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Grant Agreement	<b>Grant Management Regime I</b>	Date:	23.10.2018

**GRANT AGREEMENT**

**BETWEEN**

**THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS**

**AND**

**THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA**

**REGARDING**

**TAN-13/0024**

**VICE PRESIDENTS OFFICE (VPO) REDUCED EMISSION FROM  
DEFORESTATION AND FOREST DEGRADATION (REDD+)  
READINESS SUPPORT**



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THIS AGREEMENT (the Agreement) is entered into between the GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA (URT) through the Permanent Secretary, Ministry of Finance and Planning (MoFP) of the Government City-Mtumba, P. O. Box 2802 Dodoma and the NORWEGIAN MINISTRY OF FOREIGN AFFAIRS (MFA) through the Norwegian Embassy in Dar es Salaam (jointly referred to as the Parties).

WHEREAS Tanzania in letter dated 23 April 2020 has requested Norway for strategic support for Tanzania to become REDD+ ready; and

WHEREAS MFA has decided to comply with the request;

NOW THEREFORE the Parties have agreed as follows:

## 1 SCOPE AND OBJECTIVES

1.1 This Agreement, including all annexes, set forth the terms and procedures for Ministry of Foreign Affairs (MFA's) financial and technical support to the programme titled VICE PRESIDENTS OFFICE (VPO) REDD+ READINESS SUPPORT TAN-13/0024 (the Project). The Project is further described in the project document titled STRATEGIC SUPPORT TO TANZANIA TO BECOME REDD+ READY (SSTRR), dated December 2019 (the Application) and the estimated costs of the Project are indicated in the budget attached as Annex A.

1.2 The Parties expect the Project to be implemented during a period of 30 months from signing of this Agreement (the Support Period). The first 6 months is an inception period and an inception report should be provided within 30 days after the inception period is over.

1.3 The expected results of the Project are as follows (Detailed Results Framework in annex B):

The expected effect(s) on society is: Tanzania actively contributes to reduction of carbon dioxide emissions through reduced deforestation, reduced forest degradation, more sustainable forest management (Impact).

The expected effects for the target group of the Project are: Make Tanzania REDD+ ready for implementation of Paris Agreement and access climate funds (Outcome).

The main planned products and/or services of the Project are (Outputs):

**Output 1:** National REDD+ coordination as an integral part of the Climate Change Institutional Framework operationalized in VPO-DoE.

The Project will support the establishment of a National REDD+ Coordination Team (herein after referred to as the Team) under and as an integral part of the Climate Change coordination mechanism within the VPO.

**Output 2:** National REDD+ Strategy mainstreamed into key sector policies and operational instruments prepared

**Output 3:** National REDD+ Social and Environmental safeguard finalized and institutionalized

**Output 4:** National capacity to access Climate Funds enhanced.

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**Output 5** National Capacity to monitor REDD+ projects and programs enhanced

The intended target group is Ministries, Departments and Agencies (MDAs) as key stakeholders in sustainable forest management, notably Ministry of Natural Resources and Tourism (MNRT), Energy, Land, Finance and Planning, Agriculture, Livestock and Presidents Office – Regional Administration and Local Government (PO-RALG): to assist them to mainstream REDD+ in their related forest sector policy instruments and programs.

In Zanzibar: The Ministry of Lands, Water, Energy and Environment in Zanzibar coordinates all climate change matters through the Directorate of Environment (DoE) and is therefore to be considered as part of Tanzania’s REDD+ development process.

- 1.4 The full results framework is as set out in Annex B.
- 1.5 Any significant deviations from or changes to the Application or approved implementation plans or budgets are subject to written agreement between the Parties.

**2 REPRESENTATION AND COMMUNICATION**

- 2.1. The Royal Norwegian Embassy in Dar es Salaam is competent to act on behalf of MFA. All communication to MFA regarding this Agreement shall be directed to:

Royal Norwegian Embassy  
P.O Box 2646, Dar es Salaam, Tanzania  
[emb.daressalaam@mfa.no](mailto:emb.daressalaam@mfa.no)

- 2.2 Tanzania Ministry of Finance and Planning (MoFP) is authorised to sign this Agreement on behalf of Tanzania. Relevant correspondences in accordance with arrangements set forth in the Agreement shall be directed to:

Permanent Secretary  
Ministry of Finance and Planning  
Treasury Square, 18 Jakaya Kikwete Road  
P.O box 2802  
40468 Dodoma  
[ps@mof.go.tz](mailto:ps@mof.go.tz)

The Vice President’s Office, Division of Environment competent to act on behalf of the Partner in matters regarding the coordination of the implementation of the Project. All operational correspondences regarding the implementation of the Project under this Agreement shall be directed to:

Permanent Secretary  
Vice Presidents Office  
P.O. Box 2502  
Dodoma, Tanzania

- 2.3 The Parties may give written notice of other contact information to replace the above.
- 2.4 MFA’s agreement number and agreement title shall be stated in all correspondence regarding this Agreement, including disbursement requests and repayment of unused funds.

