Agreement between the Norwegian Ministry of Foreign Affairs and the Government of the United Republic of Tanzania regarding development cooperation concerning "Establishing a National Carbon Monitoring Center in Tanzania"

Preamble:
WHEREAS the Governments of the Kingdom of Norway (Norway) and the United Republic of Tanzania (Tanzania) have signed a Letter of Intent on a Climate Change Partnership with a focus on reduced emissions from deforestation dated 21st April 2008,

WHEREAS Tanzania in letter dated 16th November 2012 has requested Norway for support to the establishment of the National Carbon Monitoring Center (NCMC), and

WHEREAS the Norwegian Ministry of Foreign Affairs (MFA) has decided to comply with the request,

WHEREAS a memorandum of understanding between the Vice Presidents Office (VPO) and Sokoine University of Agriculture (SUA) for the establishment of the National Carbon Monitoring Centre (NCMC) was signed on the 31st July 2014,

WHEREAS the memorandum of understanding outlines the objectives and functions of the NCMC and overall responsibilities of the parties in relation to the NCMC; VPO as the National Focal Point for United Nations Framework Convention on Climate Change (UNFCCC) and SUA as the host institution of NCMC,

NOW THEREFORE MFA and Tanzania (the Parties) have reached the following understanding which shall constitute an Agreement between the Parties:

Article I Scope and objectives

1. This Agreement sets forth the terms and procedures for MFA's support to the establishment of the National Carbon Monitoring Center in Tanzania (the Project) as outlined in the Agreed Project Summary in Annex I and further described in the Project Document dated May 2015.

2. The Goal of the Centre is: "Tanzania is able to actively participate and benefit from possible future international carbon trading mechanisms to reduce greenhouse gas emissions".

   The Objective of the Centre is: "to build national capacity to measure verify and report adequately on carbon emissions at national and international level".

3. The Project consists of 5 outputs, as further outlined in the Agreed Project Summary in Annex I and further described in the Project Document dated March 2015. The release of disbursements in support of activities to achieve the outputs will be results-based, as described in article V and Annex III.

4. The Project entails an institutional cooperation between NCMC and the Norwegian Forest and Landscape Institute (NFLI). A separate contract (the Institutional Cooperation Contract) will be entered into between SUA, as the host institution of NCMC and NFLI to define the services provided by NFLI for the sum allocated for the institutional cooperation in the approved budget. The Institutional Cooperation Contract shall reflect the provisions of this Agreement insofar relevant, and shall be submitted to MFA for

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review and approval before signing. Any subsequent amendments to the Institutional Cooperation Contract shall also be submitted to MFA for review and approval.

5. The Parties may agree on extending existing or including new Project elements within the Project, as well as on re-allocating funds within the Project. Any such agreement shall be in writing, e.g. recorded in the Agreed Minutes from the consultations mentioned in Article VI.

Article II Cooperation – Representation

1. The Parties shall communicate and cooperate fully with the aim to ensure that the Goal and Objective are successfully achieved. The Parties further agree to cooperate on preventing corruption within and through the Project, and undertake to take rapid legal action to stop, investigate and prosecute in accordance with applicable law any person suspected of misuse of resources or corruption. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to the Project.

2. In matters pertaining to the implementation of the Project, the Royal Norwegian Embassy in Dar es Salaam (the Embassy) and the Ministry of Finance shall be competent to represent MFA and Tanzania respectively. All communication to MFA in regard to the Agreement shall be directed to the Embassy.

3. VPO shall be overall responsible for coordination of the Project. SUA, as host institution for NCMC, will be responsible for the day-to-day implementation of the Project.

Article III Contribution of MFA

1. MFA shall, subject to Parliamentary appropriations, make available to Tanzania a financial grant not exceeding NOK 37 000 000 (Norwegian kroner Thirty seven million) (the Grant) to be used exclusively to finance the Project in the planned period of 3 years after the signing of the Agreement.

2. Any accrued interests on the Grant may be used for the benefit of the Project if agreed on by the Parties in writing.

   Any unspent disbursed funds and accrued interests shall be returned to MFA upon completion of the Project.

