

Agreement

between Norad and the Norwegian Centre for International Co-operation in Higher Education (SIU) regarding the administration of support to University of Dar es Salaam (UDSM)

WHEREAS the Government of the Kingdom of Norway (Norway) and the government of the United Republic of Tanzania (Tanzania) have entered into an agreement regarding Cooperation for Promotion of the Economic and Social Development of the United Republic of Tanzania, dated 13 June 1988 and prolonged by addenda of which the latest is 1. November 2007 (the Main Agreement),

WHEREAS Norway has supported University of Dar es Salaam (UDSM) continuously since 1997 through various agreements, which latest is the Frame agreement dated 2 December 2002, which was extended until 31 August, 2007,

WHEREAS the Norwegian Ministry of Foreign Affairs (MFA) and Tanzania entered into a bridging agreement dated 28 March 2008 with addendum dated 12 November 2008 for support until end June 2009 to UDSM for launch of the research and capacity building programme described in the Programme Document for Institutional Transformation, Research and Outreach (PITRO III) 2007-2010, extended to 2008-2011, with addendum for the Period January 2008-June 2008 dated November 2007 (the PITRO III Programme),

WHEREAS MFA has requested Norad to establish an agreement with SIU for the channelling and follow up of support to the PITRO III Programme at UDSM, including entering into a contract with a selected Norwegian University (the Norwegian Partner University), to support UDSM's follow up and implementation of the PITRO III Programme in the planned period from 1 July 2009 till 30 June 2012.

WHEREAS SIU is prepared to undertake such administration and follow up,

NOW THEREFORE Norad and SIU have reached the following understanding which shall constitute an agreement between the Parties:

1. Scope and Objectives

The purpose of the Agreement is to secure a professional, sound, impartial and efficient implementation of the PITRO III Programme at UDSM.

The scope and objectives of the PITRO III Programme is described in the Programme Document for Institutional Transformation, Research and Outreach (PITRO III) 2007-2010 dated October 2007, with addendum dated November 2007.

SIU will on behalf of Norad enter into a Tripartite Agreement with UDSM and a Norwegian Partner University for the implementation of the PITRO III Programme (the Programme Agreement).

Instructions regarding SIU's administration and follow up are laid down in this agreement. The overall responsibility for the control of use of funds resides with Norad. The parties to this Agreement are agreed that there shall be close cooperation and contact between them about development cooperation issues, development goals and strategies for the programme and their consequences for the implementation of the activities financed within the frame of this agreement.

2. Contributions of Norad

Norad shall, subject to Parliamentary appropriations and political priorities, make available to the PITRO III Programme a financial grant not exceeding NOK 37 500 000 (Norwegian Kroner thirty seven million five hundred thousand) (the PITRO III Programme Grant) to be used exclusively to finance the PITRO III Programme in the planned period 2009 – 2011.

Norad shall in addition, subject to Parliamentary appropriations, make available funds to cover the expenses of the Norwegian Partner University (Partner University Grant) and of SIU for the administration and follow up as described in this Agreement (SIU Administration Grant), a total sum not exceeding NOK 15 000 000 (Norwegian kroner fifteen million). The final (maximum) sum of compensation for both in the planned period 2009-2012, shall be negotiated between Norad and SIU on basis of budgets and finally approved by Norad after the selection of the Norwegian partner university.

3. Responsibilities of SIU

SIU shall carry out its responsibilities under this Agreement in accordance with the Norwegian Public Administration Act (Forvaltningsloven), and the Norwegian Financial Regulations (Økonomiregelverket).

