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**EAST AFRICAN COMMUNITY  
SECRETARIAT**



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Avtalen er sendt  
til jer i kopi.

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Our Ref: **P&P/2/2/12**  
Date: 11<sup>th</sup> May, 2009

H. E. Jon Lomøy  
Ambassador  
Royal Norwegian Embassy  
P.O.Box 2646 Dar es Salaam, Tanzania  
Fax: +255-22-211 6564

Your Excellency,


**Agreement between the Norwegian Ministry of Foreign Affairs and the East African Community regarding Support to a Regional Strategy on Scaling Up Access to Modern Energy Services – Recruitment of a Project Development Officer**

We acknowledge, with thanks, receipt of two signed original copies of above mentioned agreement for our counter signature. The EAC is very grateful for this support of USD 231,668 (two hundred thirty-one thousand six hundred sixty-eight) which will go a long way towards the implementation of the Strategy.

Enclosed herein, please find one signed original copy of the Agreement for your retention. I take this opportunity to assure you of EAC's commitment to utilise this support in a prudent, efficient and transparent manner in accordance with the terms of the Agreement.

Please accept, Your Excellency, the assurances of my highest consideration.

Yours sincerely,

  
**Amb. Juma V. Mwapachu**  
**SECRETARY GENERAL**

Encl.

# **Agreement between East African Community and the Norwegian Ministry of Foreign Affairs regarding Support to a Regional Strategy on Scaling up Access to Modern Energy Services – Recruitment of a Project Development Officer**

WHEREAS East African Community (EAC) in letter dated 8<sup>th</sup> January 2009 has requested the Norwegian Ministry of Foreign Affairs (MFA) for support to recruitment and financing of a Project Development Officer to develop a Regional Strategy on Scaling up Access to Modern Energy Services (The Strategy)

WHEREAS MFA has decided to comply with the request,

NOW THEREFORE MFA and EAC (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 recruitment and financing of a Project Development Officer as outlined in the Agreed Project Summary in Annex I and further described in the Project Document "Request for support for a Project Development Officer", dated 8.01.2009 (the Project).
2. The Goal of the Project is to fulfil three objectives core to the EAC's regional mission:  
To strengthen regional integration, to propose harmonised policy and institutional framework and to develop energy investment projects.
3. The Purpose of the Project is that EAC Energy Access Strategy will engage EAC Partner States to scale up access to modern energy services to ensure that at least half of the EAC population has access to modern energy services by 2015.

## **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 Project, 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 Project.
2. In matters pertaining to the implementation of the Project the Norwegian Embassy in Dar es Salaam (the Embassy) and the EAC Secretariat in Arusha shall be competent to represent MFA and EAC respectively. All communication to MFA in connection with the Agreement shall be directed to the Embassy.
3. EAC shall permit representatives of Norway to visit EAC institutions for purposes related to this Agreement and examine any relevant records, goods and documents.

## **Article III Contribution of MFA**

1. MFA shall, subject to Parliamentary appropriations and the terms and procedures of this Agreement, make available to EAC a financial grant of up to USD 231 668 (two hundred thirty-one thousand six hundred and sixty-eight) - not exceeding NOK 1 730 000 (Norwegian kroner)



one million seven hundred and thirty thousand) (the "Grant") to be used exclusively to finance the Project in the planned period 2009 – 2011.

2. Any accrued interests on the Grant may be used for the benefit of the Project if agreed on by the Parties in writing.
3. Any unspent disbursed funds shall be returned to MFA upon completion of the Project.

#### Article IV Contribution and obligations of EAC

EAC shall be responsible for implementing the Project and shall hereunder:

1. Have the overall responsibility for the planning, implementation, reporting and monitoring of the Project.
2. Provide the financial and other resources required in addition to the Grant, and fulfil all obligations arising from the contract with the Project Development Officer mentioned below.
3. Ensure that the Grant is used according to approved work plans and budgets.
4. Ensure that the Project funds, which shall include any accrued interests, are properly accounted for, and that, The Grant is reflected in the plans, budgets and accounting of the EAC.
5. Promptly inform MFA of any circumstances that interfere or threaten to interfere with the successful implementation of the Project.
6. Recruit and enter into a contract with the Project Development Officer, in accordance with Article VIII below and EAC's recruitment guidelines. The contract shall be submitted to MFA for information. MFA reserves the right to be directly involved in the interviews for the final selection of the candidates, and the Parties will agree upon the modalities for such participation.

