

**OFFICIAL
DOCUMENTS**

CREDIT NUMBER 5776-TZ

Financing Agreement

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

between

THE UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated JUNE 23 , 2016

CREDIT NUMBER 5776-TZ

FINANCING AGREEMENT

AGREEMENT dated June 23, 2016, entered into between THE UNITED REPUBLIC OF TANZANIA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this 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 General Conditions.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to fifty million eight hundred thousand Special Drawing Rights (SDR 50,800,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.
- 2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.
- 2.05. The Payment Dates are August 1 and February 1 in each year.
- 2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.07. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall: (i) carry out Parts A.2 and C of the Project through TIC and PCU respectively; (ii) cause Part A.1 of the Project to be carried out by the SAGCOT Centre Limited; and (iii) cause Part B of the Project to be carried out by the SAGCOT Catalytic Trust Fund; all in accordance with the provisions of Article IV of the General Conditions and the respective Project Agreement.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

- 4.01. The Additional Events of Suspension consist of the following:
- (a) The Memorandum and Articles of Association of the SAGCOT Centre Limited have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the SAGCOT Centre Limited to perform any of its obligations under its respective Project Agreement.
 - (b) The Trust Deed of the SAGCOT Catalytic Fund has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the SAGCOT Catalytic Fund to perform any of its obligations under its respective Project Agreement.
 - (c) At any time after the date of this Agreement and before the Closing Date, in approving and/or carrying out agricultural investment projects in the SAGCOT Area, the Recipient has not, in the opinion of the Association, applied principles, standards and measures consistent with those in the Letter of Sector Policy on Land and the TIC's Letter on Investment Principles.
- 4.02. The Additional Event of Acceleration consists of the following, namely, that any event specified in paragraphs (a) through (c) of Section 4.01 of this Agreement has occurred and continues for the period of sixty (60) days.

ARTICLE V — EFFECTIVENESS; TERMINATION

- 5.01. The Additional Condition of Effectiveness consists of the following, namely that Recipient has conducted a public consultation on the VGPF and reviewed the VGPF and Operations Manual in the light of outcomes and recommendations of such public consultation and updated said Framework and Manual, if such updates are deemed appropriate by both the Recipient and the Association, in a manner and substance satisfactory to the Association.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
- 5.03. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

- 6.0.1. The Recipient's Representative is its Minister responsible for finance and planning.

- 6.02. The Recipient's Address is:

Ministry of Finance and Planning
1 Madaraka Street
PO Box 9111
11468 Dar es Salaam
Tanzania

Facsimile:

(255) 222 11 77 90

- 6.03. The Association's Address is:

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

Cable:

Telex:

Facsimile:

INDEVAS
Washington, D.C.

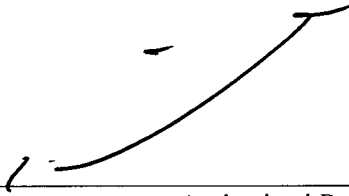
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1-202-477-6391

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

THE UNITED REPUBLIC OF TANZANIA

By




Authorized Representative

Name: Dr. S.B. Likwela

Title: Permanent Secretary,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By



Authorized Representative

Name: Bella Bird

Title: Country Director

SCHEDULE 1

Project Description

The objective of the Project is to increase the adoption of new technologies and marketing practices by smallholder farmers through expanding and creating partnerships between smallholder farmers and agribusinesses in the Recipient's southern corridor.

The Project consists of the following parts:

Part A: Capacity Building and Institutional Strengthening

1. Strengthening the capacity of the SAGCOT Centre Limited to facilitate the implementation of the following activities:
 - (a) improving the agribusiness investment enabling environment in the SAGCOT Area through diagnosis of policy constraints to agribusiness investment;
 - (b) carrying out information, communication and education campaigns to promote broad understanding of the agribusiness development in the SAGCOT Area and its associated social and environmental safeguards issues; and
 - (c) monitoring and evaluating the progress of the Project implementation.
2. Strengthening the capacity of TIC to undertake agribusiness investment promotion activities, particularly for investment opportunities within the SAGCOT Area, including, but not limited, to the following activities:
 - (a) providing training in promotion methodologies;
 - (b) establishing an investor screening and due-diligence process;
 - (c) developing communications strategies and tools; and
 - (d) providing an aftercare function as an essential service to help ensure the success of investors and their investments.

