

Contract between the Norwegian Ministry of Foreign Affairs (MFA) and the Association of European Parliamentarians for Africa (AWEPA) regarding support to the East African Legislative Assembly (EALA)

AWEPA and EALA have in letter dated 11. November 2008 requested MFA for financial support to Strengthening the Capacity of the East African Legislative Assembly 2008-2010. MFA has decided to comply with the request, and the Parties agree as follows:

1. SCOPE AND OBJECTIVES

- 1.1. This Contract sets forth the terms and procedures for MFA's assistance to the programme as outlined in the Agreed Programme Summary in Annex I (the Programme) and further described in the Programme Document "Strengthening the Capacity of the East African legislative Assembly", dated 24. June 2008.

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 Contract shall be directed to the Embassy.

- 1.2. The Goal of the Programme is to contribute to continued democratisation in East Africa in order to reduce poverty and uphold the Human Rights of the citizens of the East African Community.

The Purpose of the Programme is to Strengthen the Capacity of the East African Legislative Assembly so that the Assembly can play it's role as an independent organ as the legislative, oversight and representative body of the East African Community.

2. CONTRIBUTIONS OF MFA

- 2.1. MFA shall, subject to Parliamentary appropriations, make available a financial grant not exceeding NOK 6 000 000 (Norwegian Kroner six million (the Grant) to be used exclusively to finance the Programme during the planned period 2008-2011.

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

3. OBLIGATIONS OF AWEPA

AWEPA shall:

- 3.1. Implement the Programme in close cooperation with EALA on the basis of this Contract, approved budgets and work plans as well as the Programme Document. Any revisions have to be agreed upon in advance in writing.
- 3.2. effect purchases for the Programme 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,
- 3.3. meet all additional expenses that may be necessary for the completion of the Programme,

- 3.4. ensure that Programme funds, which shall include any accrued interests, are properly accounted for,
- 3.5. keep MFA informed about plans for major organisational changes in AWEPA and in EALA as well as keep MFA informed as to the name of the auditor of the Programme,
- 3.6. provide copies to MFA of reports submitted to authorities relevant pertaining to the Programme,
- 3.7. promptly inform MFA in writing of any condition which interferes or threatens to interfere with the successful implementation of the Programme,
- 3.8. 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,
- 3.9. ensure that representatives of Norway are permitted to visit any part of the Programme for purposes related to the Contract and examine any relevant records, goods and documents,
- 3.10. ensure a good working relationship with EALA and make sure there is transparency between AWEPA and EALA with regard to contributions, workplans, budgets and reports,
- 3.11. ensure that all necessary information regarding the implementation of the Programme is shared with EALA,
- 3.12. enter into a Memorandum of Understanding with EALA, MFA and the other donors to the Programme, to regulate the relationship and further the cooperation between all parties.

4. DISBURSEMENTS

- 4.1. Disbursements from the Grant shall take place upon semi-annual written requests from AWEPA based on the financial needs of the Programme. The first disbursement, amounting to NOK 1 mill., will be made upon signing of this Contract and approval by MFA of a disbursement request from AWEPA.
 - 4.2. Along with the requests, except the first request, AWEPA shall state the cash balance of the Programme and submit a statement of bank balances for the Programme from the bank.
 - 4.3. When determining the amount to request, AWEPA shall take into account unspent disbursed amounts and income from all sources as well as any accrued interests.
 - 4.4. Funds will be transferred upon MFA's approval of the request to a separate bank account in the name of the Programme and be made available to the Programme immediately. AWEPA shall immediately, in writing, acknowledge receipt of the funds. The date of receipt shall be stated as well as the exchange rate applied.
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5. REPORTING

AWEPA SHALL SUBMIT THE FOLLOWING REPORTS/DOCUMENTATION TO MFA:

5.1. Financial report

Financial reports shall be submitted to the MFA twice a year. The first report shall cover the first six months of each implementation year (1 July to 31 December, each year), and be submitted no later than three months after the end of that same period (by 31 March, each year). The second report, shall cover the whole preceding implementation year and be submitted no later than three months after the end of that same period (by 30 September, each year). The latter shall be audited by a Chartered Accountant as reflected in Article 6.1 of this Contract. These financial reports shall cover the total cost of the Programme for the relevant period and show receipts/income and expenditures as well as the financial situation for the Programme and how the contribution from the MFA has been used. All reports shall reflect detailed figures, and present actual figures against budgeted figures (that were approved as part of an annual plan and budget).

The final financial report shall cover the whole Programme and be submitted to the MFA no later than 30 November, 2011. The final financial report shall be audited by a Chartered Accountant in accordance with internationally accepted audit standards. The accountant shall be external and independent of the AWEPA. See also Article 6 below.

