

TAN/01/005

SPECIFIC AGREEMENT

between

the Government of the Kingdom of Belgium

and

the Government of the United Republic of Tanzania

on the creation of

a Tanzanian-Belgian Study and Consultancy Fund

The Government of the Kingdom of Belgium, hereinafter referred to as the Government of Belgium

and

The Government of the United Republic of Tanzania, hereinafter referred to as the Government of Tanzania

Considering the General Agreement on Development Co-operation between the Kingdom of Belgium and the United Republic of Tanzania, signed on 3rd January 1984;

Considering the wish of both parties to improve and accelerate the implementation of the Tanzanian-Belgian Co-operation;

Have agreed as follows :

Article 1 - Objectives :

The parties agree to set up a Study and Consultancy Fund, hereinafter called the Fund, aiming at financing in full or in part consultancies, including preparation of projects and programmes. The Fund will be used on the basis of mutual agreement by both the Government of Tanzania and the Government of Belgium.

The studies and consultancies financed by the Fund shall belong to one of the priority sectors or themes of the Belgian International Cooperation and either be part of a Tanzanian-Belgium Indicative Cooperation Programme as jointly defined by the parties or conform with the development policy of the Government of Tanzania.

Ministries and other government agencies of Tanzania shall be the only beneficiaries of the Fund.

The funding of a consultancy or study through the Fund does not commit the Government of Belgium to any further action as follow-up of such consultancy.

Article 2 : Amount :

2.1. The Government of Belgium shall, on terms and conditions set forth or referred to in this Agreement, extend a grant of 620,000 Euro (six hundred and twenty thousand Euro) to the Government of Tanzania for the establishment of the Fund.

2.2. The Fund could be replenished after examination of its utilization. The replenishment is subject to the approval by the competent authorities of both parties.

Article 3 : Responsibilities :

3.1. The Fund will be managed by both the Governments of Tanzania and Belgium.

3.2. The Government of Tanzania appoints the Ministry of Finance, hereinafter referred to as MoF, as entity responsible for the administration of the Fund.

Within one month of the signing of the agreement, MoF designates a Tanzanian Fund Director within the MoF, who will be responsible for :

- a. the Tanzanian approval of the Study and Consultancy proposals submitted in the framework of the present Agreement,
- b. the orientation of the selection and awarding procedure as stipulated in article 6 hereinafter;
- c. the approval of expenditures chargeable to the Fund. The Tanzanian Fund Director will also be the organizer and co-ordinator of the different Tanzanian intervening authorities.

The Tanzanian Ministry or Government Agency which will benefit from a Study to be carried out by virtue of the present Agreement, hereinafter referred to as the Tanzanian Technical Ministry/Agency is appointed as executing agency responsible for the technical follow-up of the Study.

For each Study, the Tanzanian Technical Ministry/Agency will appoint a Tanzanian Supervising Officer responsible for the follow-up of the awarding process and the approval of the services rendered.

3.3. The Government of Belgium appoints the Directorate General of International Co-operation, hereinafter referred to as DGIC, of the Ministry of Foreign Affairs, Foreign Trade and International Co-operation as entity responsible for the co-administration of the Fund. DGIC is represented in Tanzania by the Embassy of Belgium in Dar es Salaam.

DGIC grants authority to the Attaché in charge of the International Co-operation within the Embassy of Belgium to approve on behalf of the Government of Belgium the study or consultancy proposals as stipulated in article 5 hereinafter.

DGIC appoints the Belgian Technical Co-operation, hereinafter referred to as "BTC", as executing agency responsible for the follow-up of the implementation of the Study or Consultancy.

BTC designates its Resident Representative for Tanzania as Fund Co-Director, responsible for the follow-up of the awarding process and the certifying approval of expenditures chargeable to the Fund.

3.4. A Fund Joint Local Consultative Body -JLCB , composed of the Tanzanian Fund Director (Chairperson), the Attaché (Co-Chairperson), a representative of the Tanzanian Ministry of Foreign Affairs and International Co-operation and the Fund Co-Director, will meet at least every 6 months.

