

Contract between the Norwegian Ministry of Foreign Affairs (MFA) and the World Wide Fund for Nature Tanzania Country Office (WWF TCO) regarding *Enhancing Tanzanian Capacity to Deliver Short and Long Term Data on Forest Carbon Stocks across the Country*

The World Wide Fund for Nature Tanzania Country Office (WWF TCO) has in letter dated 26 October 2010 requested MFA for financial support for *Enhancing Tanzanian Capacity to Deliver Short and Long Term Data on Forest Carbon Stocks across the Country*. 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 (the Project) and further described in the Project Document "*Enhancing Tanzanian Capacity to Deliver Short and Long Term Data on Forest Carbon Stocks across the Country*", dated 26 October 2010.

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.

All communication to WWF TCO relating to the Project will be directed to the Country Director of WWF TCO.

- 1.2 The Goal of the Project is "to contribute to the establishment of a national Tanzanian carbon trading system that seeks to reduce greenhouse gas emissions from the deforestation and degradation of Tanzanian forests, thereby slowing climate change".

The Purpose of the Project is "to contribute core data to the Tanzanian national MRV system that forms a part of the comprehensive forest carbon monitoring system for the country".

2. Contributions of MFA

- 2.1 MFA shall, subject to Parliamentary appropriations, make available a financial grant not exceeding NOK 13.9 million (Norwegian Kroner thirteen million and nine hundred thousand) (the Grant) to be used exclusively to finance the Project during the planned period 1st January 2011 to 31st December 2013.
- 2.2 In order to ensure high quality accounting of the Project, MFA shall from time to time on MFA's initiative make available to WWF TCO 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.
- 2.3 Upon completion of the Project, any unutilized 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 WWF TCO

WWF TCO 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 to the total budget for each output beyond what is approved in the Annual meetings referred to in Article 7 have to be agreed upon in advance in writing,
- 3.2 effect purchases for the Project in accordance with established organizational procedures and in such a manner as to obtain the most favourable terms with regard to price, quality, delivery date and maintenance facilities, and to keep capital items 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, and make available necessary administrative, financial and logistical support staff as and when required,
- 3.4 ensure that Project funds, which shall include any accrued interests, are properly accounted for in accordance with established organizational procedures, also by any subcontracted partners,
- 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 authorities pertinent 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 2.2 above,
- 3.11 ensure that subcontracted partners are obliged, through relevant clauses in their contracts, to supply annual certified financial statements to WWF TCO and to cooperate fully with the external financial management advisor(s) (mentioned in Section 3.10),
- 3.12 enter into dialogue with the Embassy if additional REDD-related funding or responsibilities are accepted from other development partners or collaborators.



4. Disbursements

- 4.1 Disbursements from the Grant shall take place upon semi-annual written requests from WWF TCO based on the financial needs of the Project and satisfactory delivery of the Project performance milestones, and, with exception of the first request, on approved work plans and budgets.
- The first disbursement will be made after receiving in writing the organizational procedures for financial accounting, audits, recruiting, tendering, procurement, allowance payment modalities and other standard procedures and upon signing of this Contract and approval by MFA of a disbursement request from WWF TCO.
- Along with the disbursement requests, except the first request, WWF TCO shall submit statements of cash and bank balances from the Project's accounting records.
- 4.2 When determining the amount to request, except the first request, WWF TCO 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 a USD bank account held by WWF TCO in the name of "World Wide Fund for Nature", and will be available for the Project immediately. WWF TCO 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 WWF TCO shall submit the following reports/documentation to MFA:
- annual financial statements (1 January to 31 December) for the Project showing receipts/income and expenditures for the previous year as well as the cash/bank/financial position of the Project, no later than four weeks before the annual meeting referred to in section 7.1,
 - a budget and work plan on an annual basis (1 January to 31 December) for the coming year with an updated revolving plan for the entire Project period, no later than four weeks before the annual meeting referred to in section 7.1,
 - semi-annual progress reports and statement of accounts, covering the period 1 January to 30 June and 1 July to 31 December within July and January respectively each year, with the latter no later than four weeks before the annual meeting referred to in section 7.1,
 - the audited annual financial statements (1 July to 30 June) of the entire organization within December the same calendar year,
 - a final report for the whole Project period, as well as audited financial statements from end of the previous audit until completion of the Project within March 2014
- 5.2 The semi-annual progress reports 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 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
- 5.3 The final report shall include the following information:
- The topics listed in Clause 5.2 above.

