

CONTRACT

between

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS (MFA)

and

BUSARA PROMOTIONS

regarding

SUPPORT TO STRATEGIC PLAN 2009 - 2013

Busara Promotions submitted the first formal request for institutional financial support to the Strategic Plan on 12 July 2009. On the basis of the final Strategic Plan approved by the Board and submitted to the Royal Norwegian Embassy 20 August 2009, the 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 and further described in the Strategic Plan October 2009 to September 2014, dated 20 August 2009.

The Norwegian Embassy in Dar es Salaam 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.

1.2 Vision and Mission:

Vision: A vibrant East African music industry prominent on the world stage.

Mission: Busara Promotions will enhance social, cultural and economic growth in East Africa; through building appreciation of the region's music, developing skills and opportunities for musicians, strengthening local infrastructure and building international networks.

1.3 Key result areas/Goals:

KRA I Building audiences for East African music

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Goal Statement: By September 2014, Busara Promotions will have increased the numbers of people listening to and appreciating East African music - locally, regionally and worldwide.

KRA 2 Sauti za Busara music festival

Goal Statement: By Sept 2014 Busara Promotions will have sustained Sauti za Busara as an annual, Zanzibar-based, world-class music festival; promoting the wealth and diversity of music from East Africa, promoting Zanzibar worldwide and generating increased economic benefits for the local population.

KRA 3 Developing skills for regional musicians and related professionals

Goal Statement: By Sept 2014 Busara Promotions will have identified and enabled a growing number of East African musicians and industry professionals to further develop their capacities

KRA 4: Building regional and international networks

Goal Statement: By Sept 2014 Busara Promotions will have facilitated inter-regional networking and supported the establishment of an East African network of musicians, venue managers and related professionals that continually strengthens and promotes the identity of regional music and provides frequent opportunities for information sharing, cross-fertilization and exposure to the world music stage.

KRA 5 Strengthening Arts Infrastructure

Goal Statement: By Sept 2014, Busara Promotions will have demonstrated constructive and positive influence on strengthening the music infrastructure in East Africa.

KRA 6 Organisational Development

Goal Statement: By 2014, through our effective, efficient and sustainable organisation, Busara Promotions will be recognized as the leading player in promoting East African music and musicians.

Contributions of MFA

- 1 MFA shall, subject to Parliamentary appropriations, make available a financial grant not exceeding NOK4,600,000 to be used exclusively to finance the Project during the planned period from 1st October 2009 to 31st March 2013. Past liabilities will not be covered by Norwegian funds.
- 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 In order to ensure high quality accounting of the Project, MFA shall from time to time on MFA's initiative make available to the Busara Promotions and any partner subcontracted by them external financial management advisory services.

including technical advice and relevant training. The cost of such services will be covered by MFA over and above the Grant.

3. Obligations of Busara Promotions

Busara Promotions shall:

- 3.1 Implement the Project on the basis of this Contract; approved budgets and work plans as well as the Strategic Plan. Any revisions have to be agreed upon in advance in writing,
- 3.2 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,
- 3.3 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,
- 3.4 ensure that Project funds, which shall include any accrued interests, are properly accounted for,
- 3.5 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,
- 3.6 provide copies to MFA of reports submitted to relevant authorities pertaining to the Project,
- 3.7 promptly inform MFA in writing of any condition which interferes or threatens to interfere with the successful implementation of the Project,
- 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 Project for purposes related to the Contract and examine any relevant records, goods and documents,
- 3.10 cooperate fully with external financial management advisor(s) made available by MFA pursuant to Section 2.3 above,

4. Disbursements

4.1. Disbursements from the grant shall take place upon semi-annual written requests from Busara Promotions based on the financial needs of the Project, and with exception of the first request, on approved work plans and budgets. The first disbursements amounting to **USD 280,000** shall take place upon signing of this Contract.

Along with the requests, except the first request, Busara Promotions shall submit statements of cash and bank balances from the project's accounting records.

4.2. When determining the amount to request, Busara Promotions 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 the following, separate bank account:

Account no: 035306USD

Account name: Busara Promotions

Bank name: FBME Bank Limited.

Swift code: FBME TZ TZ

Busara Promotions 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 Busara Promotions shall submit the following reports/documentation to MFA:

- An annual progress report for the previous year (April – March) within 1st June each year and at least three weeks prior to the Annual Meeting,
- Financial statements for the Project showing receipts/income and expenditures for the previous year (1 April to 31 March) as well as the financial position of the Project for the previous financial year within August each year
- a budget and work plan for the coming year (April – March) within 1st June each year
- A final report for the whole Project period, as well as financial statements for the whole period no more than 3 months after the Contract has expired. The reporting shall cover the entire Project, not merely this Norwegian contribution.

