

GRANT ARRANGEMENT

BETWEEN

THE GOVERNMENT OF CANADA

AND

**THE UNITED NATIONS DEVELOPMENT PROGRAMME
(UNDP)**

DEMOCRATIC EMPOWERMENT PROJECT

Arrangement No.: 7060387

GRANT ARRANGEMENT MADE ON THIS 19 DAY OF March, 2014

BETWEEN:

The Government of Canada as represented by the Minister for International Development, acting through the Department of Foreign Affairs, Trade and Development (hereinafter referred to as "DFATD");

AND:

The United Nations Development Programme (hereinafter referred to as "UNDP");

WHEREAS DFATD wishes to make a grant to UNDP to support the UNDP' Project "entitled" "DEMOCRATIC EMPOWERMENT PROJECT" and award number 68932 (A-035586), in TANZANIA Country;

WHEREAS UNDP is prepared to receive and administer the grant for the implementation of the Project;

WHEREAS UNDP will enter into arrangements/agreements with an Implementing Partner as are necessary to ensure the successful implementation of the Project;

AND WHEREAS the purpose of this Grant Arrangement (hereinafter referred to as "the Arrangement") is to set out the terms concerning the transfer and administration of the grant from DFATD to UNDP;

NOW THEREFORE, DFATD and UNDP (hereinafter referred to as the "Signatories") have reached the following understanding:

Paragraph I. The Grant

1.1 DFATD will make a grant to UNDP for the purpose of the Project described in the Project Document attached herewith in Annex A (hereinafter referred to as "the Project") in an amount of three million Canadian dollars (CDN \$3,000,000) (hereinafter referred to as "the Grant").

1.2 Upon signature of this Arrangement, DFATD will make installment payments in accordance with the following schedule:

1.2.1 After the signature of this Arrangement DFATD will make a payment of one million five hundred thousand Canadian dollars (CDN\$ 1,500,000), for DFATD's fiscal year 2013/2014;

1.2.2 A second installment payment of one million five hundred thousand Canadian dollars (CDN\$ 1,500,000), after April 1, 2014 and by March 31, 2015 for DFATD's fiscal year 2014/2015;

1.3 Any change to the installment payment schedule above will be made through an amendment to this Arrangement in accordance with the provisions of Paragraph XI below.

2. DFATD will make the payments to the UNDP through bank transfers, in Canadian dollars, in the following UNDP bank account:

Bank of America NA, Canada Branch
200 Front Street West, Suite 2700
Toronto, Ontario M5V 3L2
Bank transit number: 56792
Bank code: 241
for credit to: United Nations Development Programme
Account number: 711442252220

3 DFATD will inform UNDP when the Grant is paid via an e-mail message with remittance information to contributions@undp.org.

4. The value of the Grant, made pursuant to this Arrangement in Canadian dollars, will be determined by applying the United Nations operational rate of exchange in effect on the date of payment.

5. In case of devaluation of the value of the Grant, the support to be provided to the Project may be reduced, suspended or terminated by UNDP after consultation with DFATD.

6. UNDP's commitments for the implementation of Project under this Arrangement are contingent upon receipt of the Grant from DFATD in accordance with paragraph I above.

Paragraph II. Utilization of the Grant

1. UNDP will ensure that the Grant and any interest earned from the Grant are utilized exclusively for the purpose of the Project.
2. DFATD may withhold payment of part of the Grant after consultation with UNDP, should UNDP fail to use the Grant for the purpose of the Project.
3. UNDP will be responsible for the implementation of the Project and will keep DFATD informed.
4. The Grant will be administered by UNDP in accordance with UNDP's regulations, rules, policies and procedures.