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### 3 PROJECT IMPLEMENTATION

- 3.1 The Parties shall communicate and cooperate fully in order to arrange for the successful achievement of Project objectives. To this end, the Parties shall immediately inform each other of any circumstances likely to hamper or delay the successful implementation of the Project.
- 3.2 The Partner shall through The Vice president's Office as implementing entity have the overall responsibility for planning, implementing, reporting and monitoring of the Project, and shall:
- a) implement the Project in accordance with the latest agreed Application, including implementation plan and budget;
  - b) exercise the necessary diligence, efficiency and transparency in line with best practise principles;
  - c) ensure sound financial management of the Project, including that all Project funds are satisfactorily accounted for;
  - d) ensure that the Grant is properly reflected in the plans, budgets and accounting of Tanzania;
  - e) keep MFA informed of any plans for major organisational changes;
  - f) submit minutes from steering committee meetings to MFA
  - g) ensure that all permits, import licenses and foreign exchange permissions that are or may be required are granted;
  - h) be solely responsible for any adverse effects of the Project.
- 3.3 The Partner shall continuously identify, assess and mitigate any relevant risks associated with the implementation of the Project. The risk of potential negative effects of the Project in the following cases (cross-cutting issues) shall always be included in the risk management of the Project:
- anti-corruption
  - climate and environment,
  - women's rights and gender equality, and
  - human rights (with a particular focus on participation, accountability and non-discrimination).

### 4 THE GRANT

- 4.1 MFA shall, subject to Norwegian parliamentary appropriations, provide a financial grant not exceeding NOK 10.000.000 (Norwegian Kroner Ten million only) (the Grant).
- 4.2 The Grant, including accrued interest, shall be used exclusively to finance the actual costs of the implementation of the Project during the Support Period.
- 4.3 The Partner shall acknowledge MFA's support to the Project in all publications and other materials issued in relation to the Project. MFA's logotype will be provided by MFA upon request. All use of MFA's logotype must be approved by MFA.

### 5 DISBURSEMENTS

- 5.1 The Grant shall be disbursed in advance instalments based on the financial need of the Project for the upcoming period, which shall not exceed six months. The disbursements shall be made

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upon MFA's receipt of written disbursement requests from the Partner describing the financial need for the period in question.

- 5.2 Financial need refers to the budgeted expenditures for the upcoming period, minus any funds available to the Project from all other sources during the same period.
- 5.3 The financial need shall be documented through an updated financial statement for the Project and a reference to the latest approved implementation plan and budget.
- 5.4 The disbursement requests shall be signed by an authorized representative of the Partner. A confirmation that the Project is being implemented in accordance with the Agreement shall be included in the disbursement requests.
- 5.5 All disbursements are conditional upon the Partner's continued compliance with the requirements in the Agreement, including the timely fulfilment of reporting obligations. Except for the Project's first year, the disbursement each year is subject to MFA's receipt and approval of the progress report and financial report.
- 5.6 All disbursements will be made in NOK to the following separate bank account at the Bank of Tanzania operated by the Vice President's Office:

Name of the account: Strategic Support for TZ REDD+ PROJECT.

Account no: 9931231541

Swift Code: TANZTZX,

Name and address of the bank: 2 Mirambo Street, P. O. Box 2939, 11884 Dar es Salaam.

Currency of the account: NOK.

**Correspondent Bank details:**

Bank Name: Lloyds Bank PLC, London,

Swift Code: LOYDGB2L,

Account No.: 86601638,

Account Name: Bank of Tanzania.

- 5.7 The VPO shall immediately acknowledge receipt of the funds in writing. The amount received shall be stated as well as the date of receipt and the exchange rate applied. The VPO shall make the funds available to the Project without delay.
- 5.8 MFA may in exceptional cases and if considered necessary for the successful implementation of the Project, upon request from the VPO, effect disbursements directly to suppliers under the Project for procurement costs incurred under contracts entered into by the VPO. Such disbursements will only be made against requests accompanied by:
  - a) a copy of the contract, if applicable;
  - b) original and specified invoice(s) from the supplier, including enclosures to such invoice;
  - c) a written approval of the invoice by the chief financial officer
- 5.9 MFA shall report payments made according to clause 5.8 above to the VPO.

