

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5776-TZ

Project Agreement

(Southern Agricultural Growth Corridor of Tanzania (SAGCOT)
Investment Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

SAGCOT CENTRE LIMITED

Dated 23 June, 2016

CREDIT NUMBER 5776-TZ

PROJECT AGREEMENT

AGREEMENT dated 23 June 2016, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and SAGCOT CENTRE LIMITED (“Project Implementing Entity”) (“Project Agreement”) in connection with the Financing Agreement of same date between the United Republic of Tanzania (“Recipient”) and the Association (“Financing Agreement”). The Association and the Project Implementing Entity hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

ARTICLE II — PROJECT

- 2.01. The Project Implementing Entity declares its commitment to the objective of the Project. To this end, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for its Respective Part of the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and the Project Implementing Entity shall otherwise agree, the Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

- 3.01. For purposes of Section 8.05 (c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity's Representative is its Chairman.

4.02. The Association's Address is:

International Development Association
1818 H Street, N.W.
Washington, DC 20433
United States of America

Cable:	Telex:	Facsimile:
INDEVAS Washington, D.C.	248423(MCI)	1-202-477-6391

4.03. The Project Implementing Entity's Address is:

TPSF Building, Ground Floor
1288 Mwaya Road, Masaki
P. O. Box 11313
Dar es Salaam
Tanzania

AGREED at Dar es Salaam, The United Republic of Tanzania, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



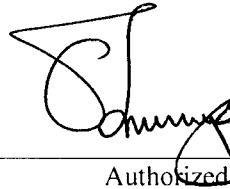
Authorized Representative

Name: Bella Bird

Title: COUNTRY DIRECTOR

SAGCOT CENTRE LIMITED

By



Authorized Representative

Name: GEORGEY KIRENGA

Title: CHIEF EXECUTIVE OFFICER

SCHEDULE

Execution of the Project Implementing Entity's Respective Part of the Project

Section I. Implementation Arrangements

A. Anti-Corruption

The Project Implementing Entity shall ensure that its Respective Part of the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

B. Implementation Arrangements

Project Operations Manual

1. The Project Implementing Entity shall carry out its Respective Part of the Project in accordance with the provisions of the Project Operations Manual.
2. The Project Implementing Entity shall not amend, abrogate, waive or fail to enforce any provision of the Project Operations Manual, without the prior written agreement of the Association; provided, however, that in case of any conflict between the arrangements and procedures set out in said manual and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plan and Budget

3. The Project Implementing Entity shall prepare and furnish to the Association for its approval, not later than July 1 of each year, starting July 1, 2016, during the implementation of its Respective Part of the Project, a proposed annual work plan and budget containing all activities proposed to be carried out and required financing under its Respective Part of the Project in the following year.
4. The Project Implementing Entity shall afford the Association a reasonable opportunity to exchange views with it on each such proposed annual work plan and budget, and thereafter to implement its Respective Part of the Project in accordance with such annual work plan and budget as shall have been approved by the Association.

D. SAGCOT Centre Limited Subsidiary Agreement

5. The Project Implementing Entity shall implement its Respective Part of the Project in accordance with the provisions of the SAGCOT Centre Limited Subsidiary Agreement.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Project Implementing Entity shall monitor and evaluate the progress of its Respective Part of the Project and prepare Project Reports for its Respective Part of the Project in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association. Each such Project Report shall cover the period of one calendar semester, and shall be furnished to the Recipient not later two weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

B. Financial Management, Financial Reports and Audits

1. The Project Implementing Entity shall maintain a financial management system and prepare Financial Statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial condition of the Project Implementing Entity, including the operations, resources and expenditures related to its Respective Part of the Project.
2. Without limitation on the provisions of Part B of this Section, the Project Implementing Entity Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for its Respective Part of the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Project Implementing Entity shall have its Financial Statements audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these Financial Statements shall cover the period of one Fiscal Year of the Project Implementing Entity. The Project Implementing Entity shall ensure that the audited Financial Statements for each period shall be furnished to the Recipient and the Association not later than six months after the end of the period.

Section III. Procurement

All goods and services required for the Project Implementing Entity's Respective Part of the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement.