

CONTRACT

Between

THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

(MFA)

And

THE FOUNDATION FOR CIVIL SOCIETY

Regarding

STRENGTHENING OF CIVIL SOCIETY ORGANISATIONS

The Foundation for Civil society has in an e-mail dated 28th January 2008 requested MFA through the Norwegian Embassy in Dar es Salaam for financial support for strengthening Civil society, and MFA has decided to comply with the request, and the Foundation for civil Society have agreed as follows:

1. Scope and Purposes

All communication to Norway in regard to this Contract shall be directed to the Norwegian Embassy in Dar es Salaam.

1.1 This Contract sets forth the terms and procedures for MFA's assistance to the project as outlined in the Agreed Project Summary (Annex I) to the Contract, ("the Project"), and further described in the Project Document "Foundation for Civil society-Strategic plan 2005-2008", dated May 2005. *(The first year i.e., 2008 will relate to the current strategic plan, year 2009 and 2010 will depend on submission of an accepted strategic plan).*

The Goal of the Project is to contribute to making citizens actively engage in the democratic process; making citizens ware; demanding and getting their rights.

Purpose

Strengthened Civil society sector more effectively engaged in policy processes, governance and safety nets.

2. Contributions of MFA

- 2.1 MFA shall, subject to annual appropriations by the Norwegian Parliament and the terms and conditions set out or referred to in the present Contract, make a financial grant not exceeding **NOK eight million and two hundred thousand (Norwegian Kroner 8 200 000) (the Grant)** to be used exclusively to finance the Project during an estimated period of three years.
- 2.2 Upon completion of the Project, any unutilised funds, including accrued interests, shall be repaid to MFA unless the Parties have agreed in writing upon the utilization of such funds.

3. Obligations of the foundation:

The Foundation 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 effect purchases for the Project in such a manner as to obtain the most favourable terms having 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 Programme.
- 3.3 meet all additional expenses that may be necessary for the completion of the Project,
- 3.4 Ensure that Project funds, which shall include any accrued interests, are properly accounted for,
- 3.5 provide copies to MFA of reports submitted to authorities relevant pertaining to the Project,
- 3.6 Promptly inform MFA in writing any condition which interferes or threatens to interfere with the successful implementation of the Project.

- 3.7 organise activities in such a way as to combat corruption and irregularities, refuse any form of gift, offer, payment or benefits that entail illegal or corrupt practice.
- 3.8 guarantees that funds made available in accordance with this contract is not used in violation of relevant 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.

4. Disbursements

- 4.1. Disbursements from the Grant shall take place upon semi annual written requests from the Foundation, 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 1 500 000**, will be made upon signing of this Contract.

When requests are submitted, any already disbursed, but unspent amounts as well as accrued interest shall be taken into account.

Along with the requests, with exception of the first request, the Foundation shall submit a statement of cash and bank balances from the project's accounting records, showing expenditures and a brief report on progress for the foregoing period. When requests are submitted, any unspent amounts as well as accrued interest that the Parties have agreed may be used for the benefit of the Project shall be taken into account.

5. Reporting, meetings, audit and reviews

5.1 Reporting

The Embassy on behalf of MFA shall receive work plans, budgets, progress reports, statement of accounts and audited accounts for the Project as follows:

- The foundation shall submit a statement of expenditure at the end of each quarter, for information.
- A brief Semi-annual progress report (shall be brief and shall focus on major deviations from plans) and statement of accounts,
- Annual report and audited accounts at least two weeks before the Development Partners' formal meeting(during the first half of the year), as well as a budget and work plan for the coming year(to be discussed during Development Partner's meeting in the second half of the year)

5.2 The annual 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 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”.

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

5.4 Meetings

Formal meetings shall be held (jointly with other Development Partners) within the first half of every year and the second half, unless otherwise agreed in writing. The meetings will be called and chaired by the Foundation. The purpose of the meeting in the first half of each year will be to discuss the performance and fulfilment of obligations for the previous year. The Annual report and the Audit reports shall form the basis for this meeting. The Meeting to be held in the second half of each year will consider the annual work plan and budget for the ensuing year.

Central elements of the discussion and all decisions from the consultations shall be recorded in Agreed minutes. The Agreed minutes shall be drafted by the Foundation and shall be sent to the Embassy for comments no later than two weeks after the meeting has been held.