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## 6 CONTRIBUTION OF THE VPO

- 6.1 The VPO shall provide sufficient and qualified personnel and all financial as well as other resources that may be required, over and above the Grant, in order to implement the Project as planned.
- 6.2 In-kind contributions are specified in the Application.

## 7 IMPLEMENTATION PLAN AND BUDGET

- 7.1 Updated implementation plan and budget for 6 months periods covering the period from July to December and January – June shall be submitted to MFA for approval by June 1<sup>st</sup> and December 1<sup>st</sup> respectively each year. The implementation plan and budget shall be set up in a way that allows for direct comparison with the description of the use of funds in the latest approved Application and shall be signed by an authorised representative of the VPO.
- 7.2 The implementation plan shall be directly related to the results framework and shall specify planned activities and outputs as well as time schedules for the upcoming reporting period.
- 7.3 The updated budget shall be based on the approved budget and include estimated income to the Project from all sources as well as planned expenditures for the upcoming period. The estimated financial need of the Project in the next reporting period shall be clearly stated.

## 8 REPORTING ON RESULTS

- 8.1 Quarterly progress reports shall be submitted to MFA for approval within 30 days after the end of each quarter. The progress reports shall describe the results achieved under the Project during the reporting period and shall be set up in a way that allows for direct comparison with the latest approved Application, implementation plan and budget. It shall be signed by an authorised representative of the VPO.
- 8.2 The progress reports shall, as a minimum, include:
- a) an account of the results achieved so far by the Project, using the format, indicators and targets of the approved results framework. The overview must:
    - show delivered outputs compared to planned outputs;
    - show the Project's progress towards achieving the Outcome;
    - if possible, describe the likelihood of the Impact being achieved.
  - b) an account and assessment of any deviations from the latest approved implementation plan and Application;
  - c) an assessment of how efficiently Project resources have been turned into outputs;
  - d) a brief update on the risk management of the Project, including i) any new risk factors, ii) how materialized risks have been handled in the reporting period, iii) the effectiveness of mitigating measures, iv) how risks will be handled going forward. The update shall include both risks affecting Project achievements and the risks for negative consequences from the Project on its surroundings. Potential negative effects on the cross-cutting issues as referred to in article 3.3 above shall always be accounted for.

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## 9 FINANCIAL REPORTS

- 9.1 Quarterly financial reports shall be submitted along with progress reports, within 30 days after the end of each quarter to MFA for approval. The final financial report shall cover the entire Support Period and shall be submitted along with the final report referred to in article 11.
- 9.2 The financial reports shall comprise financial statements with a comparison to the latest approved budget for the reporting period, as well as an explanation of any deviations from the budget. It shall be certified by the Permanent Secretary Vice President's Office who is the Accounting Officer.
- 9.3 The financial statements shall be set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items. They shall as a minimum, include:
- a) the accounting principles applied;
  - b) income from all sources, including bank interest. MFA's contribution shall be specified;
  - c) expenses charged/capitalised in the relevant reporting period;
  - d) expenses charged/capitalised from start-up of the Project to the end of the reporting period;
  - e) unused funds as per the reporting date;
  - f) balance sheet, when required in accordance with the accounting principles applied;
  - g) explanatory notes including a description of the accounting policies used and any other explanatory material necessary for transparent financial reporting of the Project.
- 9.4 Deviations from the approved budget shall be highlighted with information on both nominal amounts and percentage of each deviation. The VPO shall include a written explanation of any deviations amounting to more than 10 % from a budget line.

## 10 AUDIT

- 10.1 The Project's annual financial statements shall be audited, and the audit report shall be submitted to MFA within 9 months after end of each financial year, i.e March the following year.
- 10.2 Any other document from the auditor significant to the implementation of the Project, as well as the VPO's comments thereto, shall be submitted to MFA within the same deadline.
- 10.3 The audit shall be carried out by the Controller and Auditor General or an independent certified or state-authorised public accountant (auditor) engaged by the Auditor General acceptable to MFA. The international auditing standards issued by the International Organisation of Supreme Audit Institutions (INTOSAI) shall be applied.
- 10.4 The auditor shall form an opinion on whether the financial statements fairly reflect the financial position of the Project, and whether they are prepared, in all material respects, in accordance with the applicable financial reporting framework, namely:
- a) the accounting principles followed by the URT, and;
  - b) requirements of Article 9 clause 3.
- 10.5 The audit report shall include:
- a) identification of the Project's total expenses and total income;



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- b) the subject of the audit;
- c) the financial reporting framework applied;
- d) the auditing standards applied;
- e) a statement that the auditor has obtained reasonable assurance about whether the financial statements as a whole are free from material misstatement;
- f) the auditor's opinion.

10.6 The audit requirements stated in this Agreement shall be applied on the total Grant including any part of the Grant transferred to other entities.