The Fund JLCB shall lay down its own rules and regulations. It shall have the following tasks:

- to monitor the use of the Fund;
- to assess the relevance of the results of consultancies/studies financed by the Fund;
- to ensure that applied procedures comply with the procedures stipulated in this agreement;
- to propose possible adaptations of procedures to both Governments;

Article 4 : Study/Consultancy Proposals :

Each proposal will be submitted by or channelled through a Tanzanian Technical Ministry or Agency. Any request for funding shall be sent to the Tanzanian Fund Director, and will contain the following standard information items :

- a) identification of the requesting institution (name, objectives, address, tel);
- b) subject of the Study/Consultancy;
- c) the competent Technical Ministry/Agency as executing agency;
- d) relevance of the proposed Study in the framework of the Tanzanian-Belgium Indicative Cooperation Program and/or the development policy of the Government of Tanzania
- e) draft of terms of reference for the Study following a format commonly accepted by both Governments;
- f) profile of the consultant(s)
- g) cost estimate;
- h) timetable.

The Technical Ministry/Agency may request the Tanzanian Fund Director or the Attaché's advice for the elaboration of the study proposal.

Article 5 : Procedure for the Approval of the Study/Consultancy :

Within 60 calendar days after receiving the request, the Tanzanian Fund Director and the Attaché will examine the request and will commonly agree whether the study proposal is approved for funding.

If the cost estimate for the Study is higher than 62,500 Euro (sixty two thousand five hundred Euro), the approval of DGIC-Brussels and of the MoF is necessary, for which another 30 calendar days have to be foreseen.

The Tanzanian Fund Director and the Attaché will commonly notify their decision to the Technical Ministry/Agency in writing. They will also inform BTC about each approved Study.

The Fund Director shall earmark the financial means required to conduct the approved Study or Consultancy.

Article 6 : Procedure and criteria for the selection of the candidates and the awarding of contracts.

6.1. Within 10 days of being notified of the approval of its request, the Ministry or Government Agency who is, beneficiary of the financing by the Fund, shall appoint for each consultancy a Tanzanian Supervising Officer and notify in writing his identity to the Fund Director and to the Fund Co-Director.

6.2. The procedure of selecting a consultant or consulting firm and of awarding a contract to provide a consultancy shall be as follows:

The Tanzanian Supervising Officer and the Fund Co-Director (who is the Belgian Supervising Officer and who is entitled to designate a consultant or a technical manager within the BTC to carry out the awarding process), shall jointly and in consultation with the beneficiary prepare:

- the Terms of Reference suitable for a tender procedure;
- a shortlist of consultants or consulting firms, and if deemed necessary preceded by a call for interest;
- the administrative conditions including the awarding criteria.

These documents shall be submitted for approval to the Fund Director and the Fund Co-Director before issuing the invitation to tender.

For each consultancy/study an offer shall be asked to at least 3 possible candidates, unless justification is given why this is not possible.

The Tanzanian Supervising Officer and the Fund Co-Director shall jointly, and in consultation with the Fund Director:

- issue the tender and receive the offers;
- analyse the offers;
- select consultants or consultancy firms;
- prepare letters to inform the selected consultants or consulting firms and to invite the selected consultants or consultancy firms for negotiation;
- prepare a contract with the winner of the tender.

All letters related to the awarding of contracts as well as all contracts shall be submitted to the Fund Director and the Fund Co-Director who will both approve the contracts

within 30 days of their reception. The Fund Director will then sign the approved contracts.

6.3. Any aspect of the tenders and contract not specifically stipulated in this agreement shall be managed in accordance with the Tanzanian regulations.

6.4. If necessary the contract may provide for instalments and/or advance payment of maximum 30% of the total amount of the contract. The last payment, to be settled after approval of the final report of the consultancy as stipulated in article 7, shall represent at least 40% of the total amount of the contract.

6.5. The parties to this agreement shall assure that both Supervising Officers are at any time in a position to verify the correctness and fairness of the procedure.

6.6. All decisions related to the selection of consultants or consulting firms and the awarding of contracts shall be taken by mutual agreement between the Fund Director, the Fund Co-Director and both Supervising Officers. Should such agreement turn out to be impossible, no contract shall be awarded, the Attaché shall be informed and the decision to finance the consultancy shall be cancelled.

Article 7 : Disbursement Procedures :

7.1. The Government of Belgium will make the grant available to the Government of Tanzania through a specific account opened in the name of the Tanzanian-Belgian Study and Consultancy Fund.

The account will be opened in USD or in Euro with a local commercial bank in Dar es Salaam. The account shall be opened by both the Fund Director and the Fund Co-Director with a commercial bank in Tanzania, within 10 days of the appointment of the Fund Director.

Interests produced by this account, if any, will be capitalized on the same account and will be utilized in the same manner.

The account shall be operated conditional upon the double signature of the Fund Director and Fund Co-director.

