

830-19/11-09

**Contract between
the Norwegian Ministry of Foreign Affairs (MFA)
and WWF-Norway
regarding
STRENGTHENING CAPACITY OF ENVIRONMENTAL
CSOs in TANZANIA**

2007/1158-16

Worldwide Fund for Nature, WWF-Norway, has in letter dated 06 November 2007 requested MFA for financial support to STRENGTHENING CAPACITY OF ENVIRONMENTAL CSOs in TANZANIA 2008-2012. MFA has decided to comply with the request, and the two parties agree as follows:

1. SCOPE AND OBJECTIVES

1.1 This Contract sets forth the terms and procedures for MFA's assistance to the project as outlined in the Agreed Project Summary in Annex I (the Project) and further described in the Project Document "STRENGTHENING CAPACITY OF ENVIRONMENTAL CSOs in TANZANIA 2008-2012.", dated 06 November 2007

The Norwegian Embassy in Dar es Salaam (the Embassy) is, as a part of MFA, competent to act on behalf of MFA. All communication to MFA in regard to the Agreement shall be directed to the Embassy.

The Goal of the Project is : The contribution of fisheries, forestry and wildlife to the national economic growth, poverty reduction and peoples' livelihoods is improved on a sustainable basis through more democratic, open and transparent governance.

1.2 The Purpose of the Project is: The capacity, skills and ability of environmental civil society organisations (NGOs and CBOs) is strengthened so that they more effectively participate in and influence decision-making and governance such that management of natural resources in Tanzania, especially the fisheries, forestry and wildlife resources, is more sustainable.

2. CONTRIBUTIONS OF MFA

2.1 MFA shall, subject to Parliamentary appropriations, make available a financial grant not exceeding NOK 25 000 000 (Norwegian Kroner Twenty-Five Million) (the Grant) to be used exclusively to finance the Project during the planned period 2008-2012.

2.2 Upon completion of the Project, any unutilised funds, including accrued interests, shall be returned to MFA, unless the Parties have agreed in writing upon the utilisation of such funds.

3. OBLIGATIONS OF WWF-NORWAY

WWF-Norway shall:

3.1 Implement the Project on the basis of this Contract, approved budgets and work plans as well as the Project Document. Any revisions have to be agreed upon in advance in writing

3.2 Ensure the development of TOR and regulations for the Advisory committee/Steering Committee, and eligibility criteria for involvement of CSOs in

training activities and for the use of the small grant fund. The above will be presented for endorsement by the RNE at the end of the inception phase.

- 3.3 effect purchases for the Project in such a manner as to obtain the most favourable terms with regard to price, quality, delivery date and maintenance facilities, and to keep the same insured, and be responsible for entering into sub-contracts with partner organisations for the successful implementation of the Project,
- 3.4 meet all additional expenses that may be necessary for the completion of the Project including provide counter part and other funding according to the budget,
- 3.5 ensure that Project funds, which shall include any accrued interests, are properly accounted for,
- 3.6 keep MFA informed about plans for major organisational changes as well as keep MFA informed as to the name of the auditor of the Project,
- 3.7 provide copies to MFA of reports submitted to authorities relevant pertaining to the Project,
- 3.8 promptly inform MFA in writing of any condition which interferes or threatens to interfere with the successful implementation of the Project,
- 3.9 guarantee that funds made available in accordance with this Contract are not used in violation of relevant UN conventions and resolutions of the UN Security Council,
- 3.10 ensure that representatives of Norway are permitted to visit any part of the Project for purposes related to the Contract and examine any relevant records, goods and documents.

4. DISBURSEMENTS

- 4.1 Disbursements from the Grant shall take place upon semi-annual written requests from WWF-Norway based on the financial needs of the Project and, with exception of the first request, on approved work plans and budgets. The first disbursement, amounting to NOK 2 600 000 will be made upon signing of this Contract and approval by MFA of a disbursement request from WWF-Norway.

Along with the requests, except the first request, WWF-Norway shall state the cash balance of the Project and submit a statement of bank balances for the Project from the bank.

- 4.2 When determining the amount to request, WWF-Norway shall take into account unspent disbursed amounts and income from all sources as well as any accrued interests.
- 4.3 Funds will be transferred upon MFA's approval of the request to a separate bank account. WWF-Norway shall immediately, in writing, acknowledge receipt of the funds. The date of receipt shall be stated as well as the exchange rate applied.