Article IV Contributions and obligations of Tanzania

Tanzania shall, through SUA as implementing agency, be responsible for implementing the Project, and shall hereunder:

1. Have the overall responsibility for the planning, implementation, reporting and monitoring of the Project,

2. Provide the financial and other resources required in addition to the Grant,

3. Ensure that the Grant is used according to approved work plans and budgets,

4. Ensure that Project funds, which shall include any accrued interests, are properly accounted for, and that the Grant is reflected in the plans, budgets and accounting of Tanzania,

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5. Ensure that spending at activity level does not deviate more than +/- 10% from the approved budget. If, exceptionally, such deviation is inevitable – the written concurrence of MFA must be obtained in advance for the overspending as well as for its impact elsewhere in the budget (i.e. where it will be balanced).

6. Promptly inform MFA of any circumstances that interfere or threaten to interfere with the successful implementation of the Project,

7. Ensure that all permits, import licenses and foreign exchange permissions that may be required are granted,

8. Ensure that representatives of Norway are permitted to visit any part of Tanzania for purposes related to the Agreement and examine any relevant records, goods and documents.

9. Recruit well qualified personnel to NCMC. A ranked list of top 3 candidates for each management and technical position will be shared with MFA for a final "no objection" along with NFLIs assessment of the candidates before proceeding with recruitment of the highest ranked candidate. In case MFA has objection to the first candidate the NCMC will proceed with the recruitment of the second highest ranked candidate. In case MFA has objections to all proposed candidates the positions will be re-advertised. During the interviews and selection of candidates for management and technical positions SUA will involve representation from VPO and NFLI. For transparency purpose, documentation regarding the selection criteria and scoring for all recruitments must be retained by the project and made available to MFA upon request.

10. Ensure that NCMC staff have contracts binding them to participate in NCMC activities full time,

11. Ensure that MFA's requirements regarding personnel emoluments that are additional to wages, such as reimbursable expenditure and allowances related to travel, training and other activities, are followed[1].

Article V Disbursements

1. The Grant will be disbursed upon semi-annual written requests from Tanzania based on the financial needs of the Project and, except the first request, on approved work plans and budgets. The first disbursement, amounting to NOK 6,000,000 (six million NOK), will be made upon signing of this Agreement and approval by MFA of a disbursement request from Tanzania.

   Subsequent disbursements are conditional upon NCMC achieving all the key progress indicators associated with the relevant disbursement as described in Annex III.

2. When determining the amount to request, Tanzania shall take into account unspent disbursed amounts and income from all sources as well as any accrued interests which the Parties have agreed on using for the benefit of the Project according to Article III, Clause 2.

   Along with the requests, except the first request, Tanzania shall submit statements of cash and bank balances from the Project's accounting records along with documentation and signed statement for having achieved the key progress indicators associated with releasing the disbursement.

   Funds will be disbursed from MFA to the Ministry of Finance upon MFA's approval of

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[1] Please refer to http://www.tzdpg.or.tz/fileadmin/documents/dpg_internal/dpg_main/DPG_Main_2012/DPG_Allowance_Guide_2012.pdf

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requests. The funds shall immediately be transferred through VPO to a separate NCMC Project account. Tanzania shall immediately, in writing, acknowledge receipt of the funds. The date of receipt shall be stated as well as the exchange rate applied.

3. All disbursements to suppliers of goods or services shall be made by Tanzania with the exception of suppliers/cooperation partners mentioned under clause 4 – 7 below.

4. MFA will, upon request from Tanzania, make payments directly to NFLI for the funds needed to cover NFLI expenses in accordance with the Institutional Cooperation Contract Requests for disbursement to NFLI will be submitted along with the other disbursement requests from the Project – i.e. semi-annually as described in clause 1 above, and linked to results as defined by Annex III.

5. Along with the disbursement requests, the following shall be submitted:

   - an original and specified invoice from NFLI (including enclosures to such invoice as per the Institutional Cooperation Contract),
   - a written verification from NCMC that deliverables have been made as per the contract and;
   - a written approval of the invoice by the chief financial officer of SUA.

6. If during the course of the project NCMC decides to enter into cooperation with other Norwegian partner institutions (e.g. planned outsourcing of tasks), similar arrangements for transfer of the funds will be agreed upon between the Parties.

