

PD-ABQ-103  
96327

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

Dated: September 05, 1997

**THIRD AMENDMENT TO THE PROJECT GRANT AGREEMENT**  
**FOR**  
**TANZANIA DEMOCRATIC GOVERNANCE INITIATIVES 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 and September 23, 1996 (the "Agreement"); and

WHEREAS, the Grantee and USAID desire to further amend the Agreement to provide for an increase of United States Dollars six hundred thousand (\$600,000) in funding for additional grant resources for the Tanzania Democratic Governance Initiatives Project (TDGI); to realign the budget, and to expand activities consistent with TDGI objectives.

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

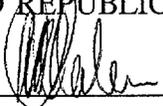
1. Section 3.1(a), The Grant, is amended by deleting the first paragraph and substituting the following paragraph in its stead:

"To help achieve the objective set forth in this agreement, 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 six hundred thousand United States Dollars ("U.S.") Dollars, (\$600,000). The total Grant, comprising the original Agreement, the First, Second and Third Amendments shall not exceed three million six hundred thousand United States ("U.S.") Dollars ((\$3,600,000)("Grant"))."

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 WHEREOF, the United Republic of Tanzania and the United States of America, each acting through its duly authorized representative, have caused this Third 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

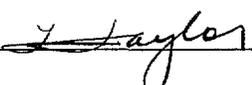
BY: 

NAME: Raphael Mollé

TITLE: Principal Secretary -MOF

DATE: September 05, 1997

THE UNITED STATES OF AMERICA

BY: 

NAME: Lucretia D. Taylor

TITLE: Mission Director - USAID/T

DATE: September 05, 1997

Attachment: Amendment to the Project Description

## ANNEX 1

### TANZANIA DEMOCRATIC GOVERNANCE INITIATIVES AMENDMENT TO PROJECT DESCRIPTION

#### **I Background:**

The goal of the Tanzania Democratic Governance Initiatives (TDGI) Project, is "improved democratic governance in Tanzania. The purpose is to "strengthen civil society in support of the transition to democratic governance in Tanzania." TDGI includes components to assist: 1) the courts, 2) media, 3) women's legal rights organizations, 4) civic education, 5) The Controller Auditor General and 6) The Tanzania Revenue Authority.

Mission identified five Intermediate Results (IRs) which must be achieved in order to achieve the Strategic Objective: "Foundation for the Transition to Democratic Governance Improved." The TDGI project includes activities which support the achievement of four of the five IRs. These are: IR 3.1 Access to Justice is improved; IR3.2 Government of Tanzania (GOT) Accountability and Transparency is Improved; IR 3.3 Citizens Understand and apply Principles of Democratic Governance and IR 3.4 Media Become More Responsive and Responsible. The Strategic Objective also includes IR 3.5, Selected Representative Institutions Perform Better. While USAID/T is not active in this IR, it is deemed necessary to achieve the SO. Accordingly, it is being monitored through SO3 partners.

Under this amendment, Only IRs 3.1 and 3.2 are being revised. However all IRs are being discussed in order to slowly move the presentation of the activities from a PROAG to a SOAG.

#### **II Intermediate Results Under the Strategic Objective:**

**A. IR3.1: Access to Justice Improved.** There are several activities supporting this IR.

1. The Alternative Dispute Resolution started as a pilot activity at the Kisutu Court by having several "Settlement Weeks." Results have shown that there is a reduction in civil court caseloads, thus indicating the potential success of this method and this activity. However, during this process, it was learned that ADR will not succeed without concurrent administrative reform in the courts. Civil delay reduction depends partially on knowing how many cases are in a court and how many cases are resolved in a year. A case tracking system does not currently exist in the Tanzanian courts. Therefore a case management system was recently installed at Kisutu and training in the use of this system is going on. ADR will continue to be implemented at the Kisutu Court which will also continue as training center for magistrates, in both ADR and the management of the new automated system, before it is introduced to other courts.

2. The printing of 1,000 copies of 17 basic civil and criminal laws was undertaken at the request of Tanzanian courts. A copy has been made available to every primary court magistrate in the country. These specific copies of the laws are needed if the courts are to operate properly. This effort has been complemented by supporting a series of seminars for primary court magistrates to keep them abreast of democratic and constitutional changes taking place in the country. More copies of the laws will be made available to improve access to justice. There will also be training for Judiciary staff in order to improve their skills in the administration of justice.