5. REPORTING

5.1 WWF-Norway shall submit the following reports/documentation to MFA:

- An annual progress report for the previous year within March each year,
- financial statements for the Project showing receipts/income and expenditures the previous year as well as the cash/bank/financial position of the Project as per 31 December the previous year within March each year,
- a budget and work plan for the coming year within November each year with an updated revolving plan for the entire Project period,
- semi-annual progress reports and statement of accounts, covering the period January-June within July each year,
- the audited annual financial statements of the entire organisation within March each year,
- a final report for the whole Project period, as well as financial statements from end of the previous audit until completion of the Project within March 2013.

5.2 The annual progress report shall be prepared in accordance with the format in Annex II to this Agreement, and shall include the following information:

- A description of actual outputs compared to planned outputs (normally defined in annual work plans)
- a brief summary of the use of funds compared to budget
- an assessment of the efficiency of the Project (a measure of how efficiently resources/inputs are converted into outputs)
- an explanation of major deviations from the plan
- 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.
- a brief assessment of achievements in relation to purpose.

5.3 The final report shall include the following information:

- The topics listed in Clause 5.2 above
- an assessment of the effectiveness of the Project, i.e. the extent to which the purpose has been achieved
- an assessment of impact (if possible), 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 affected
- an assessment of the sustainability of the Project, i.e. an assessment of the extent to which the positive effects of the Project will still continue after the external assistance has been concluded
- a summary of main "lessons learned".

5.4 MFA shall respond in writing within three weeks after the receipt of the reports and documentation. MFA shall approve the work plans and budgets in writing.

6. AUDIT

- 6.1 The annual financial statements of the Project shall be audited by an independent and recognised professional accountant (auditor) WWF - Norway shall submit the name of the proposed auditor for approval by MFA. The audit shall at least cover the issues mentioned in the Terms of Reference in Annex III to the Contract. WWF-Norway shall submit to MFA the audit report, any management letter and any other report from the auditor significant to the implementation of the Project within March each year. WWF-Norway shall comment upon the auditor's



findings, and MFA shall respond within three (3) weeks upon reception of the report.

- 6.2 MFA may appoint an independent auditor to undertake audit if deemed necessary. Audits may also be carried out by the Norwegian Auditor General as and when deemed necessary.

7. MEETINGS AND REVIEWS

- 7.1 Formal meetings shall be held within April each year unless otherwise agreed in writing. The meetings shall be called and chaired by WWF-Norway. The purpose of these meetings is to discuss the progress of the Project, including results and fulfilment of agreed obligations, to discuss and, if feasible, approve budgets and work plans, approve documentation submitted according to Article 5, as well as to discuss issues of special concern for the implementation of the Project, e.g. risk management. Central elements of the discussion and all decisions from the consultations shall be recorded in agreed minutes. Both parties can request extraordinary annual meetings if deemed necessary

- 7.2 A mid-term review focussing on progress to date and the effectiveness of the Project, i.e. the extent to which the Purpose is being/have been achieved, shall be carried out in 2010. An assessment of the Project's impact may also be included in the review(s). In addition the Parties may agree on carrying out an evaluation of the Project.

- 7.3 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.

8. CORRUPTION

The Parties declare their commitment to counteract corrupt practices in the execution of the Contract. Further, the Parties commit themselves not to accept, either directly or indirectly, as an inducement or reward in relation to the execution of the Contract, any kind of offer, gift, payments or benefits, which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to the Project, and undertake to take rapid legal action to initiate investigations of and prosecution against, in accordance with applicable law, any person suspected of corruption or misuse of resources related to the Project.



9. BREACH OF CONTRACT

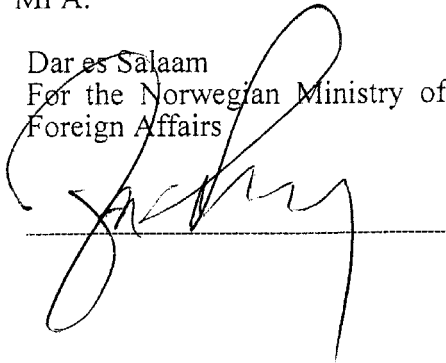
- 9.1 If WWF-Norway fails to fulfil its obligations under this Contract, or if any major organisational changes are found to be contradictory to the objectives of the Project, MFA may, upon consultations with WWF-Norway cancel this Contract and claim repayment or withdraw the total or a portion of the funds provided to the Project.
- 9.2 MFA may cancel this Contract or portion of this Contract with immediate effect if it determines that corrupt or fraudulent practices were engaged in by representatives of WWF-Norway or of a beneficiary of the aid funds without WWF-Norway having taken timely and appropriate action satisfactory to MFA to remedy the situation.

