

PD-ABN-224

91507

**SECOND AMENDMENT**  
**TO THE**  
**PROJECT GRANT AGREEMENT**  
**BETWEEN**  
**THE UNITED REPUBLIC OF TANZANIA**  
**AND THE**  
**UNITED STATES OF AMERICA**  
**FOR**  
**TANZANIA DEMOCRATIC GOVERNANCE INITIATIVE**

**SECOND AMENDMENT TO THE PROJECT GRANT AGREEMENT  
FOR  
TANZANIA DEMOCRATIC GOVERNANCE INITIATIVE PROJECT**

**Between**

**The United Republic of Tanzania ("Grantee")**

**and**

**The United States of America, acting through the  
Agency for International Development ("USAID")**

WHEREAS, the Government of the United Republic of Tanzania ("Grantee"), acting through the Ministry of Finance, and the Government of the United States of America, acting through the Agency for International Development ("USAID") entered into a Project Grant Agreement for the Tanzania Democratic Governance Initiatives Project on August 21, 1995, as subsequently amended on September 28, 1995 (the "Agreement"); and

WHEREAS, the Grantee and USAID desire to further amend the Agreement to provide for an increase of United States Dollars One Million (\$1,000,000) in funding for additional grant resources for the Tanzania Democratic Initiatives Project; realign the budget, extend the Life of Project (LOP) and augment the definition of the Project to bring it into conformity with the Strategic Objectives agreed to by the Parties. The amendment also provides for assistance to the Controller Auditor General, (CAG) whose office is responsible for auditing the GOT, to strengthen its capacity to audit government expenditures. Assisting the CAG will help us meet the Strategic Objective because one of the cornerstones of democratic governance is government transparency and accountability.

NOW THEREFORE, the Parties hereto hereby agree to further amend the Agreement as follows:

1. Section 2.1, Definition of the Project, is amended by adding after the first sentence:

"Project activities support attainment of the Strategic Objective of the Establishment of a Foundation for the Transition to Democratic Governance."

2. Section 3.1(a), The Grant, is amended by deleting the first paragraph and substituting the following paragraph in its stead:

"To assist the Grantee to meet the costs of carrying out the Project, USAID, pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant to the Grantee under the terms of this Agreement an additional One Million United States Dollars ("U.S.") Dollars, (\$1,000,000). The total Grant, comprising the original Agreement, the First, and Second Amendments shall not exceed Three Million United States ("U.S.") Dollars ((\$3,000,000)("Grant"))."

3. Section 3.4 (a), The Project Assistance Completion Date ( PACD) is amended by deleting August 9, 1998 and inserting "September 29, 2000" in its stead.

4. Annex 1, "Amplified Project Description," is amended by adding Attachment 1 hereto, "Supplementary Amplified Project Description."

Except as amended herein, all other terms and conditions of the Tanzania Democratic Governance Initiatives Project Grant Agreement, as amended, remain in full force and effect.

IN WITNESS THEREOF, the United Republic of Tanzania and the United States of America, each acting through its duly authorized representative, have caused this Second Amendment to the Tanzania Democratic Governance Initiatives Project Grant Agreement to be signed in their names and delivered as of the day and date first written above.

THE UNITED REPUBLIC OF TANZANIA

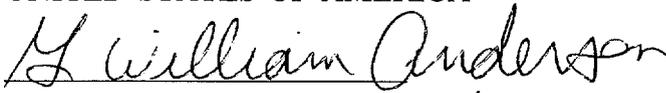
BY: 

NAME: JOYCE MAPUNDO

TITLE: Senior Finance Management Officer

DATE: 17/09/96

THE UNITED STATES OF AMERICA

BY: 

NAME: G. William Anderson

TITLE: Acting Director

DATE: 23 September, 1996

## ANNEX 1

### TANZANIA DEMOCRATIC GOVERNANCE INITIATIVES SUPPLEMENTARY AMPLIFIED PROJECT DESCRIPTION

#### A. Project Description

The goal of the Tanzania Democratic Governance Initiatives (TDGI) Project, which is consistent with the goal for the USAID/Tanzania program overall, is "improved democratic governance in Tanzania." The purpose is to strengthen civil society in support of the transition to democratic governance in Tanzania.

TDGI proposes to encourage democratic governance in Tanzania by assisting the institutional development of carefully selected governmental and non-governmental organizations. This will help build civil society, an important way of ensuring democratic governance. The preliminary choice of groups and activities proposed herein are based on the USAID/Tanzania 1994 Democratic Governance (DG) Assessment, ongoing reports and assessments of the Alternative Dispute Resolution Project by USIS, subsequent analyses by USG staff in-country, consultation with USAID/W Democracy Center and Policy staff on Temporary Duty Assignment (TDY) in December 1994 and Women in Development specialist TDYs in March/April 1995, and Agency Democracy and Governance guidelines. Also in 1994, the Mission determined that instead of small stand-alone activities, a more focused and targeted approach was necessary. Therefore, consultations with partners, stakeholders and customers began, to help determine where we have a comparative advantage as well as those areas most in need of assistance. As a result, the Mission has a new democratic governance strategic objective that provides a framework for assistance that will allow the achievement of measurable results. The design has been reviewed by Tanzanian citizens, NGOs and Government of Tanzania officials.