5.2 The annual progress report shall include the following information:

- A description of actual outputs compared to planned outputs,
- a brief summary of the use of funds compared to the 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,
- 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 sustainability of the Project, i.e. an assessment of the extent to which the positive effects of the Project will still continue reducing external assistance,
- a summary of main "lessons learned".

5.4 MFA shall respond in writing within 5 weeks after the receipt of the final report and documentation. MFA shall approve 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) acceptable to MFA. The audit shall at least cover the issues mentioned in the Terms of Reference in Annex II to the Contract. Busara Promotions shall submit to MFA the audit report, any management letter and any other report from the auditor significant to the implementation of the Project before the end of August each year. Busara Promotions shall comment upon the auditor's findings, and MFA shall respond in writing within 5 weeks upon receipt of the report.

As the financial year for Busara Promotions is April to March, the first Audit will cover the period April 2009 – March 2010.

6.2 MFA may appoint an independent auditor to undertake audit if deemed necessary. The cost of an independent auditor shall be covered over and above the Grant. The Norwegian Auditor General may also carry out audits as and when deemed necessary.

7. Meetings and reviews

7.1 Formal annual meetings shall be held before the end of June each year unless otherwise agreed in writing. The meetings shall be called and chaired by Busara Promotions. The purpose of this meeting is to discuss the progress of the Project, including results and fulfillment of agreed obligations, to discuss and, if feasible, approve documentation submitted according to Clause 5.2 above, as well as to discuss issues of special concern for the implementation of the Project. Central elements of the discussion and all decisions from the consultations shall be recorded in agreed minutes.

7.2 An end review focussing on progress to date and the effectiveness of the Project, i.e. the extent to which the Purpose have been achieved, shall be carried out after the Sauti za Busara Festival in 2013 and within the first half of 2013. An assessment of the Project's impact may also be included in the review.

The cost of the end review shall be covered over and above the Grant.

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 Busara Promotions 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 Busara Promotions cancel this Contract and claim repayment or withdraw the total or a portion of the funds provided to the Project.

9.2 MFA will 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 Busara Promotions or of a beneficiary of the aid funds without Busara Promotions 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 any case of termination of the Contract Busara Promotions shall exert its best efforts to bring the Project to an end in a rapid, orderly and economical manner as regard to the use of the funds from MFA, and Busara Promotions shall not commit the Project economically as regard to the use of funds from the date of the receipt of the notice of termination. Any unspent funds not committed for 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 Tanzanian court and settled in accordance with Tanzanian law.

This Contract is drawn in duplicate with one copy for BUSARA PROMOTIONS and one for MFA.

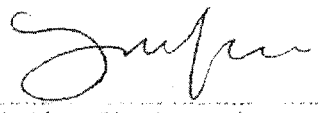
Dares Salaam, 16/11 . 2009

16/11 . 2009

The Norwegian Ministry of
Foreign Affairs:

Busara Promotions


Jon Lomey
Ambassador


Mr Yusuf Mahmoud,
Director

Annexes:

Annex I: Agreed Project Summary

Annex II: Terms of Reference for Audit

ANNEX I
AGREED PROJECT SUMMARY

1. Identification of the Project

- Project Title/Name: Busara Promotions 2009 - 2013
- Implementing institution: Busara Promotions
- Norwegian and/or other Partner institution: Zantel and other Embassies and development agencies.

2. Description of the Project

2.1 Vision and Mission:

Vision: A vibrant East African music industry prominent on the world stage.

Mission: Busara Promotions will enhance social, cultural and economic growth in East Africa; through building appreciation of the region's music, developing skills and opportunities for musicians, strengthening local infrastructure and building international networks.

2.2 Goals and objectives

KRA 1 Building audiences for East African music

Goal Statement: By September 2014, Busara Promotions will have increased the numbers of people listening to and appreciating East African music - locally, regionally and worldwide.

KRA 2 Sauti za Busara music festival

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KRA 5 Strengthening Arts Infrastructure

Goal Statement: By Sept 2014, Busara Promotions will have demonstrated constructive and positive influence on strengthening the music infrastructure in East Africa.

KRA 6 Organisational Development

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2.3 Target groups

The General Public

All public events organised by BP are open to everyone, and Sauti za Busara attracts people from different ages and backgrounds.

Artists

At least 50 % of the artists should be female and 50% should play acoustic or traditional instruments.