10. ENTRY INTO FORCE – TERMINATION - DISPUTES


- 10.1 This Contract shall enter into force on the date of its signature, and shall remain in force until both Parties have fulfilled all obligations arising from it. Whether these obligations shall be regarded as fulfilled, shall be determined in consultation by the Parties.
- 10.2 Notwithstanding the previous clause, each Party may terminate the Contract upon three months' written notice.
- 10.3 In case of termination of the Contract WWF-Norway shall exert its best efforts to bring the Project to an end in a rapid, orderly and economical manner as to the use of the funds from MFA. WWF-Norway shall not commit the Project economically from the date of the receipt of the notice of termination without the prior written consent from MFA based on an exit strategy and budget. Any unspent funds not committed by the date of the receipt of the notice of termination, shall be returned to MFA without delay.
- 10.4 If any dispute arises relating to the implementation or interpretation of this Contract, the Parties shall consult with a view to reaching a solution. Any disputes that cannot be solved amicably shall be referred to the competent Norwegian court and settled in accordance with Norwegian law. The court venue shall be Oslo.

This Contract is drawn in duplicate with one copy for WWF-Norway and one for MFA.

Dar es Salaam
For the Norwegian Ministry of
Foreign Affairs



Dar es Salaam
For WWF-Norway



NOTE: From the DTA, the Contract was
Signed on 10 APRIL 2008

- Annex I: Agreed Project Summary
- Annex II: Format for progress reports
- Annex III: Terms of reference for audit

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Identification of the Project

- Project Title/Name: STRENGTHENING CAPACITY OF ENVIRONMENTAL CSOs in TANZANIA
- Implementing institution: WWF-Tanzania Programme Office
- Norwegian and/or other Partner institution: WWF-Norway

Description of the Project

Goal

The contribution of fisheries, forestry and wildlife to the national economic growth, poverty reduction and peoples' livelihoods is improved on a sustainable basis through more democratic, open and transparent governance.

Project Objectives or Purpose:

The capacity, skills and ability of environmental civil society organisations (NGOs and CBOs) is strengthened so that they more effectively participate in and influence decision-making and governance such that management of natural resources in Tanzania, especially the fisheries, forestry and wildlife resources, is more sustainable.

Outputs

Output 1: Organisational and human development:

Environmental CSOs have necessary organisational structures, including increased constituencies, improved collaborations and partnerships and better trained and empowered staff to fulfil their mandates in a more democratic, open and transparent way.

Output 2: Political analysis, advocacy and lobbying:

Environmental CSOs have stronger ability to do political analysis and show deeper understanding for the root causes and drivers of environmental problems. Environmental CSOs in practice demonstrate better skills, stronger commitment, increased activities for and impact of lobbying and advocacy in governance and sustainable management of natural resources, including the ability of formulating policy proposals.

Output 3: Documentation and information:

Environmental CSOs generate, access, use and disseminate information on governance and sustainable natural resource management issues more effectively, including the use of the research and reports provided in the academia component of the Environment and Natural Resource.

Output 4: Local participation:

Environmental CSOs facilitate more effective community participation in governance and sustainable management of natural resources.

Output 2: Political understanding, advocacy and lobbying
Number of policy and legislative changes resulting from CSOs' work.
Increased confidence and authentic participation of CSOs in influencing policy and practice.
Number of lobbying and communication strategies prepared and used.
Number of environmental CSOs effectively participating in political analysis, advocacy and lobbying initiatives.
Number of concrete activities throughout the training reported and approved at every meeting.
Legal framework and working environment for CSOs is more conducive for their meaningful contributions.

Output 3: Documentation and information

1. CSOs produce and disseminate key advocacy messages in plain language.
2. Government officials are cooperative in letting CSOs access information.
3. CSOs make use of quality and analytical information in influencing change in policy and practice.
4. CSOs' information is referred to by key decision makers and opinion makers.
5. Number and types of information packages produced and disseminated.
6. Communities recognize, seek and use services of CSOs.

Output 4: Local participation

1. Number of community members holding government leaders to account on NR management and governance by asking key questions.
2. Communities living adjacent to Natural Resources are able to enter into agreements with investors for equitable benefit sharing.
3. Communities demand Corporate Social Responsibility from investors.
4. Communities have strong and confident representative structures for natural resources management and governance.
5. Number of CSOs actively participating in local lobby and advocacy.
6. Communities are aware and can clearly articulate NR management and governance issues.
7. Communities are aware of Natural Resource policies and legislation and can use them for their benefits.