5.2. Narrative report

AWEPA shall prepare reports covering the activities performed and the results obtained by the Programme. Such reports, in one electronic copy and one hard copy, shall cover each six month period of the Programme and be submitted to the MFA no later than three months after that same period: 31 March (covering 1 July to 31 December) and 30 September (covering 1 January to 30 June) of each year, see Article 5.3 below.

A final narrative report shall be submitted to the MFA no later than 30 November, 2011 and shall, in addition to the above, summarise the whole Programme and state to what extent the objectives of the Programme have been achieved, see Article 5.4.

AWEPA shall promptly inform the MFA if reports and plans cannot be submitted as agreed. Annual Review Meetings will not be held and new funds will not be disbursed until the required documents have been received.

Irrespective of agreed reporting routines, the parties shall promptly inform each other if a situation arises that makes it likely that the Programme will not be carried out as agreed.

5.3. The six month progress report 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 Programme (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 Programme) that may affect the success of the Programme
- ▶ 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.

5.4. The final report shall include the following information:

- ▶ The topics listed in Clause 5.2 above
- ▶ an assessment of the effectiveness of the Programme, 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 Programme seen in relation to target groups and others who are affected
- ▶ an assessment of the 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
- ▶ a summary of main "lessons learned".

5.5. MFA shall respond in writing within 3 weeks after the receipt of the reports and documentation.

5.6. A workplan and a detailed budget for the coming year shall be submitted to MFA not later than four weeks before the Annual Review meeting. MFA shall approve the work plans and budgets in writing.

6. AUDIT

6.1. The annual financial statements of the Programme shall be audited by an independent and recognised professional accountant (auditor) acceptable to MFA. The audit shall at least cover the issues mentioned in the Terms of Reference in Annex III to the Contract. AWEPA shall submit to MFA the audit report, any management letter and any other report from the auditor significant to the implementation of the Programme within 30 September each year. AWEPA shall comment upon the auditor's findings, and MFA shall respond within 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. Annual Review meetings with the MFA shall be held once a year, close to the end of each implementation year, unless otherwise agreed in writing. The meetings shall be called and chaired by AWEPA. The meeting shall include EALA and any other donor to the Programme or their representatives. The purpose of these meetings is to discuss the progress of the Programme, including results and fulfilment of agreed obligations, to discuss and approve workplan and budget for the coming year, and the other documentation submitted according to Article 5, as well as to discuss issues of special concern for the implementation of the Programme, e.g. risk management and gender issues. Central elements of the discussion and all decisions from the consultations shall be recorded in agreed minutes.

The agreed minutes shall be drafted by AWEPA and submitted to the participants within two weeks of the meeting for comments/approval. MFA shall respond within three weeks.

7.2. The need for an end evaluation focussing on progress and the effectiveness of the Programme, i.e. the extent to which the Purpose have been achieved, shall be discussed with EALA/AWEPA and the other donors to the Programme no later than mid- 2010. The cover of the cost of a possible evaluation shall be agreed among AWEPA and the donors to the Programme.

7.3. 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.

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 Programme, 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 Programme.

9. BREACH OF CONTRACT

9.1. If AWEPA fails to fulfill its obligations under this Contract, or if any major organisational changes are found to be contradictory to the objectives of the Programme, MFA may, upon consultations with AWEPA cancel this Contract and claim repayment or withdraw the total or a portion of the funds provided to the Programme.

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 AWEPA or of a beneficiary of the aid funds without AWEPA having taken timely and appropriate action satisfactory to MFA to remedy the situation.

10. ENTRY INTO FORCE - TERMINATION - DISPUTES

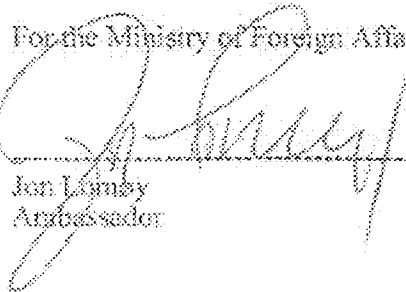
- 10.1. This Contract shall enter into force on the date of its signature, and shall remain in force until both Parties have fulfilled all obligations arising from it. Whether these obligations shall be regarded as fulfilled, shall be determined in consultation by the Parties.
- 10.2. Notwithstanding the previous clause, each Party may terminate the Contract upon three months' written notice.
- 10.3. In case of termination of the Contract AWEPA 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. AWEPA shall not commit the Programme financially 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.
- 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.

This Contract is drawn in duplicate; one for AWEPA and one for MFA.

