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Contract between the Media Council of Tanzania and Norwegian Ministry of Foreign Affairs (MFA) regarding Strategic Programme and regional Press Club Project

Media Council of Tanzania (MCT) has in letter of January 2007 requested MFA for financial support to their Strategic Programme, 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 Programme as outlined in the Agreed Programme Summary in Annex I (the Programme) and further described in the Programme Document "Strategic Plan and Regional Press Clubs", dated 25 January 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.

2. The Goal of the Programme is

- 2.1 To promote freedom of expression and media and
- 2.2 To achieve quality in media by promoting quality standards, accountability, social responsibility and skills development
- 2.3 To foster quality in media through skills development, promoting editorial independence, support for investigative journalism initiatives
- 2.4 To promote ethical practice, ensure highest professional standards and accountability, arbitration of media disputes and self regulation
- 2.5 To research, document and disseminate critical media related issues

3. Contributions of MFA

- 3.1 MFA shall, subject to Parliamentary appropriations, make available a financial grant not exceeding NOK mill. 7,4 (Norwegian Kroner Seven million four hundred thousand) (the Grant) to be used exclusively to finance the Programme during the planned period 2007-2011.
- 3.2 Upon completion of the Programme, any unutilized funds, including accrued interests, shall be returned to MFA, unless the Parties have agreed in writing upon the utilization of such funds.

4. Obligations of MCT

MCT shall:

- 4.1 Implement the Programme 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,
- 4.2 effect purchases for the Programme in such a manner as to obtain the most favorable 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 organizations for the successful implementation of the Programme,

- 4.3 meet all additional expenses that may be necessary for the completion of the Programme including provide counter part and other funding according to the budget,
- 4.4 ensure that Programme funds, which shall include any accrued interests, are properly accounted for,
- 4.5 keep MFA informed about plans for major organizational changes as well as keep MFA informed as to the name of the auditor of the Programme,
- 4.6 provide copies to MFA of reports submitted to authorities relevant pertaining to the Programme,
- 4.7 promptly inform MFA in writing of any condition which interferes or threatens to interfere with the successful implementation of the Programme,
- 4.8 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,
- 4.9 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.

5. Disbursements

- 5.1 Disbursements from the Grant shall take place upon annual written requests from MCT based on the financial needs of the Programme and, with exception of the first request, on approved work plans and budgets. The first disbursement, amounting to NOK mill. 1,4 will be made upon signing of this Contract and approval by MFA of a disbursement request from MCT.

Along with the requests, except the first request, MCT shall state the cash balance of the Programme and submit a statement of bank balances for the Programme from the bank.

- 5.2 When determining the amount to request, MCT shall take into account unspent disbursed amounts and income from all sources as well as any accrued interests.
- 5.3 Funds will be transferred upon MFA's approval of the request to a separate bank account registered with the Ministry Finance for foreign contributions in the name of Media Council of Tanzania/Press Club Project, and will be available for the Programme immediately. The Media Council of Tanzania shall immediately, in writing, acknowledge receipt of the funds. The date of receipt shall be stated as well as the exchange rate applied.

6. Reporting

- 6.1 The Media Council of Tanzania shall submit the following reports/documentation to MFA:
 - An annual progress report for the previous year within 30th April each year,
 - financial statements for the Programme showing receipts/income and expenditures the previous year as well as the cash/bank/financial position of the Programme as per 31.December each year,
 - a budget and work plan for the following year within November each year with an updated revolving plan for the entire Programme period,
 - brief semi-annual progress reports and statement of accounts, covering the period January-June each year,

- the audited annual financial statements of the entire organization within 30th April each year,
- a final report for the whole Programme period, as well as financial statements from end of the previous audit until completion of the Programme within 30. April 2011 for the Press Club Project and 30 April 2012 for the Media Council of Tanzania Programme.

6.2 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 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.

: The semi-annual progress reports shall be brief and shall focus on major deviations from plans.

6.3 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".

6.4 MFA shall respond in writing within 3 weeks after the receipt of the reports and documentation. MFA shall approve the work plans and budgets in writing.

7. Audit

7.1 The annual financial statements of the Programme shall be audited by an independent and recognized 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. The Media Council of Tanzania 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 30th April each year. The Media Council of Tanzania shall comment upon the auditor's findings, and MFA shall respond within 3 weeks upon reception of the report.

7.2 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.

8. Meetings and reviews

8.1 Formal meetings shall be held within May each year unless otherwise agreed in writing. The meetings shall be called and chaired by the Media Council of Tanzania. The purpose of these meetings is to discuss the progress of the Programme, including results and fulfillment of agreed obligations, to discuss and, if feasible, approve 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. Central elements of the discussion and all decisions from the consultations shall be recorded in agreed minutes.