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- 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 continue after external assistance has concluded
 - a summary of main "lessons learned".
- 5.4 MFA shall respond in writing within four weeks after the receipt of the reports and documentation. MFA shall approve the work plans and budget in writing.
- 6. Audit**
- 6.1 The annual financial statements of the Project 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. WWF TCO shall submit to MFA the audit report, any management letter and any other report from the auditor significant to the implementation of the Project within March the following year. WWF TCO shall comment upon the auditor's findings, and MFA shall respond within four 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 Formal meetings shall be held no later than February every year (with the exception of a first formal meeting held before the end of August 2011) unless otherwise agreed in writing. The meetings shall be called and chaired by WWF TCO with a member of the Task Force invited as an observer for the first meeting and optionally thereafter. The purpose of these meetings 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 Article 5, as well as to discuss issues of special concern for the implementation of the Project, e.g. risk management. Central elements of the discussion and all decisions from the consultations shall be recorded in agreed minutes. The minutes shall be drafted by WWF TCO and be submitted to MFA for comments within two weeks.
- 7.2 A mid-term and end-term review focusing on progress to date and the effectiveness of the Project, i.e. the extent to which the Purpose is being/have been achieved, shall be carried out tentatively by July 2012 and January 2014 respectively. An assessment of the Project's impact may also be included in the review.
The cost of the review shall be covered by 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**
- 8.1 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

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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 WWF TCO fails to fulfill 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 WWF TCO cancel this Contract and claim repayment or withdraw the total or a portion of the funds provided to the Project.
- 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 WWF TCO or of a beneficiary of the aid funds without WWF TCO 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 WWF TCO shall exert its best efforts to bring the Project to an end in a rapid, orderly and economical manner as to the use of the funds from MFA. WWF TCO shall not commit the Project 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 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 WWF TCO and one for MFA.

Dar es Salaam,
For the Norwegian Ministry of
Foreign Affairs



Date 6.12.2010

Name and Title

SVEIN BARA, MINISTER
COUNSELLOR

Annex I:
Annex II:

Dar es Salaam,
For WWF TCO



7.12.2010

Name and Title

STEPHEN MARIKI
COUNTRY DIRECTOR

Agreed Project Summary
Format for progress reports

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Annex I Agreed Project Summary

1. Identification of the Project

- Project Title/Name
Enhancing Tanzanian Capacity to Deliver Short and Long Term Data on Forest Carbon Stocks across the Country
- Implementing institution
World Wide Fund for Nature Tanzania Country Office (WWF TCO)
- Norwegian and/or other Partner institution
In partnership with Sokoine University of Agriculture, and with the collaboration of the Ministry of Natural Resources and Tourism (Forestry and Beekeeping Division), relevant District Councils, TANAPA and Universities of Leeds and York, UK.

2. Description of the Project

Summary

Achieving REDD readiness requires Tanzania to accurately quantify the levels of carbon changes to known levels of precision. Determination of carbon changes requires baselines i.e. historical trends against which additional carbon benefits as a result of carbon Project can be determined. Under REDD, the reference scenario will be the baseline against which achievements made by a country can be measured and credited.

The activities described will encompass the establishment and measurement of 120 permanent, baseline carbon plots in different vegetation/cover types across the country, covering degraded, degrading and intact forests. The Project builds on work that has been initiated by the collaborating institutions in the Eastern Arc Mountains and expanding this network of field plots to cover additional habitat types and geographical regions, including coastal forests, miombo woodlands, acacia savanna, bushlands, grasslands and wetlands to enable more accurate estimates of carbon stocks in different cover types.

In addition to identifying and measuring each species within the 120 plots a hemispherical photographic survey will be undertaken of the structure of the vegetation. The data from these photographs will enable the link between the ground data on ecosystem type to earth observation data and derived products (e.g. satellite derived moisture distribution and remotely sensed vegetation products).