7. Furthermore MFA may in exceptional cases and if considered necessary for the progress of the Project, upon request from Tanzania, effect disbursements directly to suppliers for procurement costs incurred under contracts entered into by Tanzania. Such disbursements will only be made against requests accompanied by:

- a copy of the contract (if applicable),
- original and specified invoice from the supplier (including enclosures to such invoice) and
- a written approval of the invoice by the chief financial officer of the Ministry.

MFA shall report payments made according to this clause to Tanzania.

Article VI Annual Formal Meeting

1. Representatives of the Parties shall have Annual Meetings during the last half of May. The Annual meetings will address the following:

a) **Issues or concerns of a general nature to be raised at the meeting**

Risk management: Active use of the Project risk log by assessing the identified risks and making a status for each, updating log where needed and identifying new risks (including their impact, probability and mitigation strategy)

b) Matters arising from previous documents

- Previous period's annual meeting/last formal monitoring meeting
- Reviews/Evaluations
- Formal correspondence between Embassy and the Project.

c) Progress and expenditure

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- Comments/approval of Annual Progress Report including Financial Statement and Audit Reports
- Actual outputs compared with planned outputs
- Use of funds compared to budget
- Crosscutting issues: (Gender, anticorruption/transparency, environment/climate change)
- Result management
- Fulfilment of other agreed obligations
- Institutional collaboration with NFLI.
- Review and approve updated work plan and budget for next reporting period
- Communication and information sharing.

d) Work plans and budget for the following period

- Comments/approval of the following period's plans/outputs and budgets, including budgetary ceiling for the Norwegian contribution

e) Plans for reviews

- Reviews stipulated in the Agreement
- Special reasons for carrying out a review

f) Any other issues.

2. Each of the Parties may include others to participate as observers or as advisors to their delegations.

3. The documentation specified in Articles VII and IX shall form the basis for the consultations. The documentation specified in Article VII (progress report, financial statements, work plan and budget) should be sent to MFA no later than 5 weeks before the Annual Meeting.

4. The Annual Meeting shall be called by NCMC and chaired by VPO.

5. Main issues discussed and points of view expressed as well as any decisions shall be recorded in Agreed Minutes. The Agreed Minutes shall be drafted by Tanzania and be submitted to MFA for comments no later than two weeks after the Annual Meeting. The minutes shall be signed by MFA and Tanzania within 4 weeks after the meeting.

6. Additional Formal Meetings can be agreed in writing between the parties if need arises.

Article VII Reports

1. Tanzania shall submit to MFA the reports and documentation specified below. MFA shall respond within three weeks upon receipt of the reports and documentation.

2. A <u>progress report</u> for the fiscal year shall be submitted semi-annually. The first progress report (for the initial 6 months period) shall be submitted early January to allow for the second disbursement. Remaining progress reports shall be submitted by October (for 6 months period January – June) and by April (for 6 months period July-December). The April report should be submitted at least 5 weeks prior to the Formal Meeting late May, cf. Article VI above and be prepared in accordance with the format in Annex 2 to this Agreement

3. The financial statements for the fiscal year shall be submitted semi-annually. The first financial statement (for the initial 6 months period) shall be submitted early January to allow for the second disbursement. Remaining statements shall be submitted by October and April. The April financial statement should be submitted at least 5 weeks prior to the Formal Meeting late May, cf. Article VI above and consist of the following:

   a) A statement showing income and expenditures for the previous period structured as and compared to approved budgets for such previous period as well as accumulated for the Agreement period. The statement shall capture all sources of funding, with sufficient segregation of data to permit identification of individual sources of funds and disbursements on major Project activities or types of expenditure,

   b) a statement of cash and bank balances,

   c) relevant notes to the above mentioned statements including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the Project.

   The financial statements shall show total and actual expenditures according to the most recent approved budget.

4. A work plan shall specify planned outputs and time schedules for the coming fiscal year and be submitted annually by mid-April at least 5 weeks prior to the Annual Meeting to be held in May, cf. Article VI above.