Staff and Crew

When engaging with staff or crew, they will be positively discriminated on the following factors:

- Gender balance
- Tanzanian

2.3 Inputs

- Funds
- Volunteers
- Trainers and training Projects
- Artists
- Marketing

2.4 Main indicators

Goal	Key Performance Indicators
1. Building audiences for East African music	<ol style="list-style-type: none"> 1. Increased audiences 2. Nurture new talents <i>Identify two newly unique groups from the region every year.</i> 3. Create conducive spaces <i>By 2012 create conducive spaces for local and international audiences</i> 4. Use media channels <i>By 2012 strengthen local and international knowledge and appreciation for wealth and diversity of African Music</i> 5. International Performances for East African Artists

Busara Promotions will continue to introduce top musicians from East Africa to the world stage through international festivals

6. Regional Performances for East African artists

Busara Promotions will continue to promote performers of original music from East Africa in the rest of the region

7. Additional show elsewhere

Busara Promotions will continue to introduce top international musicians to local audiences through Sauti za Busara and other regional events

2. Sauti za Busara music festival

1. Unique Formula

Between 2010 And 2014 Busara Promotions (BP) will ensure the Festival continually builds upon its current achievements by retaining its unique formula: continuing to promote the best live music in East Africa, bringing together diverse audience, continuing to improve the quality of artistic programming, technical production, increasing levels of attendance from all audiences and income growth

2. Essential Equipment

By January 2010, Busara Promotions will have sourced essential sound and lighting equipment to be used throughout this SP period.

3. Venues

By January 2012 Busara will have established 3-5 years agreements for festival venues

4. Fringe (off festival)

Busara Xtra is an umbrella brand for all externally organised events of cultural interest to festival audiences. By 2012 through the Busara Xtra programme, there will be more opportunities in Zanzibar around the festival period for additional regional artists to showcase their work, provide opportunities for festival goers to visit other parts of the islands, and to increase the economic benefits brought by visitors to the wider population.

5. Street Parade

Establishment of Street Parade as a major carnival event by 2012

6. Local Authorities

Cooperation with local authorities to continue to maintain and enhance government support to the festival.

3. Developing skills for regional musicians and

1. Artists

Between 2010 and 2014 Busara Promotions will have continually increased the number of education and

<p>related professionals</p>	<p><i>empowerment opportunities of artists, through critical skills training with appropriate partner organisations.</i></p> <ol style="list-style-type: none"> 2. Artists Management <i>Between 2010 and 2014 BP will have continually increased the number of education and empowerment opportunities of artists' management by critical skills training with appropriate partners.</i> 3. Event Management <i>Between 2010 and 2014 BP will have continually increased the number of education and empowerment opportunities in events management, through critical skills training with appropriate partners.</i> 4. Marketing and Promotion <i>Between 2010 and 2014 BP will have continually increased the number of education and empowerment opportunities in marketing and promotion, through critical skills training with appropriate partners.</i> 5. Technical <i>Between 2010 and 2014 Busara Promotions will have trained and developed the capacity of at least three technicians from the region to world class, to provide sound light and stage management for Sauti za Busara and other regional events</i> 6. Outreach <i>By 2014, BP will support an outreach Project for artistic, art management and technical seminars and workshops, taking place in towns throughout East Africa.</i>
<p>4. Building regional and international networks</p>	<ol style="list-style-type: none"> 1. Artists Networks <i>By 2014 BP will provide forums for regional artists to meet, learn from each other and create artistic collaborations</i> 2. Provide Festival Consultancy <i>By 2012 Busara Promotions will provide administrative, marketing and technical support and advice to other music and cultural festivals in the region.</i> 3. International Networks <i>By 2014 BP will be an active member of international networks in the world music industry</i> 4. Venues Network <i>By 2014 Busara Promotions will establish a wider regional network of performance venues and music schools that occasionally collaborate for promotions, performances and workshops for regional and visiting artists</i> 5. Invitations <i>BP will continue to attend, present at and facilitate regional and international meetings and conferences.</i> 6. Collaborations

	<i>BP will continue to strengthen collaboration with sister organisations throughout East Africa</i>
5. Strengthening Arts Infrastructure	<ol style="list-style-type: none"> 1. Use of Internet <i>Make better use of opportunities presented by the internet to promote EA music throughout the world</i> 2. Use of Print Media <i>Develop use of Mass Media, Advertising, and Music publications</i> 3. Artists Promotional Material <i>To support musicians with production of promotional materials including audio recordings, music videos, biographies, photos and press kits</i> 4. Music Agency <i>By 2014 Busara Promotions will establish a music agency that liaises with venues and promoters, arranging bookings of local and international shows for East African artists</i> 5. Awards <i>By Sept. 2014, Busara Promotions will have introduced recognition awards for outstanding East Africa artistic achievement.</i> 6. Arts Centre <i>Influence and support development of a fully-equipped, performing-arts centre in Zanzibar</i>
6. Organisational Development	<ol style="list-style-type: none"> 1. Archiving and Research <i>By 2014 BP will ensure comprehensive material containing its history, archives, databases and research documentation is archived and accessible to East African music and artists.</i> 2. Communication Strategy <i>By 2012 BP will have developed and implemented an effective and efficient, comprehensive Communications Strategy</i> 3. Financial Sustainability <i>By 2011 BP will have developed and launched a successful Resource Mobilization/Fundraising Strategy</i> 4. Financial management <i>By 2012, BP will have improved its financial policies, procedures and guidelines.</i> 5. Human Resources <i>By 2010 Busara Promotions will have increased its staff complement and will implement improved personnel and staff development policies and procedures.</i> 6. Board <i>By 2012, BP will have strengthened its good governance.</i> 7. Constitution <i>By 2010, BP will have completed a comprehensive review of its Constitution and submitted Board approved changes</i>