Remote sensing and modeling techniques will be applied to produce carbon density baseline maps across different vegetation types across the country. These mapped products will show the impact of past forest management, in particular degradation, on carbon storage and ecosystem composition.

The Project will backcast estimates of carbon lost in the period 1975-2000/05 in the Eastern Arc mountains and coastal forests and set up baselines for REDD. Further, future scenario mapping will be undertaken through development of future land use change scenarios up to 2025 based on potential changes in land cover across the entire country according to a business as usual and a more hopeful environmental future of Tanzanian development.

The Project aims to complement the work of the National REDD Task Force who are coordinating various REDD readiness activities in Tanzania, in particular efforts to build

capacity in REDD MRV (monitoring, reporting and verification) as well as the development of a national REDD strategy. The Project will harmonize with other carbon and forest assessment, mapping and modeling initiatives in Tanzania through close collaboration with NAFORMA, UN-REDD and other programmes. Specific added value of this Project includes:

- a) Relative focus of measurements below and above ground biomass (large tree biomass and undergrowth, dead and living);
- b) Methods and resolution of forest degradation assessments;
- c) Updated allometric equations for different species (and roots-stem-crown variations) and their potential use for calibration;
- d) Assessment of soil carbon to supplement the work of NAFORMA;
- e) Relative detail/resolution of data sets produced and their potential use for verification;
- f) Analysis of variation within common land cover categories/forest types;
- g) Measurements of carbon sequestration in addition to existing carbon store; and
- h) Development of future scenarios regarding forest carbon stocks.

2.1 Goal:

To contribute to the establishment of a national Tanzanian carbon trading system that seeks to reduce greenhouse gas emissions from the deforestation and degradation of Tanzanian forests, thereby slowing climate change.

2.2 Purpose:

To contribute core data to the Tanzanian national MRV system that forms a part of the comprehensive forest carbon monitoring system for the country.

2.3 Outputs:

- Output 1: Baseline carbon plots established
- Output 2: Simple carbon baseline maps produced
- Output 3: Past and future carbon changes determined and mapped
- Output 4: Capacity building, dissemination and communication of Project outputs

Carbon plots will be distributed across the following vegetation types and localities:

Vegetation cover type	Localities	Number of plots
Acacia/Commiphora Woodlands	Dodoma, Arusha, Mwanga	10
Bushlands/Thickets	Singida & Dodoma	10
Chrystalline Mountains	E/W Usambara, S/Pare	6
Coastal Forests	Kilwa, Matumbi/Kichi Hill	25
Floodplain Grasslands	Kilombero	3
Forests on Volcanic Mountain	Iringa/Mbeya, Kilimanjaro/Arusha	14
Mangroves Forests	Rufiji/Kilwa	5
Miombo Woodlands	Iringa, Mbeya	40
Savannah Grasslands	Iringa/Mbeya	5
Upland Grasslands	Mbeya/Iringa	2

However, the precise location of plots will be determined during an inception period, to allow flexibility according to national priorities and circumstances.

The entire Project is performance-based, with implementation proceeding towards the end of Project targets specified in the logical framework and summarized as follows:

Project component	Target by end of Project
<p>Goal: The national Tanzanian carbon trading system is established to reduce GHG emissions from the deforestation and degradation of Tanzanian forests, thereby slowing climate change</p>	<p>MRV capacity improved and contributing towards REDD+ readiness efforts</p>
<p>Purpose: To contribute core data to the Tanzanian national MRV system that forms a part of the comprehensive forest carbon monitoring system for the country</p>	<p>Data from 120 one-hectare plots incorporated within national MRV databases Past, present and future carbon stocks and emissions calculations used for national and international (UNFCCC) reporting</p>
<p>Output 1: Baseline carbon plots established</p>	<p>Carbon data collected and analyzed from 120 new one-hectare carbon measurement plots covering 10 vegetation types across Tanzania</p>
<p>Output 2: Simple Carbon Baseline Maps Produced</p>	<p>Detailed maps that map distribution of carbon across Tanzania based on existing and new field data, factoring deforestation and degradation</p>
<p>Output 3: Past and future carbon changes determined and mapped</p>	<p>National map and statistics showing amounts of carbon lost over the past decade Detailed maps and statistics of Eastern Arc, Coastal Forests and Mangroves showing amounts of carbon lost over past decade Business as usual and 'green future' scenario maps available showing carbon density in 2025 and 2050</p>
<p>Output 4: Capacity building, dissemination and communication of Project outputs undertaken</p>	<p>Capacity built for 20 district staff in respective districts and 10 for Tanzanian research and training institutions on field carbon assessment, data analysis and monitoring State of knowledge of Tanzanian forest carbon is captured in at least 3 papers</p>