5. A budget for the Project for the coming fiscal year showing estimated income from all sources and planned expenditures shall be submitted annually by Mid April at least 5 weeks prior to the Annual Meeting to be held in May, cf. Article VI above . The budget shall be based on the work plan.

6. The financial statements and budget(s) shall give complete and detailed information on the financing of the Project.

7. A final report shall be submitted within six months after the completion of the Project. The final/status report shall include:

   - The topics listed in Annex 2 for the whole Agreement period,
   - an assessment of the effectiveness of the Project, i.e. the extent to which the Purpose has been achieved,
   - 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,
   - 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 after the external assistance has been concluded,
   - a summary of main "lessons learned".

Article VIII Procurement

1. Tanzania undertakes to effect all procurements of goods and services necessary for the implementation of the Project.

2. The procurements shall be performed in accordance with generally accepted procurement principles, good procurement practices and the procurement regulations and tax laws of Tanzania. Norwegian suppliers shall be given the same opportunities as other suppliers to compete for deliveries.

Tanzania shall observe the highest ethical standards during the procurement and execution of contracts, and shall ensure in its national legislation adequate and effective means to punish and prevent illegal or corrupt practices.

No offer, gift, payment or benefit of any kind, which would or could, either directly or indirectly, be construed as an illegal or corrupt practice, e.g. as an inducement or reward for the award or execution of procurement contracts, shall be accepted. Invitations to make offers as well as the procurement contracts shall, respectively, include a clause stating that the offer will be rejected and/or the contract cancelled in case any illegal or corrupt practices have taken place in connection with the award or the execution of the contract.

3. Contracts entered into exceeding 500 000 NOK shall be submitted to MFA for information.

4. Tanzania shall upon request furnish MFA with all relevant information on its procurement practices and actions taken, and provide access to all related records and documents. MFA may require access to information even during the stage in the procurement procedure when it is restricted to the officers performing the procurement. Restrictions on such information shall be respected until the information can be made public without any risk of detriment to the result of the procurement.

Article IX Audit

1. The annual financial statements of the Project shall be audited by the Controller and Auditor General of Tanzania (CAG) or an equivalent governmental audit body or an independent professional accountant/accountancy firm in public practice (external auditor/ audit firm) engaged by the CAG. The cost of the audit shall be covered by the Grant.

2. The audit shall be carried out in accordance with international auditing standards. The auditor shall state in the report which auditing standards that have been applied. Funds transferred to Norwegian governmental institutions like NFLI shall be subject to audit by independent and recognised professional auditors, in accordance with international auditing standards.

The audit report 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 SUA - NCMC Project 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 accordance with the records and books of accounts maintained by the Project.
- Whether the expenditure incurred by the Project 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 are 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 organization or the auditor from addressing further issues.

The auditor shall also submit a management letter to the organization upon completion of the audit. The letter should address deficiencies noted in the internal control

3. Tanzania shall submit to MFA the audit report from each fiscal year, including the letter to management, and any other report from the auditor significant to the implementation of the Project within March the following year. Tanzania shall comment upon the auditor's findings. MFA shall respond within four weeks upon reception of the report.

Article X Reviews – Evaluation

1. External review and an end review applying the OECD/DAC evaluation framework to the Project to evaluate its progress to and the Relevance, Effectiveness, Efficiency, Impact and Sustainability of the Project, i.e. the extent to which the Objective is being/has been achieved, shall be carried out at the end of the first year of the Project and the end of the Project respectively.

2. The cost of the reviews shall be covered by the Grant.

3. The Terms of Reference (ToRs) for the Reviews will be developed by MFA and shared with SUA/NCMC and VPO for commenting before completion.

4. Norway 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.

Article XI Reservations

1. MFA reserves the right to withhold disbursements at any time in case e.g.:

   - The Project develops unfavorably in relation to the Goal and Objective,
   - substantial deviations from agreed plans or budgets occur,
   - resources to be allocated by Tanzania are not provided as agreed,
   - the documentation specified in Articles VII and IX has not been submitted as agreed,
   - the financial management of the Project has not been satisfactory,
   - the MoU between VPO and SUA for the establishment of the NCMC or the Institutional Cooperation Contract is breached or terminated before all obligations therein are fulfilled.