5.6 Reviews

The MFA may carry out independent reviews or evaluations of the Project as and when the MFA deems it necessary. The cost for such reviews will be covered from funds over and above the grant.

5.7 Audits

The annual financial statements of the Project shall be audited by an independent and recognised professional accountant (auditor) acceptable to MFA. The Foundation shall submit to MFA the Audit report, any management letter and any report from the auditor significant to the implementation of the Project with the first quarter of each year. The Foundation shall comment upon the auditor's findings, and MFA shall respond within two weeks upon receipt of the report.

6. 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.

7. Breach of contract

7.1 If the Foundation fails to fulfil its obligations under this Contract, or if any major organisational changes are found to be contradictory to the Purposes of the Project, the MFA may, upon consultations with the Foundation, claim repayment or withdraw the total or a portion of the funds provided to the Project.

7.2 MFA will cancel this Contract or portion of this Contract and have the right to demand the cancellation of any contract financed under this Contract, with immediate effect if it determines, that any contract to be financed under this Contract, that corrupt or fraudulent practices were engaged in by representatives of the Foundation or of a beneficiary of the aid funds during procurement or during the execution of the contract without the Foundation having taken timely and appropriate action satisfactory to MFA to remedy the situation.

8. Entry into force – Termination - Disputes

8.1 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 between the Parties.

- 8.2 Both Parties shall be entitled to terminate the present Contract by giving three months' written notice to the other Party.
- 8.3 In any case of termination of the present Contract the organisation 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 the Foundation shall not commit the Project economically as regard to the use of funds from the date of the receipt of the note of termination. Any unspent funds not committed for by the date of the receipt of the note of termination, shall be returned to the Embassy without delay.
- 8.4 If any disputes arise relating to the implementation or interpretation of this Contract, there shall be mutual consultations between the Parties, with a view to securing a successful realization of the Purposes of the Project.

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 in Dar es Salaam.

This Contract is drawn in duplicate with one copy for the Foundation and one for the Embassy

Place: DSM Date: 26/3/08 Place: DSM Date: 26/3/08

For the Norwegian Ministry of

For the Foundation:

Foreign Affairs:


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JON LOMOY
AMBASSADOR


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JOHN ULANGA
EXECUTIVE DIRECTOR

PROJECT DESCRIPTION

The Foundation for civil Society

1. Description of the Project

a. Project Beneficiaries

The Foundation provides support to the following: NGO's, CBO's, professional associations, Trade unions, cooperatives and community enterprises, media organisations and faith based organisations.

b. Overall Goal

Contribute to making citizens actively engage in the democratic process; making citizens aware, demanding and getting their human rights..

c. Project Purposes

Strengthen civil society sector more effectively engaged in policy processes governance and safety nets.

Expected Results

- At least 290 CSOs supported with grants in the year 2008.
- Ten tailor made training programs in organisational development, financial management, project management and fundraising to at least 300 grantees for the year 2008.
- At least 1 Information session held in each region in 2008.
- Revised grant making procedures and systems by March 2008.

d. Time Frame

The Ministry for foreign affairs is going to fund activities of the foundation for a period of three years, 2008 to 2010. However the first year relates to the 2005-2008 strategic plan. The two remaining years will be dependant upon submission of an acceptable strategic plan.

2. Budget

The 2008 annual budget for the Foundation has a deficit of about **USD 1 278 000**. Norway and Denmark are the only donors that have not confirmed their commitments. It is proposed that the Embassy contribute up to **NOK 3 200 000** to cover the deficit. And for the rest of the contract period an annual budget of **NOK 2 500 000**.

a) Proposed Norwegian contribution is as follows:

2008	2009	2010	Total
NOK 3 200 000	NOK 2 500 000	NOK 2 500 000	8 200 000

b) Overall budget and commitments made by other DP's (All amounts are in USD)

	2008	2009	2010
DFID -	3 000 000	2 000 000	2 000 000
SDC	692 000	690 000	690 000
Irish Aid	1 500 000	1 500 000	1 500 000
Netherlands	2 500 000	2 000 000	2 000 000
CIDA	820 000	820 000	820 000
Total	8 512 000	7 010 000	7 010 000

	2008	2009	2010
Budget	9 790 000	11 240 000	12 320 000
Deficit	1 278 000	4 230 000	5 310 000

PROJECT PROGRESS REPORT

(maximum 4 pages)

Project:

Implementing Organisation:

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