Paragraph III. Administration and Reporting

1. All financial accounts and statements will be expressed in United States dollars.
2. UNDP Headquarters and country office will provide DFATD all or parts of the following reports prepared in accordance with UNDP accounting and reporting policies and procedures.
 - 2.1 For arrangement(s) of one year or less:
 - (a) From the country office (or relevant unit at headquarters in the case of regional and global Projects) within six (6) months after the date of completion or termination of the Arrangement, a final report detailing major inputs, activities, outputs and results of the Project activities and impact of activities as well as provisional financial data;
 - (b) From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31st December to be submitted no later than 30th June of the following year;
 - (c) From UNDP Bureau of Management/Office of Finance and Administration on completion of the Project, a certified financial statement to be submitted no later than 30th June of the year following the financial closing of the Project.
 - 2.2 For arrangement(s) of more than one year:
 - (a) From the country office (or relevant unit at headquarters in the case of regional and global Projects) an annual status report of Project progress for the duration of the Arrangement, as well as the latest available

approved budget.

- (b) From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31st December of every year to be submitted no later than 30th June of the following year.
- (c) From the country office (or relevant unit at headquarters in the case of regional and global projects) within six (6) months after the date of completion or termination of the Arrangement, a final report detailing major inputs, activities, outputs and results of the Project activities and impact of activities as well as provisional financial data.
- (d) From UNDP Bureau of Management/Office of Finance and Administration, on completion of the Project, a certified financial statement to be submitted no later than 30th June of the year following the financial closing of the Project.

3. If special circumstances so warrant and at the request of DFATD, UNDP may provide more frequent reporting at DFATD's expense. The specific nature and frequency of this reporting will be specified in an Annex to this Arrangement.

Paragraph IV. Administrative and Support Services

1. In accordance with the decisions of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Grant will be subject to cost recovery for indirect costs or General Management Support (GMS) services equal to 8%. Furthermore, as long as they are unequivocally linked to the specific Project(s), all direct costs of implementation, including the costs of the implementing partner, will be borne by the Project and reflected in the Project budget.

2. The aggregate of the amounts budgeted for the Project, including the estimated costs of related support services, will not exceed the total funds available to the Project under this Arrangement.

Paragraph V. Auditing

1. The Grant will be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules, policies and procedures of UNDP. Should an Audit Report of the Board of Auditors of UNDP to its governing body contain observations relevant to the Grant, such information will be made available to DFATD.

Paragraph VI. Evaluation

1. All UNDP Projects are evaluated in accordance with UNDP Evaluation Policy. UNDP and the Government of programme in Tanzania with other stakeholders, in consultation with DFATD will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for evaluating a Project including an evaluation of the financial contribution to an outcome which is listed in the Evaluation Plan. UNDP will commission the evaluation, and the evaluation exercise will be carried out by external independent evaluators.

Paragraph VII. Visibility

1. UNDP will take all appropriate measures to publicize the fact that the Project has received funding from DFATD, in accordance with its regulations, rules, policies and procedures.

Paragraph VIII. Suspension

1. In case of major changes impacting on the Project, either DFATD or UNDP may at any time, after consultation with the other signatory, suspend this Arrangement in whole or in part by giving a thirty (30) days written notice. Both Signatories will endeavour to identify ways and means to manage the suspension, thereby mitigating the impact on the Project until such time that the suspension may be lifted.

2. In this event, DFATD will nevertheless cover any commitments and liabilities entered by UNDP up to the date of receipt by UNDP of the notice of suspension.

Paragraph IX. Termination/Completion

1. UNDP will notify DFATD when all activities relating to the Project have been completed.

2. Either DFATD or UNDP may at any time terminate this Arrangement in whole or in part by giving a 90 (ninety) days written notice.

3. Notwithstanding the completion of the Project or the termination of all or part of this Arrangement, UNDP will continue to hold unutilized Funds until all UNDP's commitments and liabilities incurred in the execution/implementation of the Project have been satisfied and Project activities brought to an orderly conclusion.

4. Any funds that remain unexpended after such commitments and liabilities have been satisfied will be reallocated by UNDP, in consultation and agreement with DFATD.

Paragraph X. Environmental Assessment

1. This Project does not fall within the scope of the Canadian Environmental Assessment Act.

Paragraph XI. Amendment of the Arrangement

1. The Arrangement may only be amended through an exchange of letters signed between DFATD and UNDP. The letters exchanged to this effect will become an integral part of this Arrangement.