**B. IR3.2: GOT's Accountability and Transparency Improved.**

1. USAID supported the retrenchment of civil servants as part of a multi-donor effort to assist the GOT in decreasing the excessive number of civil servants and in meeting wage bill targets under the ESAF. USAID also worked with partners to provide training for the Controller Auditor General's Office (CAG), who is the overseer of the GOT'S fiscal management. SO3 support to CAG is another example of the cross-cutting nature of DG assistance. Following training in audit standards and performance auditing, the CAG was contracted to audit the roads (SO5) activity in the Ministry of Works and the family planning (SO1) activity in the Ministry of Health. It is our intention to continue supporting the CAG office to enable it to function more effectively.
2. The Tanzania Revenue Authority was established in order to administer tax revenue collection which has for a long time been subject to abuse and corruption resulting in inadequate revenue collection. USAID contributed over \$2 million in local currency for TRA start up costs out of a total of \$ 3.5 million which was required. The rest was provided by the World Bank and Denmark. Since its inception, TRA has been extremely successful in fulfilling its mandate, with GOT revenues up by 45%. Working with TRA is an SO3 initiative, and although USAID's initial support came from SO4, further assistance will come from SO3. At the request of TRA, SO3 has already provided support in setting up a Policy and Tax Research Unit within TRA. This support will be extended further. The main objective of establishing this unit is to enhance the TRA's capacity to identify and understand the fiscal, economic and social implications of alternative tax policies. Clear policies and more transparent tax collection procedures will plug loopholes which lead to corruption and tax evasion, the result of which will be increased revenue collection by GOT.

**C. IR3.3: Citizens Understand and Apply Principles of Democratic Governance.** Two activities are being implemented under this IR.

1. Four NGOs have so far been given grants to fund seminars and other outreach activities related to women and the law. The implementation of this activity has been a bit slow. An evaluation of these activities is being planned in order to find out from recipients the actual outcome of these NGO activities. This evaluation will also provide information about the value of continuing to pursue this kind of activity. The objective of this activity is to enhance the knowledge of, access to, and utilization of the law and the legal system by women and also to strengthen the organizational capacity of the NGOs with whom USAID/T works.
2. The second activity is the establishment of civic education centers within libraries. A pilot activity started by establishing two library civic education centers in Mwanza and Tanga regional libraries. The Mwanza Civic Education Center was inaugurated in June this year and it is now operational. If successful we will target other libraries around the country.

**IR3.4: Media Become More Responsive and Responsible.** The major activity in support of this IR is Journalism Workshops. The major objectives for this activity are: a) To improve the general knowledge of and reporting skills of journalists, primarily those based outside Dar es Salaam who have little access to professional education; and b) To strengthen the ability of the regional Press Clubs to act as professional bodies, especially in the promotion of a free and responsible media. So far, a total of six series of workshops have been conducted in six towns in Tanzania Mainland. Topics covered included those which are related to the market system and multi-party democracy. USAID has assisted the press clubs to develop multiple sources of assistance through these seminars. Multiple sources of support are important for press clubs to function as information-sharing centers for media people. It is also clear from reading the local newspapers that the quality of reporting has improved and USAID is happy to have contributed to this result.

ILLUSTRATIVE BUDGET

Activity	USAID Contribution To date	Planned FY 97	LOP Amount
ADR	586,938	0.00	586,938
Media	354,291	0.00	354,291
Women's Legal Rights	363,488	0.00	363,488
Civic Education	346,928	0.00	346,928
Management	203,729	0.00	203,729
Audit/Evaluat ion	144,626	50,000	194,626
Printing/Dist of Laws	326,000	340,000	666,000
CAG/TRA	674,000	210,000	884,000
TOTAL	3,000,000	600,000	3,600,000

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<sup>MHiza</sup>  
Drafter: DAA:MHiza:8/18/97

Clearance: PDO: Cheryl A. Williams *Cheryl A. Williams* 8/21/97

APO: HMbuya *HMbuya*

PO: WWitthans *WWitthans*

CONT: MStein-Olson: *MStein-Olson*

RCSA/RLA: SMPage: (cleared 8/20/97)

APP: 727/81021  
BPC: GDV7-97-21621-KG13  
OBL: PRO-GR-AG-NO-95-01-AM3  
RCN: T976026  
PROJ: 6210182.00  
AMOUNT US\$ 600,000.00

*[Handwritten signatures and dates]*  
08/21/97 08/21/97