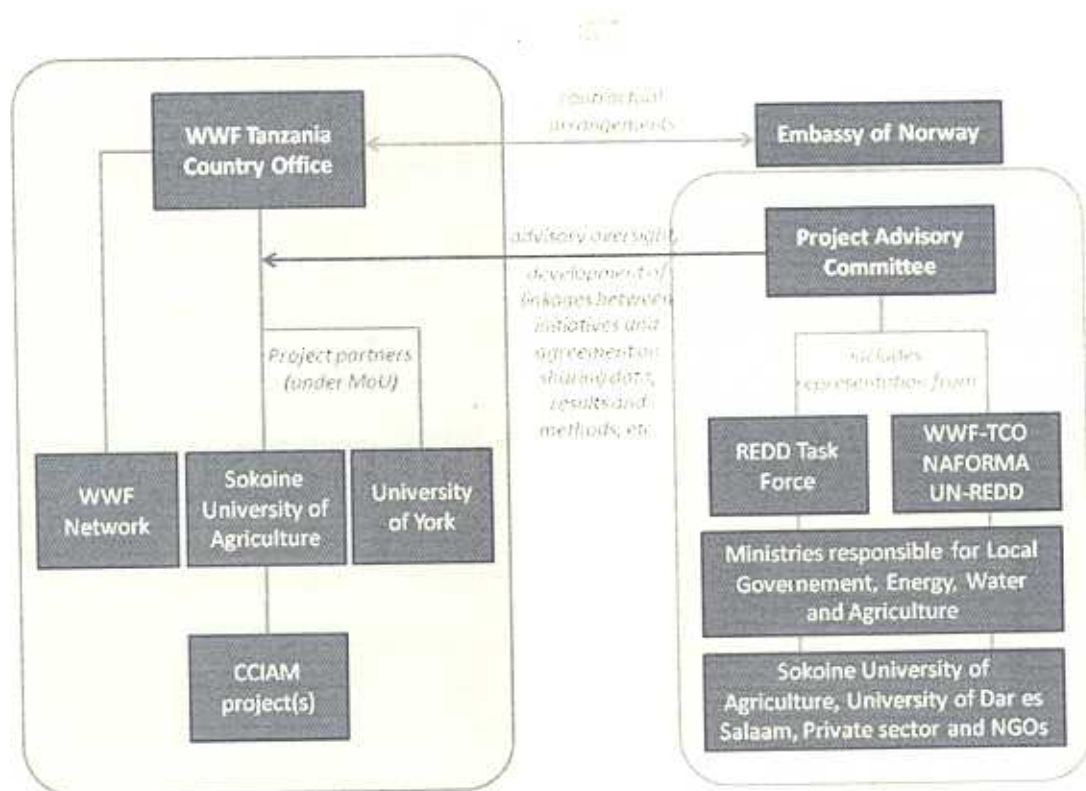
Overview of the Project Objectives, Outputs and Activities