2. MFA reserves the right to reclaim all or parts of the Grant and cancel the Agreement if Project funds are found not to have been used in accordance with the Agreement or are found not to be satisfactorily accounted for.

3. MFA reserves the right to withhold disbursements if one or more of the key progress indicators related to disbursements are not achieved at the time when funds are requested by Tanzania.

   In order for the Project not to be slowed down in case unforeseen non-delivery of individual components, NCMC and MFA may agree in writing on deviations from Annex III.

4. MFA has the right to cancel the Agreement or portion of the Agreement, and has the right to demand the cancellation of any contract financed under the Agreement, with

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immediate effect if it determines that corrupt or fraudulent practices were engaged in by representatives of Tanzania or by a beneficiary of Project funds during procurement or execution of the contract without Tanzania having taken timely and appropriate action satisfactory to Norway to remedy the situation.

5. Before MFA withholds disbursements, reclaims funds or cancels the Agreement, the Parties shall consult with a view to reaching a solution in the matter.

Article XII Distribution of the Agreement

1. The Parties shall distribute copies of the Agreement to the respective ministries, authorities and other institutions involved in the Project or otherwise in need of information on its content.

Article XIII Entry into force – Termination – Disputes

1. The Agreement shall enter into force on the date of its signature, and shall remain in force until the Parties have fulfilled all obligations arising from it. Whether the obligations are fulfilled, shall be determined in consultations by the Parties.

2. Notwithstanding the previous clause each Party may terminate the Agreement upon three months written notice.

3. If any dispute arises relating to the implementation or interpretation of the Agreement, the Parties shall consult with a view to reaching a solution.

IN WITNESS WHEREOF the undersigned, acting on behalf of their respective Party, have signed the Agreement in two originals in the English language.

Done in Dar es Salaam, 23. June 2015

For the Norwegian Ministry of Foreign Affairs	For the Government of The United Republic of Tanzania
Hanne-Marie Kaarstad	
	<Name in type/block letters>
H.E. Ms Hanne-Marie Kaarstad Ambassador	Permanent Secretary Ministry of Finance

Annexes:
I. Agreed Project Summary
II. Format for progress reports
III. Required key performance indicators for disbursements

Annex I Agreed Project Summary

Identification of the Project

- Project Title/Name: “Establishing a National Carbon Monitoring Center in Tanzania”
- Implementing institution: Vice President’s Office (VPO)
- VPO and Sokoine University of Agriculture (SUA) have entered into a Memorandum of Understanding (MoU) that specifies the responsibilities of SUA as the host institution of NCMC.
- An Institutional cooperation between NCMC and Norwegian Forest and Landscape Institute will be established during the early stages of the project.

Description of the Project

Goal: The goal of the Centre is “Tanzania is able to actively participate and benefit from possible future international carbon trading mechanisms to reduce greenhouse gas emissions”.

Objective: The Objective of the centre is “to build national capacity to measure, verify and report adequately on carbon emissions at national and international level”.

Outputs:
The activities of the project are grouped under 5 outputs. Outputs 1 and some activities under output 2 will be undertaken during a 6 month inception phase:

Output 1:	Inception team established, AC-NCMC established, staff recruited, available MRV data collected and equipment procured. 6 months after project start up.
Output 2:	Tanzanian proposal for REL/RL submitted to UNFCCC for technical assessment. 12 months after project start up.
Output 3:	MRV system developed (12 months after project start up) maintained, and updated by 36 months after project start up.
Output 4:	Legal establishment of NCMC finalised. National LULC Project developed and drivers of D&D quantified by 30 months after project start up.
Output 5:	NCMC training, infrastructure and sustainability plan prepared and implemented 30 months after project start up.

Inputs

The NCMC will be hosted at SUA in existing office buildings. During the initial 6 months inception phase the project, the needed office equipment, including furniture and IT-setup to ensure a well functioning server-based office environment will be procured along with the needed vehicles to support the NCMC activities.