	<p><i>to the appropriate authorities.</i></p> <p>8. Government <i>By 2011, Busara Promotions will have built constructive relationships with local and national government authorities.</i></p> <p>9. Office infrastructure <i>On a continuing basis Busara Promotions will maintain and improve on effective office management and infrastructure</i></p>
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2.5 Major risk factors and Busara Promotions risk management and risk avoidance

	Risk	Consideration
General risks:		
1.	Insufficient funding.	We moderate our financial commitments according to promised income
2.	Inability to retain, recruit or develop staff with relevant skills.	Recruit less qualified and provide training Search further afield Not realistic to outsource
3.	Compromised or restricted by local bureaucracy (eg Board of Censors, BASAZA).	Board has identified need for a protocol officer (during festival time)
4.	Serious loss of organisation infrastructure - eg major fire, theft, failure office computer systems.	Keep offsite back-up - including archive, library and electronic documents. Regular back-up of work-in-progress Insurance for material assets
5.	Adverse travel advisory eg, terrorism, plane/boat crash, epidemic.	Most likely carry on without depending on international element. Cancellation insurance for travel and accommodation.
A. Project risks:		
6.	Inability to source suitable essential sound, lights and staging equipment	Use inferior equipment (accepting damage to our reputation)
7.	Inability to engage suitable teachers, participants or technical	As 2, 6

	Risk	Consideration
	equipment for workshops	
8.	Radio station permissions denied (recorded material, licensing authorities)	Seek alternatives, eg provide content for existing radio stations "broadcast" via internet rather than terrestrially
Event risks:		
9.	Public safety - eg explosion, fire	Make disaster plan with emergency services one month before festival Communicate fire and safety procedures incl. evacuation for crew immediately before festival Attendance of emergency services at events Consider Public Liability Insurance.
10.	Failure to perform (sickness, travel delays + lost luggage) advertised artists, expert technicians	Insurance/contingency for costs of substitute
11.	unavailability of venue, failure equipment, bad weather	Legally binding contract Emergency alternative location Evaluate cost and feasibility of cancellation insurance
12.	restriction by authorities eg, state funeral, civil unrest	Evaluate cost and feasibility of cancellation insurance
13.	competition - eg Youssou N'Dour booked to play in DSM same weekend	Invite the group to perform at SzB (if musically appropriate) Discuss with event organisers ways for mutual benefits

How can the Norwegian support minimise the above-mentioned challenges:

The long-term Norwegian funding might enable BP to do long-term planning and will most likely help to secure organisational sustainability. BP might thus be better prepared to deal with the risks identified above.

3. Budget, in USD

Busara Promotions Expenses	2009/2010	2010/2011	2011/2012	2012/2013
Human Resources	65 000	104 000	110 000	113 000
Office and Administration	78 900	88 100	93 700	100 600
Music & Events Promotion	125 500	136 000	145 800	170 500
Training and Capacity Building	49 000	52 800	56 600	60 200
Flight, travel and accommodation	138 500	145 000	156 900	164 300
Venues & Facilities	14 500	14 000	11 800	12 900
Ordinary Expenditure	471 400	539 900	574 800	621 500
Norwegian Collaboration	30 000	30 000	30 000	30 000
Investment and assets	315 000	425 000	0	0
Expenditure total	816 400	994 900	604 800	651 500

Annual funding from the Norwegian Embassy in USD, tentative schedule:

When	2009	2010	2011	2012
June:		65.000,-	65.000,-	65.000,-
October:				
November:	280.000,-	65.000,-	65.000,-	65.000,-
Total	280.000,-	130.000,-	130.000,-	130.000,-

The total disbursement from MFA shall not exceed NOK 4.600.000,-

ANNEX II TERMS OF REFERENCE FOR AUDIT

The auditor shall carry out the audit in accordance with any national legislation for NGOs as well as 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 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 have been made available according to the budget in Annex I,
- Whether the Internal Control systems within the organization are in existence and are commensurate with the size and nature of the business;
- Whether the financial statements are in agreement with the books of accounts;
- Whether transactions with the related parties are made at arm's length.

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.