10.7 MFA may request additional information from the auditor at any time. Such information shall be provided within 30 days of the request.

## 11 FINAL REPORT

11.1 A final report for the Support Period shall be submitted to MFA for approval within 3 months after the end of the Support Period. The final report shall be set up in a way that allows for a direct comparison with the Application and shall be signed by an authorised representative of the VPO.

11.2 The final report shall, as a minimum, include:

- a) the items listed for the progress reports described in Article 8 covering the entire Support Period;
- b) an assessment of the Project's effect on society (Impact);
- c) a description of the main lessons learned from the Project;
- d) an assessment of the sustainability of the achieved results under the Project.

## 12 FORMAL MEETINGS

12.1 The Parties shall hold formal meetings in Tanzania twice per year, tentatively in September and March in order to discuss inter alia the results achieved by the Project during the Support Period. The meetings shall be called and chaired by the VPO.

12.2 The Parties shall discuss the latest progress report and financial report, as well as the implementation plan and budget for the upcoming period, unless otherwise agreed. In the event that such reports have not been received at least 2 weeks before the meeting, the Parties shall agree upon a new date to hold the meeting.

12.3 The VPO shall record main issues discussed, points of view expressed, and decisions made, in minutes from the meetings. The VPO shall draft the minutes and submit them to MFA no later than two weeks after the meetings for any comments. The agreed minutes shall be signed by both Parties.

12.4 The Parties may invite others to participate as observers or advisers to their delegations. The Parties shall notify each other in advance of any external participants and their role in the meetings.

## 13 REVIEWS AND OTHER FOLLOW-UP MEASURES

13.1 An end review focusing on results achieved by the Project shall be carried in the last year of the project. The VPO shall draft the terms of reference for the review and submit them to the other

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Party for approval. The costs of the review shall be included in the Project budget and will be paid directly by MFA.

- 13.2 The Parties may agree to hold informal meetings if and when required. Details regarding agenda and procedures will be agreed upon by the Parties.
- 13.3 If the VPO or another interested party initiates a review or evaluation of activities wholly or partly funded by the Grant, MFA shall be informed. The VPO shall forward a copy of the report of any such review or evaluation to MFA without undue delay.

## 14 PROCUREMENT

- 14.1 All procurement under the Project shall be undertaken by the VPO and be completed in accordance with Annex C as well as any statutory requirements applicable in the jurisdiction of the United Republic of Tanzania..
- 14.2 If the total value of a contract exceeds NOK 100.000, the shortlist of suppliers and the award criteria and a copy of the procurement record shall be submitted to MFA for approval before being finalised. The VPO shall also confirm in writing that the requirements agreed on in this article have been fulfilled.

## 15 PROJECT ASSETS

- 15.1 The VPO shall have full ownership to all equipment, consumables and intellectual property rights procured or developed by use of the Grant, unless otherwise described in the Application. All matters associated with equipment, consumables and intellectual property rights are the exclusive responsibility of the VPO. However, significant use of such equipment, consumables and intellectual property rights for purposes outside the Project shall be subject to MFA's prior approval.
- 15.2 MFA shall have a non-exclusive and royalty-free license to use all intellectual property rights procured or developed by use of the Grant. MFA may assign this right to any individual or organisation at its own discretion.
- 15.3 Transfer of ownership of any equipment, consumables and/or intellectual property rights during the Support Period shall be executed in accordance with the national legislation of the URT and be made at market terms. Ownership may not be transferred to an employee of the VPO or its cooperating partner, or anyone related to or connected with an employee, if such a relation could lead to a conflict of interest as described in Article 16 clause 2.
- 15.4 Before a transfer is decided, the VPO shall assess whether it may have an impact on the Project and, where appropriate, consult with MFA. Any income from a transfer shall accrue to the Project and shall be reported in the financial statement of the Project.
- 15.5 The VPO shall prepare records of transfer of ownership for any equipment, consumables and intellectual property rights. The records shall comprise information on the object of transfer, the original purchase price paid by the VPO, price offers received, the final sales price and the name of the purchaser. The record shall be submitted to MFA along with the first progress report due after the sale.
- 15.6 If the activities of the Project do not continue after the end of the Support Period or after termination of the Agreement, the VPO shall inform MFA about the remaining equipment and

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goods that have been purchased by use of the Grant. MFA may require that such assets be sold. Such sale shall be completed in accordance with the procedures described above. Income from the sale shall be repaid to MFA.

- 15.7 The Grant may not be used to purchase or construct real property (land or buildings) unless specifically agreed upon between the Parties in writing.