By supporting groups which have the potential to act as advocacy organizations, TDGI will help enable Tanzanians themselves to be in the forefront of defining their political future, an essential prerequisite for sustainability. In Tanzania, the judiciary, the press, and private attorneys are the most important actors for fostering the transition to democratic governance. The judiciary has been trying to lessen the amount of time it takes to rule on a case and the press has been one of the most vital and critical advocates for change. Lawyers, acting individually or through associations, are among the most active people shaping the rules of democratic transition. To capitalize on these forces of change, TDGI includes components to assist: 1) the courts, 2) the media, 3) women's legal rights organizations, 4) civic education, and 5) the Controller Auditor General.

The total funding available under this agreement is US\$3.0 million. An amount of US\$2 million was obligated in FY95 and another US\$1.0 million in FY96.

B. Implementing Agencies.

With the exception of the approximately \$550,000 to be used for audit and evaluation, \$500,000 for new activities and \$250,000 support to the Controller/Auditor General (CAG); USIS will directly implement the four project components through an interagency agreement ("PASA").

C. Project Budget: Table 1 below presents the project budget.

Table 1: Illustrative Summary of Project Costs by Expense Category and Source of Funding

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( \$000,000 )

	USAID Contribution FY 95	Planned FY 96	LOP Amount
ADR	0.53	0.00	0.53
Media	0.33	0.00	0.33
Women's Legal Rights	0.22	0.00	0.22
Civic Education	0.35	0.00	0.35
CAG	0.00	0.25	0.25
New Activities	0.00	0.50	0.50
Management	0.27	0.00	0.27
Audit/Evaluation	0.30	0.25	0.55
TOTAL	2.0	1.0	3.0

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Methods of Financing: Table 2 below presents an outline of planned methods of financing the activities contemplated in the TDGI project

Table 2: Project Activities and Methods of Financing

Item	Implementation method	Method of Payment
ADR	PASA	Direct Payment
Media	PASA	Direct Payment
Women's Legal Rights	PASA	Direct Payment
Civic Education	PASA	Direct Payment
Management	PASA	Direct Payment
CAG	USAID Contract	Reimbursement, Advances
New Activities	USAID Contract	Reimbursement, Advances
Audit/Evaluation	USAID Contract	Reimbursement, Advances

#### D. Monitoring and Evaluation Plan

The TDGI monitoring and evaluation plan forms a part of the USAID/Tanzania Mission's overall monitoring, evaluation, and reporting program, which is under the guidance of the Program Office and the Impact Assessment Advisor. Monitoring and evaluation of TDGI will contribute directly to the Mission's required annual reporting on monitoring and evaluation activities, as well as to the Assessment of Program Impact reporting. The achievements of TDGI will be assessed at higher-level intermediate results which represent the necessary and sufficient changes that must take place before a foundation for the transition to democratic governance can be established in Tanzania. These intermediate results are 1) Access to Justice Improved; 2) GOT Accountability and Transparency Improved; 3) Citizens Understand and Apply Principles of Democratic Governance; 4) Selected Media Become More Responsive and Responsible; 5) Selected Representative Institutions Perform Better. Although USAID/T will not be involved financially in achieving Intermediate Result 5 for the foreseeable future, we will support initiatives being made by other donors in this area. In addition, specific measures of input have been established for each of the four components of TDGI (ADR, media training, women's legal rights, and civic education).

The key inputs (technical assistance, training, small grants) will be monitored as part of the actual process of project implementation, and will be documented in annual workplans and progress reports. Results monitoring (the key indicators including numbers trained, grants awarded, workshops/seminar held) will be documented in semi-annual program/project implementation reviews. Data on both indicators and results can therefore be collected as elements of routine project management and will be the responsibility of the TDGI Project Manager, under the guidance of the USAID/Tanzania Project Development Officer.

Such studies will be conducted under the general supervision of the Impact Assessment Advisor, employing the services of Tanzania-based consultants. Funds are available in the project budget to support such activities.

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Drafter: DAA: MCHiza: 08/19/96

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OBL: PRO-GR-AG-NO-95-01-AM2  
A/C: 621-000-001  
PROJECT: 6210182.00  
RCN #: T966017  
AMOUNT: \$1,000,000.00

FUNDS AVAILABLE  
Office of the Controller USAID/ ZAMBIA  
Date: 09/11/96