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ARRANGEMENT ON DELEGATED COOPERATION BETWEEN THE MINISTRY FOR FOREIGN AFFAIRS OF FINLAND AND THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS REGARDING SUPPORT TO "MAMA MISITU: ADDRESSING FOREST GOVERNANCE IN TANZANIA"

WHEREAS the Tanzania Natural Resources Forum (TNRF), has requested the Ministry for Foreign Affairs of Finland and the Norwegian Ministry of Foreign Affairs (the Donors) to support "Mama Mimitu: Addressing forest governance in Tanzania" (the Project);

WHEREAS the Donors have decided to comply with the request, and wish to channel their support through the Ministry for Foreign Affairs of Finland (the Lead Donor), who will take on the responsibility of acting on behalf of the Norwegian Ministry of Foreign Affairs (the Co-Donor) as specified in this arrangement on delegated cooperation (this Arrangement);

WHEREAS the Lead Donor will enter into an agreement with TNRF (the Specific Agreement) regarding support to and implementation of the Project;

WHEREAS respect for human rights, democratic principles, the rule of law and good governance will form the basis of the cooperation and constitute essential elements of this Arrangement and the Specific Agreement;

NOW THEREFORE the Donors have reached the following understanding:

Paragraph I Scope and objectives

1. This Arrangement sets forth common provisions and procedures for the delegated cooperation between the Donors regarding their support to the Project. The objective of the Arrangement is to improve donor coordination and harmonization through delegated cooperation, thereby reducing the administrative burden of TNRF and enhancing the efficiency of the Donors' development cooperation.

2. The scope of the Project as well as the provisions for the Donors' support to the Project towards TNRF will be defined in the Specific Agreement which the Lead Donor will enter into with TNRF. The Specific Agreement will clearly state the Donors' co-financing of the Project and the Lead Donor's authority to represent the Donors in accordance with this Arrangement. The Co-Donor will carry no responsibility or liability towards TNRF for the implementation of the Specific Agreement.

Before entering into the Specific Agreement, the Lead Donor will submit a copy of the final draft Specific Agreement to the Co-Donor for approval. The same applies in respect of any amendments to the Specific Agreement, which will also be subject to consultations, see Paragraph III, Section 3. Further, the Lead Donor will submit a copy of this Arrangement to TNRF as soon as it has been entered into.

The Lead Donor's administration of the Co-Donor's contribution will be subject to the parliamentary budget approval of the Finnish parliament in 2012.

3. No offer, payment, consideration, gift or benefit of any kind, which could be regarded as an illegal or corrupt practice, has or will be made, promised, sought or accepted, neither directly nor indirectly, as an inducement or reward in relation to activities funded under this Arrangement, incl. tendering, award or execution of contracts. Any such practice will be grounds for the immediate

cancellation of this Arrangement and for such additional action, civil and/or criminal, as may be appropriate.

Paragraph II Contributions of the Donors

1. The Donors will, subject to parliamentary appropriations, make total contributions not exceeding the following amounts (collectively referred to as the Contribution) exclusively to support the Project in the period 2012 - 2016:

	Currency	2012	2013	2014	2015	2016	Total
Lead Donor	€	0,4m	0,4m	0,4m	0,4m	0,35m for final settlement 0,05 m in 2017	€ 2.000.000
Co-Donor	NOK	3.5m	3.5m	3.5m	3.5m	3.5m	17.500.000 NOK

The annual breakdown is tentative.

2. Upon completion of the Project any remaining Project funds on the bank account of the Lead Donor mentioned in Paragraph IV, Section 2, including any unspent interests and funds returned from TNRF according to the Specific Agreement will be refunded on a proportional basis unless otherwise decided by the Donors.

Paragraph III Cooperation and representation

1. The Lead Donor will administer the Contribution and follow up the Project towards TNRF in accordance with the stipulations in the Specific Agreement and the Lead Donor's prevailing general principles and guidelines for development assistance. The Lead Donor will participate in project Steering Committee Meetings as the official representative of the Donors.

Both Donors may procure consultancy support for assisting in the monitoring of the Project after consulting with each other in respect of the Terms of Reference and budget for such consultancies. If deemed necessary, the Donors will share the costs for such consultancies proportionally over and above the Grant.

2. The Lead Donor will promptly inform the Co-Donor of any event that interferes or threatens to interfere with the successful implementation of the Project.

3. The Lead Donor will consult with the Co-Donor in case fundamental changes which adversely affect the Project occur and before making any decision of principle regarding the Project, e.g. before suspension or termination of, or amendments to, the Specific Agreement. The Lead Donor will obtain the Co-Donor's approval before withholding or reclaiming the Co-Donor's funds from TNRF.

4. The Donors will meet once a year (Supervisory Board Meeting) no later than 1 week prior to the Steering Committee Meeting with TNRF under the Project, in order to discuss the progress of the Project and the cooperation between the Donors. The documentation submitted according to Paragraph V will form the basis for the discussions. The meeting will be called and chaired by the

Lead Donor. The Lead Donor will draft minutes from the meeting, and send the draft for comments and approval to the Co-Donor within two weeks after the meeting. Moreover, the Co-Donor may at any time request a meeting with the Lead Donor to discuss the progress and plans of the Project and the cooperation between the Donors.

5. The Co-Donor may participate as an observer in the following meetings: The Steering Committee Meeting, the first Review Meeting (Inception Meeting), Final Review Meeting and interim follow-up meetings according to the respective Article VII of the Specific Agreement between the Lead Donor and TNRF.

6. Subject to applicable law the Co-Donor will be given access, whenever requested, to all documentation and information in the possession of the Lead Donor pertaining to Lead Donor's administration of the Contribution and implementation of the Project. Further, the Lead Donor will obtain from TNRF any information or documentation relating to the Project that the Co-Donor may reasonably request.

7. The entities competent to act on behalf of each of the Donors in matters related to this Arrangement are:

For the Lead Donor:
The Embassy of Finland,
Counsellor (Natural Resources)
P.O. Box 2455, DSM

For the Co-Donor:
The Royal Norwegian Embassy,
Counsellor (Environment and Climate Change)
P.O. Box 2646, DSM

All communication in regard to this Arrangement will be directed to the above mentioned entities.

Paragraph IV Disbursements

1. Disbursements from the Co-Donor to the Lead Donor will be made semi-annually depending on the progress and performance to date and the liquidity needs of the Project the coming period of six months. Upon receiving disbursement requests from TNRF the Lead Donor will submit written disbursement requests to the Co-Donor.

The disbursement requests from the Lead Donor will contain a copy of the original request from TNRF and the documentation listed or referred to in Article III of the Specific Agreement.

Unless otherwise decided each Donor's annual contribution to disbursements to TNRF will be proportional among the Donors.

2. The Co-Donor will disburse its contribution to the Lead Donor's bank account upon approval of the disbursement requests and the accompanying documentation from the Lead Donor. The Lead Donor will immediately in writing acknowledge receipt of the contribution. Upon receiving the Co-Donor's contribution, the Lead Donor will disburse the contributions to TNRF. Upon receiving confirmation of receipt of funds from TNRF, the Lead Donor will send a copy to the Co-Donor.

Paragraph V Reporting