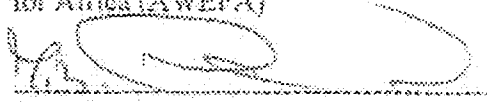
9/12/08

For the Ministry of Foreign Affairs

For the Association of Parliamentarians
for Africa (AWEPA)



Jon Linnøy
Ambassador



Nico Scholten
President AWEPA

Annex I: Agreed Project Summary

Annex II: Terms of reference for audit

Annex I Agreed Programme Summary

1. Identification of the Programme:

Programme title: Strengthening of the Capacity of the East African Legislative Assembly.
Implementing institution: Association of European Parliamentarians for Africa (AWEPA)
and the East African Legislative Assembly (EALA)

2. Description of the Programme

- 2.1. **Goal:** The Goal of the Programme is to contribute to continued democratisation in East Africa in order to reduce poverty and uphold the Human Rights of the citizens of the East African Community.
 - 2.2. **Purpose:** The Purpose of the Programme is to Strengthen the Capacity of the East African Legislative Assembly so that the Assembly can play it's role as an independent organ, as the legislative, oversight and representative body of the East African Community.
 - 2.3. **Target groups:** Target groups for the Programme are EALA Members and EALA staff.
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2.4. Outputs:

- ▶ EALA Members, in particular new Members, and staff upgrade their knowledge and skills through training and professional development programmes.
- ▶ The EALA improves its ability to communicate its work widely to citizens of East Africa and engage citizens and civil society in consultations and decision making processes.
- ▶ The capacity of the EALA committees to execute their specific functions and carry out their oversight of both the EAC and the Partner States is increased.
- ▶ The EALA business continuity is improved through systematic documentation and records management and the development of enhanced internal processes.
- ▶ EALA Members and staff are better able to exchange policy ideas with their counterparts in the National Assemblies of Partner States, other regional assemblies and internationally through organised networking and exchanges.

2.5. Inputs: NOK 6 mill. over three years

2.6. Main indicators

- ▶ New EALA Members learn more about the working of EALA and their specific responsibilities
 - ▶ EALA Members increase their computer skills and their ability to work efficiently
 - ▶ EALA Members get to know each other better and forge a stronger team
 - ▶ New EALA staff from Rwanda and Burundi are better equipped to carry out their tasks
 - ▶ Staff gain skills specific to their department and function
 - ▶ The EALA broadcasting service is established with the ability to reach a wide audience
 - ▶ The general public gains knowledge about the EALA and public and media interest increases
 - ▶ Public hearings are well attended by citizens from a diverse background
 - ▶ The EALA is better equipped to incorporate information gained during public hearings and meetings with civil society organisations into EALA policy
 - ▶ Civil society organisations learn more about the work of the EALA
 - ▶ EALA Committees gain skills and knowledge specific to their roles and functions
 - ▶ EALA Committees are more equipped to improve the content and quality of their reports
 - ▶ Improved technical infrastructure enables the Committee department to increase its efficiency
 - ▶ Criteria for evaluating EAC compliance with the EAC Treaty are established
 - ▶ EALA Committees assess EAC compliance with the Treaty and present reports to the EAC
 - ▶ More EALA documents are available in printed and electronic format
 - ▶ EALA documentation is present in National Assemblies of Partner States, academic institutions, national archives and public libraries
 - ▶ The EALA documentation management system is improved and upgraded
 - ▶ The documentation unit is able to provide better services to EALA Members
 - ▶ Information and policy ideas are shared between EALA Committees and their National Assembly counterparts
 - ▶ National Assemblies are better informed about the EALA's work
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- ▶ EALA Members and staff learn from the experiences of established regional parliaments
- ▶ EALA Members increase their international parliamentary networks
- ▶ EALA staff exchange best practice ideas with staff from National Assemblies of Partner States

3. Major risk factors (internal and external)

- ▶ Political support for the EALA in the region is reduced.
- ▶ The leadership of the EALA is less committed to increasing the institution's capacity in partnership with AWEPA. Difficult working relationship between EALA and AWEPA.
- ▶ High turnover of MPs and EALA and AWEPA staff.
- ▶ Difficult working relationship between AWEPA and EALA.
- ▶ Programme beneficiaries are less committed and do not allocate time for programme activities.

See attached overall budget.

Annex II Terms of Reference for audit

1. The auditor shall carry out the audit in accordance with any national legislation for NGOs as well as with international standards on auditing.
2. The objective of the audit is to audit 1) the annual financial statements of the Programme 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 Programme 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 Programme expenditures
 - * whether receipts/income and expenditures are properly accounted for.

The above list does not preclude the organisation or the auditor from addressing further issues.
3. 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.