Goal		
To enable communities and high bio-diversity value forests in western Tanzania benefit from REDD based global approaches to climate change mitigation		
Purpose		
To contribute core data to the Tanzanian national MRV system that forms a part of the comprehensive forest carbon monitoring system for the country		
Outputs		
Baseline carbon plots established	Simple carbon baseline maps produced	Past and future carbon changes determined and mapped
Major Activities		
<p>1.1 Establish carbon monitoring plots in Miombo woodlands</p> <p>1.2 Establish 20 carbon monitoring plots in Coastal Forests</p> <p>1.3 Establish carbon monitoring plots in Acacia/Commiphora woodlands</p> <p>1.4 Establish carbon monitoring plots in savannah grasslands, high altitude grasslands and floodplain grasslands</p> <p>1.5 Establish Carbon Monitoring Plots in Mangrove Forests</p> <p>1.6 Establish Carbon monitoring plots in Forests on Volcanic Mountains</p> <p>1.7 Establish Carbon Monitoring Plots in Forests on the Eastern Arc Crystalline Mountains</p> <p>1.8 Establishment and Assessment of Bushland/ Thickets Carbon Monitoring Plots</p> <p>1.9 Analyzed data from the already established carbon monitoring plots</p> <p>1.10 Analyze data from new carbon monitoring plots</p> <p>1.11 Publish information on carbon storage potential by different cover/vegetation types in Tanzania in peer reviewed journals</p>	<p>2.1 Edit the 1995 land cover map</p> <p>2.2 Enter carbon baseline plot data (new and already established) and information from literature into a GIS</p> <p>2.3 Map carbon distribution using data from carbon monitoring plots and land cover map</p>	<p>3.1 Compile existing forest/land cover change maps for the periods 1975 – 2000/2005</p> <p>3.2 Model and map carbon lost through deforestation based on past land cover changes over the period</p> <p>3.3 Scenario development and improvement</p> <p>3.4 Map carbon changes under developed scenarios</p> <p>3.5 Make a detailed assessment of the carbon likely to be lost in the future</p>
		<p>4.1 Enhance the application of spatial modeling of carbon storage of different land covers, carbon loss due to degradation and future carbon scenario for Tanzanian scientists and technicians</p> <p>4.2 Train district staff and researchers on field carbon assessment, data analysis and monitoring</p> <p>4.3 Develop, disseminate and communicate extension materials for various stakeholders, including policy makers</p>

2.4 Inputs

The Project is proposed to be housed and coordinated by WWF Tanzania Country Office (as the coordinating institution for the Valuing the Arc Programme), and then broken into a number of sub-contracts with defined roles and outputs:

- The plot establishment, assessment and monitoring will be led by SUA Department of Forest Biology. The GIS and remote sensing lab which would undertake some of the mapping work.
- The carbon mapping and carbon modeling into the past and into the future will be led by SUA GIS and remote sensing laboratory and Cambridge University, with defined roles.
- A further component of technical support will be provided by the University of York (development of the spatial scenarios) and the WWF network (e.g. WWF US Conservation Science programme will provide technical support to the mapping components of the Project, while the WWF Forest Carbon Initiative will provide guidance on technical issues and sharing of lessons learned) and University of Copenhagen (technical input).



The members of the core team and their main roles will be as follows:

- Prof. Shadrack Mwakalila (overall Project lead in WWF TCO)
- Prof. Pantaleo Munishi (Leader of the forest carbon assessments and monitoring work at SUA)
- Dr. Boniface Mbilinyi (GIS and remote sensing, forest change analysis at SUA)
- Dr Rob Marchant (KITE and VTA programmes in the UK. Climate change scenario modeling)
- Prof Neil Burgess (backstopping, technical support, in Denmark)

The Project will employ two staff under WWF, a Project leader and driver, and will be responsible for all labour and staff welfare legal requirements.

The Project will maintain (and expand upon) the Project Advisory Committee (PAC) established for the Valuing the Arc programme, to ensure coordination, integration, monitoring and providing advice. PAC membership will include central/local government (Vice-President Office (Chair), PMO – Local Government and Regional Administration, Forestry and Beekeeping Division, Ministry of Energy, Ministry of Water, Ministry of Agriculture, National REDD Task Force, and NAFORMA), Universities/Research Institutions (University of Dar es Salaam, Sokoine University of Agriculture, and Commission of Science and Technology), companies (DAWASCO, TANESCO) and NGOs (WWF, WCST, Care International)

The Royal Norwegian Government (MFA) will from time to time provide financial advisory services, technical input and training whenever possible to WWF TCO Project staff and associate partners to ensure that the Project provides high quality accounting services and comply with all management guidelines.