## 16 CONFLICT OF INTEREST

- 16.1 The Parties shall take all necessary precautions to avoid any conflicts of interest in all matters related to the Project.
- 16.2 Conflict of interest refers to any situation where the impartial and objective exercise of the functions of anyone acting on behalf of the Parties is, or may be, compromised for reasons involving family, personal life, political or national affinity, economic interest or any other connection or shared interest with another person.
- 16.3 If a conflict of interest occurs, the affected Party shall, without delay, take all necessary measures to resolve the conflict, e.g. by replacing the person in question or by obtaining independent verification of the terms of the proposed decision or transaction.
- 16.4 If the conflict of interest cannot be resolved and if it relates to a decision or transaction of significance to the Project, the affected Party shall immediately notify the other Party. The Parties shall discuss in order to reach an understanding on the appropriate measures to be taken.

## 17 FINANCIAL IRREGULARITIES

- 17.1 The Parties shall practise zero tolerance towards any financial irregularities within and related to the Project. The zero tolerance policy applies to all staff members, consultants and other non-staff personnel, contractor, implementing partners and beneficiaries of the Grant.
- 17.2 “Financial irregularities” refers to all kinds of:
- a) corruption, including bribery, nepotism and illegal gratuities;
  - b) misappropriation of cash, inventory and all other kinds of assets;
  - c) financial and non-financial fraudulent statements;
  - d) all other use of Project funds not in accordance with the Agreement and the latest agreed Application, implementation plan and budget.
- 17.3 The Parties are firmly committed to prevent, detect and manage financial irregularities and shall therefore:
- a) organise their operations and internal control systems in a way that financial irregularities are prevented and detected;
  - b) cooperate fully to prevent, stop and handle financial irregularities within and related to the Project;
  - c) require that all staff involved in, and any consultants, suppliers and contractors financed under the Project refrain from financial irregularities.
- 17.4 The Parties shall immediately inform each other of any indication of financial irregularities and of the measures initiated to handle the situation.
- 17.5 The Parties shall cooperate fully in the investigations of such events, whether the investigation is led by MFA or the VPO.

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- 17.6 The Parties shall consider prosecution and/or other reasonable sanctions towards any person and/or legal entity suspected of financial irregularities within or in relation to the Project.
- 17.7 MFA may apply any measure as referred to in Article 20 clauses 1 and 2, with immediate effect and irrespective of Article 20 clause 3, if MFA determines that any financial irregularities have occurred. Any repayment claim may also include interest, investment income or any other financial gain obtained as a result of the financial irregularity.

## 18 TRANSPARENCY

- 18.1 The Parties shall distribute copies of this Agreement, as well as any subsequent amendments thereof, to all individuals and institutions involved in the Project or otherwise in need of information regarding its content.
- 18.2 The VPO shall publish the following in a dedicated and easily accessible place of its internet site:
- a copy of this Agreement, and any subsequent addendum;
  - the title and value of any contracts and/or sub-agreements of more than NOK 500 000 (or the equivalent in local currency) which are financed by the Grant;
  - names and nationalities of the respective agreement parties and, if relevant, any sub-grantees or contractors in receipt of Project funds.

If internet publication is impossible, all the information in clause 2 shall be published by other appropriate means. The VPO shall give MFA precise information on where the publication is made.

Publication shall take place as soon as possible, and at the latest within six months after the contracts and/or sub-agreements were entered into.

Any deviations from this clause 18.2 shall be agreed by the Parties in writing.

- 18.3 The Parties shall make other project documentation, including the Application and all agreed reports, available to anyone upon request. Requests for disclosure may be denied if such disclosure is prohibited by national legislation, confidentiality obligations and/or if it may be detrimental to the VPO's legitimate interests.

## 19 VERIFICATION

- 19.1 Representatives of Norway may at all times carry out independent reviews, field visits, evaluations and other control measures to verify that the Grant has been used in accordance with the Agreement.
- 19.2 The VPO shall facilitate such control measures by providing all information and documents necessary to carry out the relevant initiative, as well as ensuring the unrestricted access of such representatives to any premises, records, goods and documents requested.
- 19.3 The VPO shall ensure that the representatives have access to the auditor of the Project, as well as to the auditor's assessments of all relevant information pertaining to the Project. The VPO shall release the auditor from any confidentiality obligations in order to facilitate such access.
- 19.4 The rights and obligations of this Article shall remain in force for five years following the end of the Support Period or termination of the Agreement, whichever occurs later.