#### Article V Disbursements

1. The Grant will be disbursed upon semi-annual written requests from EAC based on the financial needs of the Project 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 disbursement request.
2. When determining the amount to request EAC shall take into account unspent disbursed amount and income from all sources as well as any accrued interests which the Parties have agreed on using for the benefit of the Project's according to Article III.
3. Along with the request, except the first request, EAC shall submit statements of cash and bank balances from the Project's accounting records.
4. Funds will be transferred upon MFA's approval of the requests to a bank account with the EAC, and shall be made available to the Project immediately.
5. EAC shall immediately, in writing, acknowledge the receipt of the funds. The date of reception shall be stated as well as the exchange rate applied.

Article VI  
Reports

1. EAC shall submit to MFA the reports and documentation specified below. MFA shall respond within two weeks upon reception of the reports and documentation.
2. A progress report shall be submitted annually to MFA two weeks before the annual meeting. The progress report shall include the following information:
  - A description of actual outputs compared to planned outputs (as defined in the work plans),
  - A brief summary of the use of funds compared to budget,
  - An assessment of the efficiency of the Project (how efficiently resources/ inputs are converted into outputs),
  - An explanation of major deviations from plans,
  - An assessment of problems and risks (internal or external to the Project) that may affect the success of the Project,
  - An assessment of the need for adjustments to activity plans and/or inputs and outputs, including actions for risk mitigation.
3. A work plan shall be submitted annually. A draft annual Activity Plan and Budget shall be submitted first time one month after the Project Development Officer has taken up the position at EAC.
4. The following annual financial statement and budget shall be submitted in December every year and two weeks before the annual meeting each year. The financial statements and budget shall give complete and detailed information on the financing of the Project.
5. The final report shall be submitted within one month after the completion of the Project. The final report shall include:
  - The topic listed in Clause 2 above for the whole Agreement period
  - An assessment of the effectiveness of the Project, i.e. the extent to which the purpose has been achieved
  - An assessment of impact, i.e. the changes and effects positive or negative, planned and unforeseen of the Project seen in relation to target groups and others who are effected,
  - An assessment of sustainability of the Project will still continue after the external assistance has been concluded,
  - A summary of main "lessons learned".

Article VII  
Annual Meeting

1. Representatives of the Parties shall have an annual meeting within 4<sup>th</sup> quarter each year in order to: (i) discuss the progress of the Project, including results and fulfilment of agreed obligations, (ii) discuss and approve annual work plans and budget for the following year (iii) discuss issues of special concern for the implementation of the Project.
2. Each of the Parties may include others to participate as observers or as advisors to their delegations. The documentation specified in Article VI and IX shall form the basis for the consultations.
3. The annual meeting shall be called by EAC and chaired by EAC.
4. Main issues discussed and point of view expressed as well as any decisions shall be recorded in agreed minutes. The agreed minutes shall be drafted by EAC and be submitted to MFA for comments no later than two weeks after the annual meeting.



Article VIII  
Procurement

1. EAC undertakes to effect all procurement of goods and services necessary for the implementation of the Project.
2. Procurement shall be performed in accordance with generally accepted procurement principles, good procurement practice and normal transparent procurement principles and regulations of EAC. EAC 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.
3. EAC shall observe the highest ethic standards during the procurement and execution of contracts, and shall ensure in its regulation adequate and effective means to prevent illegal or corrupt practices.
4. 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.

Article IX  
Audit

1. The annual financial statements of the Project shall be audited in accordance with standard EAC auditing procedures, and the audit report shall be submitted to MFA not later than 90 days after completion of the previous financial year.
2. MFA reserves the right at any time to carry out independent audit by an external auditor if considered necessary. The cost of such audit will be covered over and above the Grant.

Article X  
Reviews – Evaluation

1. An end review of the Project focusing on the extent to which the purpose has been achieved, shall be carried out.
2. MFA reserves the right to carry out independent reviews or evaluations of the Project 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 disbursement at any time in case e.g.
  - The Project develops unfavourably in relation to the Goal and Purpose
  - substantial deviations from agreed plans or budget occur
  - resources to be allocated by MFA are not provided as agreed
  - the documentation specified in Articles VI and IX has not been submitted as agreed
  - the financial management of the Project has not been satisfactory the contract referred to in Article IV is breached or terminated before obligations therein are fulfilled.



2. MFA reserves the right to reclaim all or parts of the Grant and cancel the Agreement if Project 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 EAC or by a beneficiary of Project funds without EAC 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.