Output 5: Governance and transparency

1. CSOs are recognised, respected and actively involved by the Government in key decision making processes.
2. Number of issues for dialogue identified and discussed among CSOs.
3. Government consults with and adopt proposals made by the CSOs in making policy and practice changes.

Output 6: Institutionalized training

1. Competent and seasoned organisational development and advocacy experts from within CSOs are available and willing to share their skills with others.
2. Leadership succession plans are integral part of good NGO management practices in environmental CSOs.
3. CSOs have clear and innovative training strategies and methodologies.
4. Number and type of Training Manuals prepared.



Output 7: Programme management

1. The project is implemented with adaptive management approach.
2. The project is managed with a sense of transparency and accountability.
3. Project resources are managed with a great sense of good stewardship.
4. A user-friendly Monitoring and Evaluation system in place.
5. Number of project visits made by environmental CSOs.
6. Participating CSOs and other key stakeholders are satisfied with overall project management.

Major risk factors (internal and external)

1. Tanzania remains politically stable.
2. Policy and legal framework for functioning of NGOs and other non-state actors remain enabling.
3. The government remains committed to good governance principles.
4. Human, material and financial resources are made available in a timely manner.

Overall Budget

The budget presented here covers the period of one year - 2008 – which is considered as the inception phase. A detailed budget and a general work plan for the whole project will be submitted after mid-2008.



Overall Annual Budget summary for 2008:

Cost Item¹	USD	NOK
Project Preparation costs (2007/8)²	25 000	150 000
Staff Costs	47 862	287 172
Staff cost - contingency	15 000	90 000
Consultancy	108 704	652 224
Grants	120 000	720 000
Training costs (Travel & W/shops)	372 430	2 234 580
Communication & Publication	22 882	137 292
Vehicle & Field Running	4 320	25 920
Equipment	9 740	58 440
Contingency	10 000	60 000
Project Costs	710 938	4 265 628
Management Fee – Tanzania Programme Office (TPO)³	88 867	533 202
Management Fee - WWF Norway⁴	56 875	341 250
Cost for WWF- Norway for Technical Assistance (Technical supervision, training and participation, 5 months @210 000 Information, policy work and networking, 1 month @42 000 Travel and subsistence @120 000)	62 000	372 000
Total Budget	943 680	5 662 080

¹ At the exchange rate of 1USD to NOK 6.

² In calculating the Administration costs, Project Preparation costs are treated separately and not as part of the grant.

³ WWF-TPO will receive a Management Fee of 12.5% of the total grant excluding preparation costs and technical assistance costs.

⁴ WWF-Norway Management Fee will be given as 8% of the grant minus preparation costs and technical assistance in the first two years (2008, 2009), but will be reduced to only 6% of the total grant in the subsequent years.

Project:

Implementing Organization:

Co-ordinating Officer:

Reporting Period:

Date of Report:

1. Expected results achieved during the reporting period
2. Unplanned achievements. Special positive developments noted
3. Planned results not reached
 - Reasons why the targets were not met
4. Funds utilized:
 - During reporting period
 - Total
 - Balance
5. Planned results for the next period
6. Emerging and potential problems which can hinder project implementation
7. Suggested actions to meet the problem(s)
8. Other relevant remarks/comments



Annex III Terms of Reference for audit

The auditor shall carry out the audit in accordance with any national legislation for NGOs as well as with international standards on auditing.

The objective of the audit is to audit 1) the annual financial statements of the Project as defined in Annex I to this Contract as well as 2) compliance with certain contractual obligations. The auditor shall be given a copy of the present Contract, and decides himself whether to submit one or two reports. The audit report(s) shall state the auditor's opinion/findings as to:

- Whether the financial statements and the cash/bank/financial position present fairly, in all material respects, the income and expenditures of the Project in accordance with an acceptable financial reporting framework
- whether the audit has uncovered any material weaknesses in relevant internal control(s)
- whether the funds have been deposited in a separate bank account in the name of the organisation and that accrued interest are reflected in the statement from the bank
- whether the audit has uncovered any illegal or corrupt practices
- whether funds have been used exclusively to cover Project expenditures
- whether receipts/income and expenditures are properly accounted for.
- whether the counter funds from WWF-Norway have been made available according to the budget in Annex 1.

The above list does not preclude the organisation or the auditor from addressing further issues.

The auditor shall also, if the auditor deems it warranted based on findings during the audit, submit a management letter to the organisation upon completion of the audit. The letter should address deficiencies noted in the system of internal control.