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## 20 RESERVATIONS

- 20.1 MFA reserves the right to withhold disbursements at any time in case the VPO fails to fulfil its obligations under this Agreement and/or if there is suspicion of financial irregularities.
- 20.2 MFA reserves the right to terminate the Agreement with immediate effect and/or claim repayment of all or parts of the Grant in the event of material breach of this Agreement by the VPO. Material breach of the Agreement shall include, without limitation, the following:
- a) all or part of the Grant has not been used in accordance with the Agreement and/or approved implementation plans and budget,
  - b) the use of the Grant has not been satisfactorily accounted for,
  - c) the VPO has, after having been granted an extended deadline, failed to provide the agreed reports,
  - d) financial irregularities, grave professional misconduct or illegal activity of any form have taken place within the Project,
  - e) the VPO has failed to inform MFA of indication of financial irregularities within the Project in accordance with Article 17 above.
- 20.2 Before withholding disbursements, claiming repayment or terminating this Agreement, the Parties shall consult with a view to reaching a solution to the matter.

## 21 LIABILITY

- 21.1 Neither of the Parties shall be held liable for damage, injury or loss of income sustained by the other Party or its agencies, staff or property as a direct or indirect consequence of the Project or services provided thereunder. No claim for compensation or increases in payment in connection with such damage, injury or loss of income will be accepted.
- 21.2 The VPO shall assume sole liability towards third parties, including liability for damage, injury or loss of income of any kind sustained by them as a direct or indirect consequence of the Project. The VPO shall indemnify MFA against any claim or action from the VPO's employees or third parties in relation to the Project.

## 22 DURATION, AMENDMENT AND TERMINATION

- 22.1 The Agreement shall enter into force on the date of the last signature and shall remain in force until all obligations arising from it have been fulfilled, or until it is terminated in accordance with this Article. Whether the obligations shall be considered fulfilled, will be determined through consultations between the Parties and confirmed by MFA in a completion letter.
- 22.2 The Agreement may be amended. Any such amendment must be agreed upon in writing between the Parties and shall become an integral part of the Agreement.
- 22.3 Each Party may terminate the Agreement upon three months written notice. If the Project cannot continue without the financial support of MFA, the VPO shall exert its best efforts to discontinue or scale down the Project promptly and in an orderly and financially sound manner.

## 23 RETURN OF INTEREST AND UNUSED FUNDS

- 23.1 Upon completion of the Support Period or upon termination of this Agreement, any unused funds that total NOK 500 or more shall in its entirety be repaid to MFA as soon as possible and

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at the latest within 6 months. The repayment shall include any interest which have not been used for Project purposes, and other financial gain accrued on the Grant. This does not apply in case of termination where such funds have been irrevocably committed by the VPO in a legally binding agreement entered into with any third parties prior to the receipt of the notice of termination.

23.2 Repayments shall be made to the following bank account:

Name of the account: Royal Norwegian Embassy in Dar es Salaam  
Account no.: 7694.05.13487  
IBAN no.: NO8376940513487  
Name and address of the bank: DnB ASA, 0021 Oslo, Norway  
Swift/BIC code: DNBANOKK

23.3 The transaction shall be clearly marked: "Unused funds". The name of the VPO shall be stated, along with the MFA's agreement number and agreement title.


## 24 DISPUTE RESOLUTION

24.1 Any dispute concerning this Agreement shall be settled by consultations between the Parties.

\*\*\*

IN WITNESS WHEREOF the undersigned, acting on behalf of their respective Party, have signed the Agreement in two -2- originals in the English language, whereof the Parties keep one each. In the event of any discrepancies between this English language version and any later translations, the English language version shall prevail.