The Government of Tanzania will be a key stakeholder with regard to ensuring the Project compliments national REDD MRV readiness efforts, especially the key institutions of the Forestry and Beekeeping Division (Ministry of Natural Resources and Tourism), the Division of the Environment (Vice-President's Office) and the coordinating National REDD Taskforce.

A five-month inception process will entail the following key activities:

- Integrate the Project within other forest carbon and mapping Projects within Tanzania, including an inception workshop to clarify complementarities in methodologies, use of Project results and implementation partnerships;
- Explore the involvement of forestry or natural resources staff from the relevant Districts;
- Establish the Project team and recruit representatives from village environmental committees adjacent to Project sites to participate in field assessments;
- Establish a Project Advisory Committee;
- Purchase equipment;
- Provide training to district natural resource staff and representatives of local communities on the methodology prior to field work; and
- Develop MOUs between all partners implementing the Project, including agreements on how data should be shared and made available to MRV processes.

The inception workshop will bring together various players on MRV initiatives (e.g. NAFORMA, UN REDD, other NGO pilot Projects) to establish synergies in methodologies, use of Project results and implementation partnerships.

The Project will link with the complimentary CCIAM research proposal, '*Quantification and Mapping of Carbon Stocks and Plant Diversity in Different Land Cover Types in Tanzania*', in terms of personnel, resource use, methodologies and analytical inputs.

The Project will be obliged to share in real-time any relevant data, results and methods with complimentary initiatives funded under the Tanzania-Norway climate change partnership for the overall benefit of REDD MRV readiness efforts in Tanzania.

The total Project budget over three years is USD 1,978,396 which is equivalent to approximately NOK 13.9 million at an exchange rate of 7,0. All financial disbursements will be linked to the achievement of direct Project results.

WWF TCO will enter into a subcontract with SUA that will cover division of labour, disbursement and reporting modalities, and tax liability. All allowance payments for the Project will follow a formal basis established by WWF TCO in collaboration with partners, and following the approval of the Embassy. Subcontracts will be established between WWF TCO and other Project partners who will be receiving and expending funds.

The Project will procure two vehicles, five computers, five GPS units, two cameras, a CHN carbon analyzer, four generators and a range of camping equipment. WWF TCO will operate standard approval processes for procurements and all equipment purchased under this Project, and will work to secure exemptions (e.g. import duty, VAT) for all large purchases.

WWF TCO will maintain a list of equipment purchased by the Project, timesheets for subcontracted work, and vehicle logbooks, whose formats will be shared with the Embassy.

2.5 Main indicators

The entire Project is performance-based, with implementation proceeding towards the end of Project indicators specified in the logical framework, performance monitoring plan and implementation plan, together with means of verification. All financial disbursements will be linked to performance-based monitoring, comprising a combination of:

- (i) Output level indicators assessed on annual basis:

Activities	Year 1	Year 2	Year 3
Output 1: Baseline carbon plots established			
1.1 Establish carbon monitoring plots in Miombo woodlands	20 plots established and assessed in Iringa	20 additional plots established and assessed in Mbeya	
1.2 Establish carbon monitoring plots in Coastal Forests	25 plots established and assessed in Matumbi/Kichi hills and Kilwa		
1.3 Establish carbon monitoring plots in Acacia/Commiphora woodlands		10 plots established and assessed in Arusha, Dodoma and Mwanza	
1.4 Establish carbon monitoring plots in savannah, high altitude and floodplain grasslands	3 plots established and assessed in floodplain grassland in Kilombero	2 plots established and assessed in upland grasslands in Iringa/Mbeya	5 plots established and assessed in Savannah Grasslands in Iringa/Mbeya
1.5 Establish carbon monitoring plots in Mangrove Forests			5 plots established and assessed in Rufiji Delta and Kilwa
1.6 Establish carbon monitoring plots in Forests on Volcanic Mountains		10 plots established and assessed in Mbeya/Iringa	4 plots established and assessed in Kilimanjaro/Arusha
1.7 Establish carbon monitoring plots in forests on the Eastern Arc Crystalline Mountains			6 plots established and assessed in E/W Usambara and South Pare
1.8 Establishment and Assessment of Bushland/Itigi thickets Carbon Monitoring Plots		5 plots established in Dodoma 5 plots established in Singida	
1.9 Analyzed data from the already established carbon monitoring plots	Data from 18 plots analyzed and incorporated into the mapping activity		
1.10 Analyze data from new carbon monitoring plots			Data from 120 plots analyzed, incorporated into mapping
1.11 Publish information on carbon storage potential by different cover			3 peer reviewed papers published