Annex XII  
Distribution of the Agreement

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

Article XIII  
Entry into force – Termination – Disputes

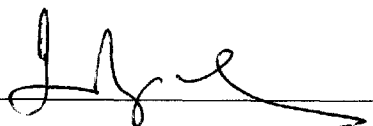
1. The Agreement shall enter into force on the date of its signature, and shall remain in force until the Parties have fulfilled all obligations arising from it. Whether the obligations are fulfilled, shall be determined in consultations by the Parties.
2. Notwithstanding the previous clause each Party may terminate the Agreement upon three months written notice.
3. 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 their respective Party, have signed the Agreement in two originals in the English language.

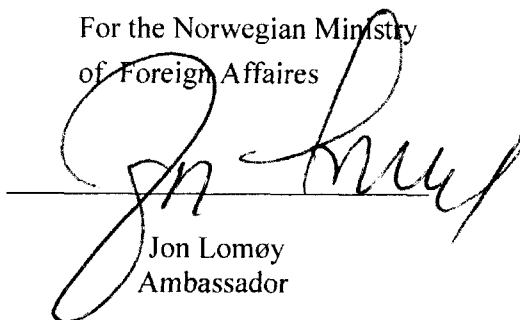
Done in DSM on March 30th, 2009

For the East African Community

For the Norwegian Ministry  
of Foreign Affairs



Amb. Juma V. Mwapachu  
Secretary General



Jon Lomøy  
Ambassador

Annexes:

I. Agreed Project Summary

**Agreed Project Summary**

**1. Identification of the Project**

Project Title / Name: Support to develop a Regional Strategy on Scaling up access to Modern Energy Services (The Strategy) – Recruitment of a Project Development Officer  
Implementing institution: The East African Community (EAC).  
Norwegian Partner: Ministry of Foreign Affairs (MFA)

**2. Description of the Project**

**2.1 Goal:**

- The Energy Access Strategy shall help the EAC to fulfil three objectives core to its regional mission:
- To strengthen regional integration
- To propose harmonised policy and institutional framework
- To develop energy investment projects

**2.2 Purpose**

The EAC Energy Access Strategy will engage EAC Partner States to scale up access to modern energy services to ensure that at least half of the EAC population has access to modern energy services by 2015.

**2.3 Outputs**

The Expected results are that the Project Development Officer will provide an essential driving force giving momentum to a timely fulfilment of the Strategy and serve as the key link person between the EAC Secretariat and development partners and the private sector on implementation of the Strategy.

**2.4 Inputs**

Financial support amounting to maximum 1.73 million NOK – USD 231 668 - over two years (2009 -2011)

**2.5 Main indicators**

- Strengthened capacity building of the EAC Energy Secretariat
- Improved alignment between regional projects and overall priorities
- Improved coordination between the Development Partners and the Strategy
- Better coordination between regional and national level of the implementation of the Strategy

**2.6 Major risk factors (internal and external)**

- Competence and qualifications of the candidates
- Delay in recruitment
- Secured funding after two years



### 3. Overall budget

#### BUDGET OVERVIEW AND BREAKDOWN:

##### *Overall budget summary.*

<i>Item</i>	<i>Unit</i>	<i>Unit Price</i>	<i>Quantity</i>	<i>Total</i>
<b>Remuneration</b>				
Basic Salary	Annum	38 042	2	76 084
Housing Allowance	Annum	12 000	2	24 000
Transport Allowance	Annum	3 000	2	6 000
Gratuity	annum	9 511	2	19 022
Education Allowance	annum	8 000	2	16 000
Spouse Allowance	annum	350	2	700
Medical	annum	2 600	2	5 200
Life insurance	annum	2 781	2	5 562
<b>Sub-total</b>				<b>152 568</b>
 <b>Travel</b>				
per diem (estimate: visit a Partner State once a month for 5 nights)	night	200	120	24 000
Air tickets	no.	600	24	14 400
Local travel	day	100	96	9 600
<b>Sub-total</b>				<b>48 000</b>
 <b>Operating costs</b>				
<b>Office equipment</b>				
Furniture (Desk and Cabinets)	lump sum	2 500	1	2 500
Desktop Computer + UPS	no.	1 500	1	1 500
Laptop Computer	no.	1 500	1	1 500
Printer-laser	no.	500	1	500
Scanner	no.	500	1	500
Software	lump sum	1 000	1	1 000
LCD projector		2 000	1	2 000
<b>Sub-total</b>				<b>9 500</b>
 <b>Running costs</b>				
Rent	month	500	24	12 000
Utilities	month	50	24	1 200
Phone	month	50	24	1 200
Mobile phones	month	50	24	1 200
Internet	month	50	24	1 200
Stationery and other consumables	month	200	24	4 800
<b>Sub-total</b>				<b>21 600</b>
 <b>GRAND TOTAL USD</b>				 <b>231 668</b>