Place: Dar es Salaam  
Date: 14.07.2020  
on behalf of Ambassador  
Gry Evenrud

Place: DAR-ES-SALAAM  
Date: 13/07/2020  


for the Norwegian Ministry of Foreign Affairs,

Elisabeth Jacobsen

Ambassador

Royal Norwegian Embassy

for United Republic of Tanzania,

Doto M. James

Permanent Secretary

Ministry of Finance and Planning

### Attachments:

Annex A: Tentative Budget for the Project

Annex B: Results framework

Annex C: Procurement Provisions

ANNEX A: Tentative budget for the Project: REDD+ Tanzania

	Total (TSHs)	Year 1	Year 2
<b>Output 1: National REDD+ coordination as an integral part of the Climate Change Institutional Framework</b>			
VPO-DoE to establish a functional National REDD+ Coordination Team			
Subtotal OP 1	1 092 861 344	590 848 272	502 013 072
<b>Output 2: National REDD+ Strategy mainstreamed into key sector policies and operational instruments prepared</b>			
Subtotal OP 2	310 218 048	251 455 040,00	58 763 008,00
<b>Output 3: National REDD+ Social and Environmental safeguard finalized and institutionalized</b>			
Subtotal OP 3	316 958 200	103 801 200	213 157 000
<b>Output 4: National capacity to access carbon funds enhanced</b>			
Subtotal OP 4	64 443 008	21 790 752	42 652 256
<b>Output 5: National Capacity to monitor REDD+ projects and programmes enhanced</b>			
Sub-Total OP 5	121 000 000	121 000 000	0
RNE Monitoring Costs			
Mid-term Review	181 760 000	181 760 000	
End-term Review	181 760 000		181 760 000
<b>Sub-Total Audit/M&amp;E:</b>	<b>363 520 000</b>	<b>181 760 000</b>	<b>181 760 000</b>
<b>Grand Total</b>	<b>2 269 000 600,00</b>	<b>1 270 655 264,00</b>	<b>998 345 336,00</b>
	VPO-DOE	1 905 480 600,00	
	RNE	363 520 000	
	NOK	10 000 311,16	

Annex B: Logical framework analysis

No	Intervention Level	Formulation/Description	Baseline Information	Main Indicators/Targets	Means of Verification	Assumptions
1	<b>Development Objective/ Goal</b>	Tanzania actively contributes to reduction carbon dioxide emissions through reduced deforestation, reduced forest degradation, more sustainable forest management as well as through conserving forests and increasing forest carbon stocks and participates and benefits from global funding opportunities for ecosystem services	High Deforestation and Forest Degradation (D&D)  Inadequate access to Global REDD+ funds	D&D levels declining in Tanzania through community & state initiatives in forest protection and yields equitable benefit streams.	United Republic of Tanzania REDD+ Report to COP.	Tanzania ratifies and access funds to implement the Paris Agreement
2	<b>Immediate Objective/ Purpose</b>	To institutionalize and make operational key strategic requirements to make Tanzania ready to implement Paris Agreement and exploit Global Climate Funds by 2021.	<ul style="list-style-type: none"> <li>• Absence of national REDD+ coordination team</li> <li>• Absence of REDD+ desks in key sector ministries</li> <li>• Absence of Safeguards information Systems</li> <li>• Low national capacity to access carbon Funds</li> <li>• Low capacity Monitor REDD+ project and Programmes</li> </ul>	<p>Key deliverables:</p> <ul style="list-style-type: none"> <li>• National REDD+ Coordination Team:</li> <li>• Safeguards Environmental Standards ,</li> <li>• REDD+ desks/ focal points in key ministries,</li> <li>• REDD+ policy mainstreamed in Key Ministries .</li> <li>• Decisions at MDA's that are in line with REDD+</li> </ul>	Tanzania's national Report to UNFCCC secretariat.	Decision makers politically willing to designate focal points and become REDD+ Ready & make decisions on safeguards, benefit equity, gender, youth, vulnerable groups, etc.



3	<b>Expected Project Outputs</b>	Output 1: National REDD+ coordination as an integral part of the Climate Change Institutional Framework operationalized in VPO-DoE.	<ul style="list-style-type: none"> <li>• Safeguard standards not finalized</li> <li>• REDD+ policies not mainstreamed in the National policies</li> <li>• Inadequate Information on REDD+ issues from local government authorities</li> <li>• Absence of national REDD+ coordination team</li> <li>• Inadequate reporting on REDD+ policy issues at local government authorities</li> </ul>	<p>safeguards and Principals</p> <ul style="list-style-type: none"> <li>• Increased level of participation at local level (i.e. Village Environmental committees)</li> </ul>	<p>VPO progress reports</p> <p>Reports from Key sector ministries</p> <p>Number of representatives in coordination meeting</p>	<p>Local government will submit their reports to VPO on Time.</p> <p>Adequate cooperation from different stakeholders</p> <p>Adequate resources for monitoring will be available</p>
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## ANNEX C: PROCUREMENT IN THE CONTEXT OF PROJECTS FINANCED BY THE NORWEGIAN MINISTRY OF FOREIGN AFFAIRS

The Partner applies its own procurement rules if they offer guarantees equivalent to internationally accepted standards. If the rules do not offer equivalent guarantees, or in specific cases, the MFA and the Partner will agree on the use of other procurement procedures offering such guarantees. In this case, the rules to be followed are set forth in the Grant Agreement.

Notwithstanding the above, all procurements carried out by the Partner in the context of the Project shall comply with the principles and provisions set forth in this Annex C.