Recruitment of the needed personnel will likewise be done during the inception phase. During the inception phase until NCMC staff are in place the NCMC Team Coordinator will have overall responsibility for coordination and delivering (appointments, recruitments and procurements during the initial 6 months). The staff that will be recruited to work full time for the NCMC are:

- 1 NCMC Coordinator
- 1 Senior MRV Officer and Assistant Coordinator
- 1 Senior Safeguards Information System Officer
- 2 GIS and Mapping Officer
- 3 Database Management, Quality Control and Verification Officer
- 2 Carbon Project Registry Officers

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- 1 Senior Admin and Finance Officer
- 1 Logistical Officer
- 1 IT Webmaster
- 1 Office Assistant
- 1 driver

MFA will commit a sum not exceeding NOK 37 000 000 NOK to be used exclusively to finance the Project in the planned period of 3 years after the signing of the Agreement.

The budget of the Project Document indicate the sum earmarked for funding the institutional cooperation with NFLI. This arrangement will help build the capacity of NCMC through formalized institutional cooperation with NFLI. According to Annex 1b of the project document NFLI will allocate 150 work weeks of NFLI advisors time over the 3 project years (i.e. 50 weeks full time NFLI Advisor support per annum).

Main indicators

Output 1 is planned for the formation of inception team, establishing NCMC technical committee, recruiting staff and procurement of equipment and collection of the relevant data and databases from MRV stakeholders. SUA the host institution will facilitate the recruitment of NCMC Coordinator, formation of technical committee and short and long term collaboration arrangement with appropriate institutions through the technical advisory services.

Output 1: Indicators of Achievement	Means of Verification
a) NCMC inception team, AC-NCMC, staff recruitment, and TOR prepared by end of month 3; b) Key equipment procured including establishment of NCMC website (or webpage embedded to SUA website) by end of month 6; c) Work plans, budgets, operational guidelines produced and approved within 6 months; d) National and International partnership arrangement (with NFLI) negotiated by end of month 6; e) Agreements on data sharing and exchange protocols between organisations in place end of 6 month; and f) Data bases and available data sets from collaborators such as NAFORMA, UNREDD, ZWBS, NGOs, research institutions and on MRV collected within 6 month after the inception	a) Inception team in place b) Functional AC-NCMC in place c) ToR documents d) TOR documents e) Staff contracts f) Procurement reports g) Partnership and data sharing agreements h) MRV data in place i) Progress reports

Output 2 is about submitting the Tanzanian proposal for REL/RL to UNFCCC for technical assessment The activities under this output are decisions on land cover change of Tanzania, forest definition, national MRV system; establishment of the four MRV sections and put in place accessible website for free and transparent public access to data, reports, publications and findings.

Output 2: Indicators of Achievement	Means of Verification
a) National REL/RL, forest definition, national MRV system proposal completed within 6 month after the inception. b) Tanzanian REL proposal submitted to UNFCCC for technical assessment (which involves also decision on the activity data related to land cover changes and national forest definition), National MRV	a) Forest definition in place b) REL in Place c) Progress reports d) Three MRV sections in place e) Work plans and budget documents f) Communication strategy

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system completed and operationalized 12 months after start up c) ThreeFour MRV sections in place within 4 month after the inception and d) Accessible website for data, reports and findings sharing in both English and Kiswahili languages after the 1st year of the centre e) Regular hard copies of reports and findings produced from the 1st year of the centre	document g) Accessible website in place

Under **output 3** the centre will establish the functional MRV system. The activities will include: data and database for the carbon accounting, establishment/update/improve the Reference Emission Levels, verification of the national carbon accounts and development of manuals on approved carbon assessment methods.

Output 3: Indicators of Achievement	Means of Verification
a) Functional MRV system for carbon accounting including data updating in place; b) Reference Emission Levels/Reference Level in place; c) National carbon accounts verified; and d) Training manual on approved carbon assessment methods produced.	a) MRV system in place b) REL in place c) National carbon accounts in place Methodological manual in place

Output 4 on legal establishment of NCMC includes three activities of facilitation on the formation of NCMC Establishment team for the development of Strategic Plan and Business Plans, approval of NCMC documents and formal launching of the centre.