- 8.2 A mid-term and review focusing on progress to date and the effectiveness of the Programme, i.e. the extent to which the Purpose is being/have been achieved, shall be carried out by January 2009 and January 2010. An assessment of the Programme's impact may also be included in the review(s).

In addition an evaluation of the Programme shall be carried out by mid 2010 and mid 2011.

The cost of the reviews/evaluations shall be covered by the Media Council of Tanzania (evaluations) and the lead donor (mid-term reviews).

- 8.3 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.

9. 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.

10. Breach of contract

- 10.1 If the Media Council of Tanzania fails to fulfill its obligations under this Contract, or if any major organizational changes are found to be contradictory to the objectives of the Programme, MFA may, upon consultations with the Media Council of Tanzania cancel this Contract and claim repayment or withdraw the total or a portion of the funds provided to the Programme.
- 10.2 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 the Media Council of Tanzania or of a beneficiary of the aid funds without the Media Council of Tanzania having taken timely and appropriate action satisfactory to MFA to remedy the situation.

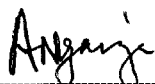
11. Entry into force – Termination - Disputes

- 11.1 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.
- 11.2 Notwithstanding the previous clause, each Party may terminate the Contract upon three months' written notice.

- 11.3 In case of termination of the Contract the Media Council of Tanzania 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. The Media Council of Tanzania shall not commit the Programme economically 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.
- 11.4 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. The court venue shall be Dar es Salaam.

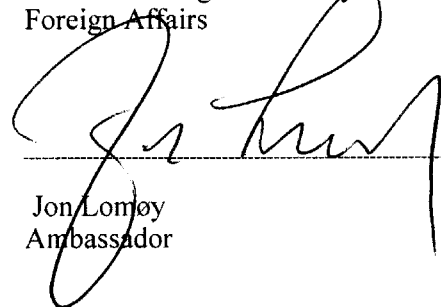
This Contract is drawn in duplicate with one copy for the Media Council of Tanzania and one for MFA.

Dar es Salaam 26/10/07
For Media Council of Tanzania



Anthony Ngaiza
Executive Secretary

Dar es Salaam 24/10/07
For the Norwegian Ministry of
Foreign Affairs



Jon Lomøy
Ambassador

Annex I: Agreed Project Summary

Annex II: Terms of reference for audit

Annex I Agreed Project Summary

Identification of the Project

- Project Title/Name: Media Council of Tanzania/Press Club Project
- Implementing institution: Media Council of Tanzania
- Norwegian and/or other Partner institution: Denmark, Sweden and Switzerland

Description of the Project

Goal

12. To promote freedom of expression and media and
- 13.
14. To achieve quality in media by promoting quality standards, accountability, social responsibility and skills development

Purpose:

- To foster quality in media through skills development, promoting editorial independence, support for investigative journalism initiatives
- To promote ethical practice, ensure highest professional standards and accountability, arbitration of media disputes and self regulation
- To research, document and disseminate critical media related issues

Output:

- Media outlets with higher standards of journalism and ethical conduct
- More knowledge among Tanzanians of the right of freedom of information and expression in Tanzania.

Input

- 7,4 mill. NOK for the period of 2007-2011. 2007-1,4 mill. NOK, 2008 2,6 mill. NOK, 2009- 2,7 mill NOK, 2010,7 mill NOK.

Main indicators

- Policy reform and repeal of anti media laws
- Review of the Information and Broadcasting Policy
- Encounters and public debates
- Improved working conditions
- Establishment of a Think Tank on Right to Information and Media Issues
- Constitutional Changes
- Training Workshops and Seminars
- Establishment Monthly Editors' Luncheons
- Review and Develop of Codes of ethics for various Media Professionals
- Publish Media Watch and Barazani
- Research/studies on media issues
- Development an Information Resource Centre:
- Trained and more professional training in journalism, project management and leadership for the regional Press clubs.

- Implementation of an advocacy programme on issues of concerns to communities in the regions through community journalism

Major risk factors (internal and external)

- MCT's limitation on human resource for facilitating institutional development of Press Clubs and UTPC in view of the following:
- Limited baselines and benchmarks for effectively monitoring and measuring results
- MCT and PCs/UTPC might be construed as instigators and get into a backlash with the government.

Overall Budget

4,7 mill. USD for the period 2007-2011 out of which Norway will cover appr. 1,2 mill USD Sweden approx 1,5 mill USD, Denmark approx 1,4 and Switzerland 600.000 USD.

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 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 organization 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.

The above list does not preclude the organization 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 organization upon completion of the audit. The letter should address deficiencies noted in the system of internal control.