83

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Activities	Year 1	Year 2	Year 3
Output 2: Simple Carbon Baseline Maps Produced			
2.1 Edit the 1995 land cover map	Refined land cover map produced by end Yr1		Updated land cover produced by end Yr3
2.2 Enter carbon baseline plot data and information from literature into a GIS	Initial GIS database of carbon storage by different land cover produced		Final GIS database of carbon storage by different land cover produced
2.3 Map carbon distribution using data from carbon monitoring plots and land cover map	Detailed GIS maps of carbon storage in eastern Tanzania	Draft GIS map on carbon baseline for the whole of Tanzania	Detailed GIS database and map on carbon baseline for the whole of Tanzania
Output 3: Past and future carbon changes determined and mapped			
3.1 Compile existing forest/land cover change maps for the periods 1975 – 2000/2005	Change forest/land cover GIS data base/map compiled		
3.2 Model and map carbon lost through deforestation based on past land cover changes over the period	Showcase on carbon changes under deforestation	Map and statistics for Eastern Arc and Coastal forests	National map and statistics showing amounts of carbon lost over the past decade
3.3 Scenario development and improvement	Scenario developed		
3.4 Map carbon changes under developed scenarios	Scenario maps for east part of country		
3.5 Make a detailed assessment of the carbon likely to be lost in the future			GIS map as a showcase on carbon stocks under two scenarios (business as usual and hopeful future)
Output 4: Capacity building, dissemination and communication of Project outputs undertaken			
4.1 Enhance special skills in spatial modeling for Tanzanian scientists and technicians			10 Tanzanian scientists and technicians trained
4.2 Train district staff and researchers on field carbon assessment, data analysis and monitoring			20 district staff and 15 researchers trained
4.3 Develop, disseminate and communicate extension materials		Leaflets on carbon storage by land cover developed Maps on carbon storage distribution	Leaflets and policy briefs on carbon lost due to degradation and under different scenarios

- (ii) Financial reports, assessed when disbursement requests are made; and
- (iii) Formal meetings will also review financial aspects, progress and assess risks to Project implementation.

An initial assessment of progress will be undertaken after six months. During the first six months of the Project, the indicators and milestones will be reviewed and a detailed monitoring and evaluation plan developed by the Project partners in consultation with relevant stakeholders. The plan will include details on the parameters for each of the indicators, the methodology that will be used to monitor progress in relation to those indicators and the timing of measurements.

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2.6 Major risk factors (internal and external)

Risks	Mitigation measures
Obtaining carbon estimates for vegetation types in Western Tanzania, making the production of a national carbon map difficult	Ecosystems with similar conditions will be considered as proxy data, along with data from other institutions undertaking studies in this part as well as from past forest reserve inventories and the ongoing national forest inventory (NAFORMA). The Project will also explore synergies with the Jane Goodall Institute in western Tanzania.
Defining scenarios that can be applied to the whole of Tanzania.	With more deliberation during the proposed scenario workshops, it is expected to produce scenarios that can broadly be applied to the whole country
Defining a working partnership between Tanzania and UK teams	Based on experience from the Valuing the Arc Project, partnerships will be defined based on definite tasks.
Effective coordination and synergies with other MRV initiatives	The inception period will include a workshop to establish synergies and coordination mechanisms, which will be followed by annual meetings of stakeholders.
Local community engagement	Inception phase will plan recruitment and training at village and district levels

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3. Overall Budget

The total Project budget over three years is USD 1,978,396 which is equivalent to approximately NOK 13.9 million at an exchange rate of 7,0. The Project is fully financed by MFA, within the total Grant. Budgets refer to the period running from 1st January to 31 December. The currency of reporting is US dollars.