Output 4: Indicators of Achievement	Means of Verification
a) NCMC Framework document, strategic plan and business plan in place by end of first year; b) Consultation meetings done within the first year; c) The NCMC establishment order in place by end of second year. d) National LULC Project developed e) Drivers of Deforestation and forest degradation quantified	a) Minutes of the consultative meetings b) Approval Documents c) Government Notice d) Statistical estimates of activity data

Under **Output 5** NCMC training and sustainability plan will be prepared and implemented. Activities under this output will include: carrying out capacity-building needs assessment; prepare capacity-building plan (including assessment of long term technical assistance); hands on training of NCMC staff through the daily work (learning by doing) on specialised issues connected to maintaining the NCMC e.g. data management, change analysis, reporting and quality control; preparation of succession plans for increasing the availability of experienced and capable staff; preparation of succession plan to ensure financial and technical sustainability and establishing long-term partnership twinning arrangement with NFLI.

Output 5: Indicators of Achievement	Means of Verification
a) Training needs assessment prepared within 6 months of establishment; b) Training plan prepared within 12 months of establishment (including assessment of long term technical assistance);	a) Training Needs Assessment Report b) Training Plan Document c) Training Reports Succession Plan document

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c) NCMC staff trained in specialised issues connected to maintaining the NCMC e.g. data management, change analysis, reporting and quality control within 3 years; d) Succession plans for increasing the availability of experienced and capable staff established and; e) Sustainability plan to ensure NCMC long term financial sustainability established in the 3rd year. f)	

The logframe will be revised/adjusted during the inception phase.

Major risk factors (internal and external)

- Possibility of Service providers to submit unrealistic carbon data with the intention to gain higher carbon credits.
- Implementation of NCMC requires high capital investment which is hard to meet with limited government budget allocation. It therefore becomes donor-dependent
- Government interference on administration and financial management of NCMC
- There may be possibilities of stakeholders attempting to discredit the NCMC by:-
    i. Exaggerating errors and mistakes;
    ii. Making public negative views (accurate or fabricated);
    iii. Supporting efforts and forces that are against the NCMC
    iv. Ignoring the NCMC and its mandate and maintaining parallel processes or creating additional processes.
- Institutional conflicts between key government agencies slows Project progress
- Uncertainty of the International REDD+ regime. Failure to reach global agreement on modalities for REDD+ projects within future legal frameworks will mean that the operation of NCMC may be rendered uncertain.
- The data owned or collected by service providers may not be of required standard and not easily accessible or made available to the centre
- Delayed acquisition of the legal status of the centre
- Maintenance of impartiality towards possible SUA based contractors
- Ensuring that project maintains a delivery angle aimed at establishing a functional NCMC while filling the REDD+ readiness gaps and does not become a research project.
- Ensuring that recruited staff work full time on the project.
- Continued drop in the value of the NOK to the USD gives reduced purchasing power for the project

Overall budget

EXPECTED OUTPUTS	Amount (US$)
Output 1: Inception team established, AC-NCMC established, staff recruited, available MRV data collected and equipment procured.	2,260,000
Output 2: Tanzanian proposal for REL/RL submitted to UNFCCC for technical assessment.	150,000
Output 3: MRV system developed, maintained, and updated	380,000
Output 4: Legal establishment of NCMC finalised. National LULC Programme developed and drivers of D&D quantified	202,000
Output 5: NCMC training, infrastructure and sustainability plan prepared and implemented	1,110,000
Total	**4,102,000**
SUA institutional overheads (5%)	213,586
Audit	60,000
Monitoring & Evaluation	140,000
Grand Total	**4,515,586**

(for annual breakdown to outputs please refer to Project Document)

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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)

c. an assessment of the efficiency of the project (how efficiently resources / inputs are converted into outputs),

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 should not exceed 20 pages will be made publicly available via NCMC website.

Annex III Required key progress indicators for disbursement

The project operates with results-based disbursements by connecting the semi-annual disbursements to the logical framework of the Project Document. The table below shows which progress indicators should be in place at a given point in time according to the work plan of the Project Document for a disbursement to be released.

Disbursement requests should be based on the financial needs of the Project based on the approved work-plan and budget and accompanied by statement confirming the delivery of the below mentioned progress indicators. Where unforeseen delays in an indicator (beyond the control of the project) a justification for the late delivery must accompany the disbursement request.