### 1 INTRODUCTION

- 1.1 This Annex C sets out procurement rules and principles which shall be applied by the Partner when procuring goods, services or works to Projects financed by the Ministry of Foreign Affairs (MFA). Stricter rules may supplement the compulsory minimum rules set forth in this Annex C.
- 1.2 The MFA may carry out ex post checks on the Partner's compliance with the rules set forth in this Annex C.
- 1.3 Failure to comply with the rules set forth in this Annex C shall render the Project expenditure ineligible for MFA funding and may lead to withholding funds or claim for repayment in accordance with article 20 of the Grant Agreement.
- 1.4 Contracts shall not be split artificially to circumvent the procurement thresholds. All monetary amounts referred to in this Annex C are amounts excluding value-added tax (VAT).
- 1.5 The procurement provisions shall also apply to any procurements to be carried out by the Partner's cooperation partners or others. The Partner shall be responsible for compliance regardless of whether the procurement is carried out by the Partner itself or its cooperation partners or others.

### 2 BASIC PRINCIPLES

- 2.1 If a Project requires procurement by the Partner, the contract must be awarded following a tender procedure to the most economically advantageous tender (i.e. to the tenderer obtaining the best score based on price and quality), or, as appropriate, to the tenderer offering the lowest price. In doing so, the Partner shall avoid any conflict of interests and respect the following basic principles:
  - a) **Competition:** The procedures applied and the award of contracts shall be based on fair competition.

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- b) **Equal treatment and non-discrimination:** Participation in tender procedures shall be open on equal terms to all natural and legal persons. During the entire procurement and the award of contracts, the Partner shall not discriminate against candidates/tenderers or groups of candidates/tenderers.
- c) **Transparency and ex-ante publicity:** As a general rule, tender procedures shall be based on prior publication. Where the Partner does not launch an open tender procedure, it shall justify the choice of tenderers that are invited to submit an offer.
- d) **Objective criteria:** The Partner shall evaluate the offers received against objective criteria, which enable the Partner to measure the quality of the offers and shall take into account the price (the offer with the lowest price shall be awarded the highest score for the price criterion). The criteria shall be set out beforehand and shall be relevant to the contract in question.
- e) **Notoriety:** The Partner shall keep sufficient and appropriate records and documentation with regard to the procedure, its evaluation and award.

### 3 ELIGIBLE TENDERERS

3.1 Tenderers must provide information on their legal form and ownership structure.

3.2 Tenderers shall be excluded from participation in a procurement procedure if:

- a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations. However, tenderers in this situation may be eligible to participate insofar as the Partner is able to purchase supplies on particularly advantageous terms from either a supplier which is definitively winding up its business activities, or the receivers or liquidators of a bankruptcy, through an arrangement with creditors, or through a similar procedure under national law;
- b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a final judgment;
- c) they have been guilty of grave professional misconduct; proven by any means which the Partner can justify;
- d) they have not fulfilled obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country in which they are established, or with those of the country of the Partner or those of the country where the contract is to be performed;

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- e) they or persons having powers of representation, decision-making or control over them have been convicted for fraud, corruption, involvement in a criminal organisation or money laundering by a final judgment;
  - f) they make use of child labour or forced labour and/or practise discrimination, and/or do not respect the right to freedom of association and the right to organise and engage in collective bargaining pursuant to the core conventions of the International Labour Organization (ILO).
- 3.3 Tenderers shall confirm in writing that they are not in any of the situations listed above. Even if such confirmation is given by a tenderer, the Partner shall investigate any of the situations listed above if it has reasonable grounds to doubt the contents of such confirmation.
- 3.4 Contracts shall not be awarded to tenderers which, during the procurement procedure:
- a) are subject to a conflict of interests;
  - b) are guilty of misrepresentation in supplying the information required by the Partner as a condition of participation in the tender procedure, or fail to supply this information.

#### **4 GENERAL PROCUREMENT RULES**

- 4.1 The tender documents shall be drafted in accordance with best international practice. The Partner may voluntarily use the models published in the Practical Guide on the EuropeAid (EU) website.
- 4.2 The Partner shall take into account universal design and the potential environmental impact of any planned procurements.
- 4.3 All invitations to submit tenders shall state that offers will be rejected if any illegal or corrupt practises have taken place in connection with the award. All contracts concluded under the Project shall state that the Partner may terminate the contract if it finds that illegal or corrupt practises have taken place in connection with the contract award or execution.
- 4.4 The time-limits for receipt of tenders and requests to participate must be sufficient to allow interested parties a reasonable and appropriate period to prepare and submit their tenders.
- 4.5 An evaluation committee must be set up to evaluate applications and/or tenders of a value of NOK 500 000 or more on the basis of the exclusion, selection and award criteria. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

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- 4.6 For contracts with a value exceeding NOK 100 000, the Partner shall compile a written record with documentation of all assessments and decisions during all steps of the procurement process from the planning stage until the signing of the contract. Upon request by the MFA, the Partner shall deliver its written record to the MFA and grant the MFA access to all relevant information and documentation related to the procurement procedure and practices applied.