Paragraph XII. Notice

1. Any notice to be given to either Signatory with respect to this Arrangement will be effectively given if delivered or sent by letter, fax addressed to the Signatory at the address given in this Paragraph. The address of either Signatory may be changed by notice in the manner set out in this Paragraph.

2. Any notice to DFATD will be addressed to:

Head of Cooperation
Canadian High Commission
38 Mirambo Street/Garden Ave.
Dar es Salaam, Tanzania
P.O. Box 1022

Telephone.: +255 22 216 3300
Facsimile: + 255 22 211 6897

3. Any notice to UNDP will be addressed to :

United Nations Development Programme
Resident Representative ai
Tanzania Country Office
International House Building, 6th floor
Shaaban Robert Street/Garden Avenue
P.O. Box 9182
Dar-Es-Salaam, Tanzania

Telephone.: (+255) 22 2112576
Facsimile: (+255) 22 2111168
Email: philippe.poinsot@undp.org
Web: www.tz.undp.org

Paragraph XIII. Entire Understanding

1. The Arrangement together with Annex, which forms an integral part hereof, constitutes the entire understanding between DFATD and UNDP with respect to the Project.

Paragraph XIV. Anti-Corruption

1. UNDP and DFATD agree that it is important to take all necessary precautions to avoid corrupt practices. To this end, UNDP will maintain standards of conduct that govern the performance of its staff, including the prohibition of corrupt practices in connection with the award and administration of contracts, grants, or other benefits, as set forth in the Staff Regulations and Rules of the United Nations, the UNDP Financial Regulations and Rules, and the UNDP Procurement Manual.

Paragraph XV. Anti-Terrorism

Terrorist Financing

1. Consistent with numerous United Nations Security Council resolutions, including S/RES/1269 (1999), S/RES/1368 (2001), and S/RES/1373 (2001), both Canada and UNDP are firmly committed to the international fight against terrorism, and in particular, against the financing of terrorism.
2. UNDP will screen potential Implementing Partners to ensure it does not knowingly work with any party and entity appearing on the New Consolidated List established and maintained by the UN Security Council's 1267 Committee.

3. UNDP will also disburse the funds only to Implementing Partners listed in annex to this Grant Arrangement. UNDP will make its best efforts to provide this list of Implementing Partners to DFATD before the signature of this Arrangement

4. If the list referred to in Sub-paragraph 3. is not available before signature, UNDP will provide it as soon as the information is available. Any change to the list of Implementing Partners will be submitted to DFATD as soon as the information is available. In such instance, upon DFATD's request, DFATD and UNDP will consult to determine the appropriate course of action, if any.

5. UNDP will include in any subsequent funding arrangements, agreements or contracts using DFATD's funds a clause requiring further Implementing Partners not to use the funding provided hereunder to benefit terrorism.

6. In consultation with UNDP, DFATD may request participation as an observer in the UNDP's monitoring and evaluation of the Project, in accordance with the UNDP's applicable guidelines and procedures.

7. In the event that an Implementing Partner is not included in the UN Security Council's 1267 list, however during the course of the implementation of the Project, is deemed to conduct terrorism activities, DFATD and UNDP will consult to determine the appropriate course of action.

Paragraph XVI. General Provisions

1. No member of the Canadian House of Commons will be admitted to any share or part of this Arrangement or to any benefit to arise therefrom.

2. The Arrangement will not be assigned by UNDP without the prior written consent of DFATD.

3. Any payment to be made under this Arrangement is subject to there being an appropriation by the Parliament of Canada for the fiscal year in which the payment is to be made. If DFATD's appropriation is changed by the Parliament of Canada, DFATD may reduce the Grant or terminate this Arrangement with a written notice to UNDP.

4.. This Arrangement is not an international treaty . It is an administrative arrangement between the Government of Canada and the United Nations Development Programme.