7.2. The account shall be provided with different disbursements :

The DGIC shall initially credit the account with an amount of 120,000 Euro (one hundred and twenty thousand Euro) that shall be disbursed into the local account.

Subsequent provisions shall be made in parts of 100,000 Euro (one hundred thousand Euro), which shall be disbursed upon request of the Fund Co-director.

7.3. For any payment to be done, the consultant or consulting firm shall submit his/her invoices with requested study reports. The Tanzanian Supervising Officer and the Fund Co-Director shall verify the invoices and certify, in close co-operation with the beneficiaries that the terms of reference and conditions of the contract have been compiled with. The Tanzanian Supervising Officer and the Fund Co-Director shall sign the invoices with the mention "for services rendered".

Thereupon, the invoices will be forwarded to the Fund Director and the Fund Co-Director for approval. Payments from the account will be made against invoices signed by the Fund Director and the Fund Co-Director with the mention "read and approved". They will undertake the necessary steps to proceed to the payment of the invoices.

7.4. Any amount not used for the execution of a consultancy contract shall be left with the account and used to finance subsequent consultancy and study contracts.

7.5. The Fund Director, the Fund Co-Director and the Attaché will receive a copy of the bank statements as and when they are issued by the bank.

Article 8 : Information :

8.1. The Tanzanian Fund Director will forward the name of the Tanzanian Supervising Officer appointed for a Study to both the Attaché and the Fund Co-Director through a copy of the designation-decision.

8.2. The Tanzanian Fund Director will provide a copy of the signed consultancy contracts to the Attaché, the Tanzanian Supervising Officer and the Fund Co-Director.

8.3. All official correspondence exchanged with the consultant or consulting firm will be transmitted to both the Tanzanian Supervising Officer and the Fund Co-Director.

8.4. The consultant or consulting firm will provide copies of all reports elaborated as part of the consultancy contract to the Tanzanian Fund Director, the Attaché, the Tanzanian Supervising Officer and the Fund Co-Director.

8.5. An annual Tanzanian-Belgian Study and Consultancy Fund progress report will be prepared by the Fund Director and the Fund Co-Director and submitted to all members of the Joint Local Consultative Body-JLCB.

Article 9: Ownership

The results of the studies/consultancies, which are financed under the present Agreement, are property of the Government of Tanzania. However, the Government of Belgium is entitled to make use of these results for co-operation purposes.

Article 10: Taxes, charges and import duties:

The Belgian contribution shall not be used for the financing of taxes, other public charges and import duties provided for in the Tanzanian legislation and regulations.

Article 11 : Duration, prolongation, denunciation and modification :

11.1. At the expiration of the present Agreement, the unspent funds already transferred to the account shall be used for similar purposes by mutual agreement between the parties.

11.2. The present Agreement has a duration of four (4) years starting from the entering into force of the Agreement.

11.3. The present Agreement may be amended and/or extended by an Exchange of Letters.

11.4. If any dispute arises related to the implementation of the present Agreement, there will be consultation between both parties with a view to securing successful realization of the purpose of this Agreement. In case no compromise can be reached, the present Agreement may be cancelled by the Government of Belgium as well as by the Government of Tanzania at three months' written notice. Contracts signed with a consultant or consulting firm before the end of the notice will have to be respected by both parties.

Article 12 : Addresses :

Communications shall be addressed :

For the Government of the Kingdom of Belgium to :
The Directorate General of International Co-operation (DGIC),
Embassy of Belgium
P.O. Box 9210, Dar es Salaam

For the Government of the United Republic of Tanzania, to :
Permanent Secretary
Ministry of Finance
P.O. Box 9111, Dar es Salaam
TANZANIA

Article 13 : Entering into force :

This Specific Agreement shall be provisionally applied upon the date of its signing and shall enter into force on the date of notification by both parties of the completion of the internal procedures required for bringing it into force.

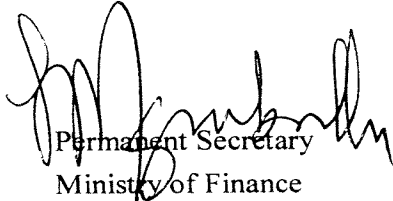
In witness whereof the undersigned persons, being duly authorized thereto, have signed this agreement.

Done at Dar es Salaam this day 6th of December 2001 in two original copies in the English language.

For the Government of the
Kingdom of Belgium

For the Government of the United
Republic of Tanzania


Ambassador of Belgium


Permanent Secretary
Ministry of Finance