SIU shall:

- 3.1 be responsible for the selection of a Norwegian Partner University to UDSM to fulfill the objectives of the PITRO III Programme. The Norwegian Partner University shall be selected, on the basis of a tendering process by invitation to not less than three universities in Norway, for its ability to take care of the responsibilities in the best and most cost-efficient manner. SIU shall give Norad and UDSM the opportunity to state their opinion about the choice of Partner University before the final selection is made.
- 3.2 be responsible for entering into a Tripartite Agreement with UDSM and Norwegian partner university regarding the PITRO III Programme (Tripartite Agreement) that shall be based on the same terms and conditions laid down in the bridging agreement between MFA and Tanzania regarding support to University of UDSM" signed April 9th 2008, and include a condition that UDSM shall cooperate with the selected Norwegian Partner University to support the implementation of the PITRO III Programme. The Tripartite Agreement shall be approved by Norad before signing and entering into force.

- 3.3 be responsible for the follow up of the implementation of the PITRO III Programme on the basis of the Tripartite Agreement.
- 3.4 provide personell and other resources required within the frame of SIU's Administration Grant to fulfill this Agreement.
- 3.5 ensure that the Partner University Grant, the SIU Administration Grant and the PITRO III Programme Grant are properly accounted for and used according to approved work plans and budgets.
- 3.6 promptly inform Norad in writing of any condition which interferes or threatens to interfere with the successful implementation of the PITRO III Programme
- 3.7 ensure that representatives of Norway are permitted to visit any part of the PITRO III Programme for purposes related to the Programme Agreement and examine any relevant records, goods and documents.
- 3.8 ensure that an external review of the the PITRO III Programme is carried out as laid out in Article 6 in this Agreement. The cost of the review shall be covered by the SIU Administration Grant.
- 3.9 Upon completion of the PITRO III Programme, return any unutilized funds to Norad, unless Norad has agreed in writing upon the utilization of such funds.

4. Disbursements

Disbursements of the PITRO III Programme Grant, the Partner University Grant and the SIU Administration Grant shall take place upon semi-annual written requests from SIU based on financial needs, according to the following tentative allocation plan:

	2009	2010	2011	2012
PITRO III Programme Grant	NOK 7 500 000	NOK 15 000 000	NOK 15 000 000	
Partner University Grant and SIU Administr. Grant	NOK 2 500 000	NOK 5 000 000	NOK 5 000 000	NOK 2 500 000

Size of The Partner University Grant and The SIU Administration Grant will be negotiated between Norad and SIU on basis of budgets and finally approved by Norad according to section 2 in this agreement.

The disbursements of the PITRO III Programme Grant will be allocated semi-annually with 50 % each half year. Along with the requests for disbursements, except the first request, SIU shall state the cash balance of the PITRO III Programme.

The first half year (2nd half of 2009), disbursement of the Norwegian Partner University Grant and SIU Administration Grant will be allocated with tentatively 100 % based on work plans and budgets for the period.

The two following years (2010 and 2011), disbursement for the Norwegian Partner University Grant and SIU administration Grant will be allocated semi-annually with tentatively 50 % each half year. Disbursements the first half of each year will be allocated based on approved plan and budget for the year. Disbursements the second half of each year will be allocated based on approved plan and budget for the year, revised according to account for the previous year.

When determining the amount to request, SIU shall take into account unspent disbursed amounts.

Norad's disbursements shall be made to the following Bank Account (DnB NOR) at SIU: 7694 05 11697 / IBAN: NO21 7694 0511 697

SIU shall immediately, in writing, acknowledge receipt of the funds. The date of receipt shall be stated.

5. Reporting

SIU shall annually submit the following reports/documentation to Norad:

A budget and work plan for the Partner University activities and the SIU administration for the coming financial year within 1 November each year. The expenses regarding salaries and administration shall be included. The activities in the budget and work plan shall be presented systematically and in the same format every year throughout the project period.

An annual progress report regarding the implementation of this Agreement within May 31st each year. The report shall include the following information:

- An assessment of achievement of the purpose of the Agreement
- A brief summary of the use of funds compared to budget
- An assessment of problems and risks

Annual financial statements for UDSM and the Partner University Grant and the SIU Administration Grant shall be submitted to Norad by May 31st each year. The financial statements must be confirmed by SIU's Head of Accounting and presented in the same format as the budget in order to facilitate comparison.

