalling NOK 2 million for the production of a SAGCOT Investment Blueprint and related activities. Reference is also made to our correspondence dated 27 April 2011 outlining deliverables for the extended project period to 31 July 2011.

Pursuant to ongoing meetings and discussions since March 2011 on the topic of green growth vision for SAGCOT, further reference is made to your financial request and Proposal submitted to the Governments of Norway and the United Kingdom on 15 September 2011, entitled '*A green economy investment vision for SAGCOT Phase I: Developing the Vision*', and proposing the following:

Specific objectives:

- (i) To describe the current status of agricultural and environmental conditions and programs in and around the SAGCOT corridor of southern Tanzania, illustrating how climate change is a key risk and opportunity for the SAGCOT corridor, in ways that will effectively inform and advance stakeholder dialogue in the region;
- (ii) To engage leaders from agriculture, rural development and environment/climate change sectors in the southern corridor in strategic planning for 'greening' the SAGCOT corridor and environs; and
- (iii) To outline a vision/scenario for 'greening' the SAGCOT corridor and environs, define objectives based on both existing and potential new investments, and develop a work plan and proposal for implementing the vision.

Additional Outputs:

- A set of descriptive maps and materials of land and ecosystem status and management in southern Tanzania, and key elements of the rural economy including climate change risks and opportunities, drawing from existing studies and from key informant consultations;

- An inventory of key institutional actors and projects related to an agriculture-led green economy approach to development in the SAGCOT Corridor and environs and their geographic spheres of influence,
- A carefully designed workshop convened with strategically selected agricultural, forestry and environmental and potential climate change leaders in southern Tanzania to assess opportunities for ‘greening’ the corridor;
- A detailed powerpoint presentation summarizing the proposed ‘green economy’ strategy and work plan for the SAGCOT Corridor and environs ;
- A rough estimate of the greenhouse gas emissions and sequestration impacts of the proposed green economy strategy;
- A 2-page overview of the Green Investment Vision, presented at the UNFCCC COP in Durban;
- A Green Economy Investment Vision and Framework report that lays out the concept and framework for ‘greening the SAGCOT corridor’ and incorporates input from a wide range of stakeholders;
- Terms of Reference for a Phase 2 designed to gain widespread ‘buy-in’ to the Green Economy investment vision for the Corridor and to develop implementation and financing mechanisms for realizing the vision in practice.

Phase I will be led by the TAP/ACT team providing the temporary support to the emerging SAGCOT Centre. The Green Economy Investment Vision, at the heart of Phase I, will be prepared by a team of consultants contracted to ACT.

During the preparation of these outputs, ACT (and subcontracted partners) will work closely with complimentary initiatives, in particular the planned World Bank Regional Environmental Assessment, and ensure the free and unrestricted accessibility of data and information. ACT will also ensure all data is availed to the SAGCOT Centre. ACT will ensure the same conditions apply to any third parties through relevant clauses in their Subcontracts.

Timeframe for deliverables, September 2011 to June 2012:

Dates	Activities
September-October 2011	<ul style="list-style-type: none"> • Consult on scoping strategy, identify key stakeholders and strategic partners • Meet with key stakeholders; solidify relationships and terms of partnership with key partners and workshop co-organizers, and with lead and specialist consultants; contract with lead and specialist consultants; refine terms of reference for background materials to be collected and analyzed • Arrangements for leaders’ workshop, covering co-organization, participation, agenda, resource materials, logistics, coordination, etc. • With Tanzanian partners, prepare preliminary Investment Framework
November 2011-January 2012	<ul style="list-style-type: none"> • Implement and facilitate leaders’ workshop • Prepare PowerPoint presentation and 2-page written overview of the Green Economy Investment Vision • Prepare baseline for terrestrial greenhouse gas emission/sequestration in the SAGCOT corridor and environs • Organize event in Durban to share key outcomes of leaders’ workshop • Support Tanzanian partners in presenting the project at UNFCCC CoP17
January – March 2012	<ul style="list-style-type: none"> • Estimate terrestrial greenhouse gas emission/sequestration impact of the proposed Green Economy Investment plan • Draft the Green Economy Investment Vision report • Revise materials for presentation to the World Economic Forum
April-June	<ul style="list-style-type: none"> • With Tanzanian partners, solicit feedback from and engage local, national

2012	and international stakeholders in the draft Green Economy Investment Vision
	<ul style="list-style-type: none"> • Collect supplemental information as needed • Revise and disseminate Vision document • Prepare TORs for Phase 2

Indicative budget:

(a) Indicative budget (USD) according to activity

Activity	Jul- Sep 2011	Oct-Dec 2011	Jan-Mar 2012	Apr-Jun 2012	Budget (USD)
1. Stakeholder consultations	2,000	40,000	10,000	-	52,000
2. Collection and synthesis of information	10,000	41,300	-	-	51,300
3. Collaborative workshop for rural leaders	-	37,000	-	-	37,000
4. Green economy investment vision framework	-	20,000	24,000	-	44,000
5. Estimates of climate mitigation impacts	-	10,000	5,000	-	15,000
6. Participation at UNFCCC COP17	-	10,000	-	-	10,000
7. Final Green Economy Investment Vision	-	-	15,000	15,000	30,000
8. Preparation of ToRs for Phase II	-	-	-	10,000	10,000
9. ACT administration	12,500	12,500	12,500	12,500	50,000
TOTAL	24,500	170,800	66,500	37,500	299,300

(b) Indicative budget (USD) according to expenditure category

Expenditure category	Budget (USD)
Third party costs	249,300
Consultant Fees:	171,300
<i>Facilitation and technical team (170 days)</i>	112,150
<i>National lead consultant (110 days)</i>	39,050
<i>GIS expert (20 days)</i>	7,100
<i>Regional economy analysis (15 days)</i>	6,000
<i>Carbon footprint estimation (20 days)</i>	7,000
Flights	19,500
Other travel costs (per diems, visas)	16,000
Workshop costs	25,500
Direct administrative, financial, IT staff support	13,500
Direct office costs (communications, supplies, etc.)	3,500
ACT administration	50,000
Staff and consultants	19,800
Other travel costs (vehicle use, per diems)	15,200
Office running	5,000
Communications	10,000
TOTAL	299,300

We are pleased to inform you that the proposed additional support is acceptable to the Norwegian Ministry of Foreign Affairs. Your letter referred to above and our reply with this letter constitutes a formal change of the Agreement.

Please be informed that an amount of NOK 650,000 (Norwegian Kroner six hundred and fifty thousand) is at disposal under the said Agreement for the planned period 2011-2012.

Disbursements from the Grant shall take place upon three requests from ACT during the Project period. The first disbursement, amounting to maximum 50% of the budget, will be made upon signing of this Contract and approval of a disbursement request from ACT.

The second disbursement, amounting to maximum 40%, will be made upon financial needs, approved disbursement request and review of deliverables. The third disbursement will be made upon financial needs, approved disbursement request, approval of the final report including audit report from ACT.

With reference to Contract clause 5.1, an inception report shall be submitted by 15 November 2011 and the final report by 30 September 2012. With reference to Contract clause 6.1, ACT shall submit to MFA the audit report from the full project period, any management letter and any other report from the auditor significant to the implementation of the Project no later than 30 September 2012.

Yours sincerely,



Anne Kristin Hermansen
Minister Counsellor