The establishment of the National Carbon Monitoring Centre requires development of baselines and systems for reporting and is foreseen to collaborate with several partners in a relatively new scientific area - deviations from the initial work-plan may therefore happen. In order for the project not to be slowed down in case unforeseen non-delivery of individual components, NCMC and MFA may agree in writing on deviations from the below plan for the deliveries.

1st disbursement: at start up: 6 000 000 NOK			
Conditioned by the below key progress indicators being in place			
Output number	Months after startup	**Key Progress indicators**	
NA	0	a)	Signing of Project Agreement

2nd disbursement: 6 months after start up			
Conditioned by disbursement request documenting amount needed in accordance with approved budget and by the below key progress indicators being in place			
Output number	**Months after startup**	**Key Progress indicators**	
1	3	a)	NCMC inception team, AC-NCMC, staff recruitment, and TOR prepared by end of month 3;
	6	b)	Key equipment procured including establishment of NCMC website (or webpage embedded to SUA website) by end of month 6;
	6	c)	Work plans, budgets, operational guidelines produced and approved within 6 months;
	6	d)	National and International partnership arrangement negotiated by end of month 6; and
	6	e)	Agreements on data sharing and exchange protocols between organisations in place end of 6 month.

3rd disbursement: 12 months after start up			
Conditioned by disbursement request documenting amount needed in accordance with approved budget and by the below key progress indicators being in place			
Output number	**Months after startup**	**Key Progress indicators**	
1	12	f)	Data bases and available data sets from collaborators such as NAFORMA, UNREDD, ZWBS, NGOs, research institutions and on MRV collected within 6 month after the inception
2	10	c)	Three MRV Sections in place within 4 months after inception.

	12	a)	National REL/RL, forest definition, national MRV system proposal completed within 6 month after the inception.
	12	b)	Tanzanian REL proposal submitted to UNFCCC for technical assessment (which involves also decision on the activity data related to land cover changes and national forest definition), National MRV system completed and operationalized 12 months after start-up
	12	d)	Accessible website for data, reports and findings sharing in both English and Kiswahili languages after the 1st year of the centre;
	12	e)	Regular hard copies of reports and findings produced from the 1st year of the centre
3	12	a)	Functional MRV system for carbon accounting in place 12 months after project start up.
4	12	a)	NCMC Framework document, strategic plan and business plan in place by end of first year;
	12	b)	Consultation meetings done within the first year

4th disbursement: 18 months after start up			
Conditioned by disbursement request documenting amount needed in accordance with approved budget and by the below key progress indicators being in place			
Output number	**Months after startup**	**Key Progress indicators**	
4	18	b)	National LULC programme developed

5th disbursement: 24 months after start up			
Conditioned by disbursement request documenting amount needed in accordance with approved budget and by the below key progress indicators being in place			
Output number	**Months after startup**	**Key Progress indicators**	
4	24	b)	The NCMC establishment order in place by end of second year
5	24	a)	Training needs assessment prepared within 24 months of project startup;
	24	b)	Training plan for NCMC staff and stakeholders prepared within 24 months of establishment (including assessment of long term technical assistance);

6th disbursement: 30 months after start up			
Conditioned by disbursement request documenting amount needed in accordance with approved budget and by the below key progress indicators being in place			
Output number	**Months after startup**	**Key Progress indicators**	
3	30	b)	National carbon accounts verified;
	30	c)	Training manual on approved carbon assessment methods produced
5	30	c)	NCMC staff trained in specialized issues connected to maintaining the NCMC e.g. data management, change analysis, reporting and quality control within 30 months of start up; Most training will be done during the first year of the project and during the 2nd and 3rd year the skills will be consolidated through the daily work.
	30	b)	Succession and retention plans for increasing the availability of experienced and capable staff established;

No disbursement: 36 months after start up			
Acchievement of Project Goal is conditioned by the below key progress indicators being in place			
Output number	**Months after startup**	**Key Progress indicators**	
4	36	e)	Drivers and agents of Deforestation and Forest degradation quantified;
5	36	e)	Sustainability plan to ensure NCMC long term technical and financial sustainability established in the 3rd year.

HKK