A final report for the whole Agreement period within December 31st 2012. The final report shall include the following:

- An assessment of achievements of the purpose of the Agreement.
- An assessment of problems and risks of the SIU/Partner University/UDSM model according to achievements of the purpose of the agreement
- A financial statement of the UDSM and Partner University Grant and the SIU administration Grant for the whole agreement period, and submitted approved accounts for the PITRO III Program for the whole Program period.

A final approved report of the whole PITRO III Program shall be submitted

Norad shall respond in writing after the receipt of the reports and documentation.

6. Meetings and reviews

Two formal Annual Consultative Meetings shall be held between Norad and SIU tentatively within June and December each year unless otherwise agreed in writing. The meetings shall be called and prepared by SIU and chaired by Norad. The purpose of these meetings is to discuss the implementation of this Agreement and the progress of the PITRO III Programme according to Article 1., including results and fulfilment of agreed obligations, to discuss and, as appropriate, approve documentation submitted according to Article 5, as well as to discuss issues of special concern, e.g. risk management. Central elements of the discussion and all decisions from the meetings shall be recorded in agreed minutes.

SIU shall provide necessary information about the PITRO III Programme upon request from Norad, the Ministry of Foreign Affairs, the Norwegian Embassy in Tanzania and the Development Partners Group- Education (DPG-E) group.

SIU shall ensure that an external review of the PITRO III Programme is carried out, including its administrative model, conducted in the first half part of 2011. Terms of reference for the review shall be approved by Norad. The cost of the review shall be covered by the SIU Administration Grant.

Norad reserves the right to carry out independent reviews or evaluations of the cooperation under this Agreement and the PITRO III Programme as and when Norad deems it necessary. The cost for such reviews will be covered by funds over and above the Grant.

7. Corruption

The Parties declare their commitment to counteract corrupt practices in the execution of the Agreement. Further, the Parties commit themselves not to accept, either directly or indirectly, as an inducement or reward in relation to the execution of the Agreement, any kind of offer, gift, payments or benefits, which would or could be construed as illegal or corrupt practice. The Parties shall immediately inform each other of any indication of corruption or misuse of resources related to the Tripartite Agreement or the PITRO III Programme, 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 Tripartite Agreement or the PITRO III Programme.

If SIU fails to fulfil its obligations under this Agreement, or if any major organizational changes are found to be contradictory to the objectives of the Tripartite Agreement or the PITRO III Programme, Norad may, upon consultations with SIU cancel this Agreement and claim repayment or withdraw the total or a portion of the funds provided to SIU under this Agreement.

Norad may cancel this Agreement or portion of this Agreement with immediate effect if it determines that corrupt or fraudulent practices were engaged in by representatives of SIU or of a beneficiary of the aid funds without SIU having taken timely and appropriate action satisfactory to Norad to remedy the situation.

8. Entry into force – Termination - Disputes

This Agreement 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.

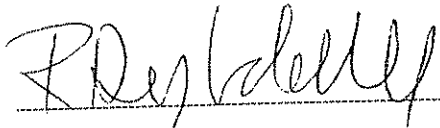
Notwithstanding the previous clause, each Party may terminate the Agreement upon six months' written notice.

In case of termination of the Agreement SIU shall exert its best efforts to bring the Tripartite Contract to an end in a rapid, orderly and economical manner as to the use of the funds from Norad. Any unspent funds not committed by the date of the receipt of the notice of termination, shall be returned to Norad without delay.

This Agreement is drawn in duplicate with one copy for SIU and one for Norad.

Oslo 5/6 2009

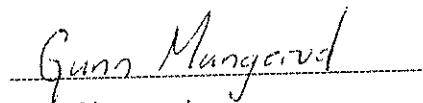
For Norad



Ragnhild Dybdahl
Director

Bergen, 19/6 2009

For SIU



Gunn Mangerud
Director