5. Any difference arising out of or relating to this Arrangement will be settled amicably by the Signatories.

Paragraph XVII. Coming Into Effect

1. The Arrangement will come into effect upon the date of the last signature and will remain in effect until the completion of the Project activities for a span of two (2) years and 3 months..

Done in the English language in two copies,

For the GOVERNMENT OF CANADA

Signature [Handwritten Signature]

Name JONATHAN ARNOLD

Title 1/ SENIOR DIRECTOR

Date 19 March 2014

For the UNITED NATIONS DEVELOPMENT PROGRAMME

Signature [Handwritten Signature]

Name PHILIPPE POINSOT

Title RESIDENT REPRESENTATIVE of

Date 19 March 2014



ANNEX A

Description

Democratic Empowerment Project (DEP) is a three-year project (2013-2016) with the overall aim of contributing to deepening democracy in Tanzania. This election cycle approach support approach is in recognition that free and fair elections are only one element of democratic development and democratic practice. The project will build on well-established existing UNDP and UN partnerships with the Election Management Bodies (EMBs), Police, Judiciary, Registrar of Political Parties, Civil Society and the Media in an effort to enhance their capacity to contribute to credible elections. The Direct Implementation Modality will be used to effectively work with the multiple partners funding the project and to ensure timely delivery of activities.

Objective

The overall objective of the DEP is to contribute to the UNDP's Outcome 7: i.e. which is "strengthening the credibility and capacity of key institutions of democracy to effectively implement their election and political functions". Such enhanced credibility and capacity for these institutions will contribute to the improvement of the democratic character of Tanzania as an overall outcome. These improvements will help consolidate gains from past years of democratic institutional strengthening through various UNDP managed donor funded projects starting with the ESP (2005), the DDTP (2006-2010), and the ESP (2010). DEP will directly support UNDP's Cluster III Governance component that, in turn, supports MKUKUTA's 2010-2015 goals for governance and accountability, and MKUZA (2010-2015) goals for good governance and national unity.

Activities

1) Capacity development of EMBs

- Capacity needs assessment, strategic & operational planning, development of performance monitoring system
- Revision of election laws & guidelines
- Enhanced ICT capacity: websites, results/ candidate/observer management software, office hard/software, wireless internet.
- Interaction with election stakeholders

2) Voter education via community radio

- Strengthening/establishment of community radios via UNESCO
- Development of broadcasting content to encourage peaceful and inclusive participation

3) Support for inclusion in political processes

- Training of women/PWD/youth candidates for nomination by political parties
- Modification of political party processes and regulations to enable nomination of more women/PWD/youth candidates
- Mobilization of disadvantaged groups to register and vote (via community radio)

4) Election complaints & appeals

- Development of system for electoral dispute resolution with judiciary
- Exposure to good practice in the East Africa region

5) Election observation

- Support EMB management and accreditation of national and international observers
- Development of software for management of national and international observers

6) Peaceful elections environment

- Multi-stakeholder dialogue meetings
- Human rights training for Police
- Public order management training for Police
- Extension/upgrading of incident reporting and response system for Police

Inputs

- Total approved budget is USD 22,500,000

Outputs

The project has the following four outputs or components which are informed by the UNDAP and the recommendations of recent reports and studies including the NAM, project evaluations and observer missions:

- 1) Capacity of the key democratic institutions (EMBs, RPP) enhanced to support and promotes legal and institutional reform;
- 2) Capacity of the EMBs to conduct credible elections enhanced through strategic, technical and operational support and improved EMB engagement with stakeholders (i.e. political parties, CSOs, and the media)³ to improve the democratic environment;
- 3) Inclusive participation in elections and politics enhanced through the empowerment of women, youth and PWDs;
- 4) National peace infrastructure enhanced to mitigate election-related conflicts.

A gender equality perspective will be included in all components.

Results

- Election Management Bodies better manage the election cycle through the application of integrated management systems
- Political Parties improve internal party democracy
- Women assume leadership roles and positions in politics and in EMBs