Description	Expenditure category	Year 1	Year 2	Year 3	Total
Coordination costs	Staffing costs	54 750	57 750	60 750	173 250
	Consultant fees	10 000	10 000	10 000	30 000
	Meetings & workshops	5 000	15 000	5 000	25 000
	Supplies	1 000	1 000	1 000	3 000
	Subtotal Coordination costs	70 750	83 750	76 750	231 250
Capital costs	Vehicles purchase (x2)	120 000			120 000
	Vehicle maintenance	6 000	7 600	7 500	21 100
	Scientific equipment	92 050			92 050
	Camping equipment	11 800			11 800
	Subtotal Capital costs	229 850	7 600	7 500	244 950
Inception period activities	Meetings & workshops	45 000			45 000
	Subtotal Inception costs	45 000			45 000
Output 1: plot establishment	Air travel	5 000	5 000	5 000	15 000
	DSA Local	145 620	173 505	65 575	384 700
	DSA UK	24 000	28 000		52 000
	Local transport	20 000	34 800	12 500	67 300
	Camping supplies	25 200	27 965	6 576	59 741
	Consultant fees	19 200	22 400	6 400	48 000
	Data analysis supplies	15 000			15 000
	Subtotal Output 1: plot establishment	254 020	291 670	96 051	641 741
Output 2: mapping	Consultant fees	115 000		12 000	127 000
	Air travel	5 000			5 000
	Meetings & workshops	10 300			10 300
	Subtotal Output 2: mapping	130 300		12 000	142 300
Output 3: modelling	Consultant fees		70 000	110 000	180 000
	Subtotal Output 3: modelling		70 000	110 000	180 000
Output 4: capacity building	Consultant fees			20 000	20 000
	Meetings & workshops			65 000	65 000
	Training			25 000	25 000
	Travel			30 000	30 000
	Subtotal Output 4: capacity building			140 000	140 000
Subtotal direct project costs		729 920	453 020	442 301	1 625 241
WWF TCO overhead costs (12.5%)		91 240	56 628	55 288	203 155
Annual audit costs (managed by WWF TCO)		10 000	10 000	10 000	30 000
Independent mid & end term reviews (managed by Embassy)					120 000
Grand Total		831 160	519 648	507 589	1 978 396

83

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Annex II Format for progress reports

Project name:

Reporting period:

Completed by:

1. Project performance during reporting period

a. Technical

(description of actual outputs compared to planned outputs, as defined in quarterly work plans and Project monitoring indicators)

b. Financial

(a brief summary of the use of funds compared to budget, explanations of variance, and an outline of any additional funds secured for similar or related activities)

2. Project impacts of Project to date

(a brief assessment of the extent to which the purpose has been achieved according to Project monitoring indicators and milestones)

(final report only: an assessment of impact, 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)

3. Adaptive management

a. Constraints and opportunities during reporting period

(an explanation of major deviations from the plan)

b. Future risk and opportunity assessment

(an assessment of problems and risks (internal or external to the Project) that may affect success, as well as opportunities)

c. Project response

(an assessment of the need for adjustments to activity plans and/or inputs and outputs, including actions for risk mitigation)

4. Way forward

a. Planned activities

(an outline of activities planned for next reporting period, arranged by output)

b. Sustainability (final report only)

(an assessment of the extent to which the positive effects of the Project will continue after the external assistance has been concluded, and status of vehicles/equipment purchased by Project)

c. Lessons learned (final report only)

(a summary of main lessons learned during Project lifespan)

Progress reports will be made publicly available.

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Annex III Terms of Reference for audit

The auditor shall carry out the audit in accordance with any relevant national legislation 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 organisation and that accrued interest are reflected in the statement from the bank
- Whether the audit has uncovered any illegal or corrupt practices
- Whether receipts/income and expenditures are properly accounted for.
- Whether the financial statements are in agreement with the records and books of accounts maintained by the programme.
- Whether the expenditure incurred by the programme is properly documented and is in line with the budget.
- Whether the internal control system exists and is working efficiently to identify possible fraud or material misstatement.
- Whether the expenditures for each activity as per the activity budget is traceable and report on the variance in line with the budget.
- Whether the auditor has obtained all the information and explanation necessary for the purpose of the audit.

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.