Part B: Matching Grants and Sub-projects

1. Strengthening the capacity of the SAGCOT Catalytic Trust Fund for performing the functions of managing Matching Grants and appraising and evaluating agribusiness investment Sub-projects.

2. Provision of Matching Grants to Beneficiaries for carrying out agribusiness investment Sub-projects.

Part C: Project Management and Implementation Support

Strengthening the capacity of the PCU for: (i) performing the functions of coordination, monitoring, evaluation and reporting under the Project; (ii) carrying out procurement and financial management functions under Parts A and B of the Project during the initial stage of their implementation; and (iii) developing a comprehensive communications strategy for the Project.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Recipient's Prime Minister Office shall oversee the Project implementation.
2. The Recipient shall maintain throughout Project implementation, the Project Steering Committee, with terms of reference and composition satisfactory to the Association to be responsible for, *inter alia*, ensuring overall coordination of the Project and approving Project annual work plans and budgets.
3. The Recipient shall maintain throughout Project implementation, the Investment Committee, with terms of reference and composition satisfactory to the Association to be responsible for, *inter alia*, recommending to the Board of the SAGCOT Catalytic Trust Fund for approving Matching Grants and Sub-projects.
4. Throughout Project implementation, the Recipient shall:
 - (a) maintain the PCU with mandate and staff in sufficient number as agreed with the Association, all with qualifications and experience and under terms of reference satisfactory to the Association; and
 - (b) ensure that the PCU has adequate resources to carry out management oversight, reporting, monitoring, evaluation, and fiduciary capacity strengthening for the Project.

B. Subsidiary Agreements

1. To facilitate the carrying out of each of the Project Implementing Entities' Respective Part of the Project, the Recipient shall make part of the proceeds of the Financing allocated from time to time to: (a) Categories (1) and (2) to the SAGCOT Centre Limited on a grant basis under a subsidiary agreement between the Recipient and the SAGCOT Centre Limited ("SAGCOT Centre Limited Subsidiary Agreement"); and (b) Category (5) to the SAGCOT Catalytic Trust Fund on a grant basis under a subsidiary agreement between the Recipient and the SAGCOT Catalytic Trust Fund ("SAGCOT Catalytic Trust Fund Subsidiary Agreement"), all under terms and conditions approved by the Association, which shall require each of the Project Implementing Entities to, *inter alia*:

- (a) carry out its Respective Part of the Project with due diligence and efficiency and in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices, including the provisions of the Anti-Corruption Guidelines and in accordance with the provisions of this Agreement, the Project Operations Manual; and the Matching Grant Manual (in the case of the SAGCOT Catalytic Trust Fund);
- (b) without limitations on the forgoing, in the case of the SAGCOT Catalytic Trust Fund, carry out its Respective Part of the Project in accordance with the ESMF, the RPF, the Vulnerable Groups Planning Framework, and the Integrated Pest Management Plan;
- (c) (i) procure all goods, works, and services required for its Respective Part of the Project and to be financed out of the proceeds of the Financing in accordance with the provisions of Section III of this Schedule; and (ii) ensure that all such goods, works, and services are used exclusively for the purposes of its Respective Part of the Project;
- (d) ensure that all facilities relevant to its Respective Part of the Project shall at all times be properly operated and maintained and that all necessary repairs and renewals of such facilities shall be made promptly as needed;
- (e) with respect to record management: (i) maintain records adequate to record the progress of its Respective Part of the Project (including its cost and the benefits to be derived from it), to identify the goods, works, and services financed out of the proceeds of the Financing and disclose their use in the Project; (ii) furnish such records and information as may be requested by the Recipient or the Association;
- (f) with respect to monitoring and evaluation: (i) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Recipient and the Association, the progress of its Respective Part of the Project and the achievement of its objective; (ii) prepare periodic reports, including a mid-term review report in form and substance satisfactory to the Recipient and Association, integrating the results of such monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of its Respective Part of the Project, and to achieve its objective; (iii) furnish each such report to the Recipient within two weeks after such period to enable the Recipient to incorporate such report in its Project Report for the same period and to comply with its reporting obligations under Section II of this Schedule 2; and (iv) prepare, and furnish to the Recipient a final report, of such scope and in such detail as the Recipient and the Association shall reasonably request, on the execution of its Respective Part of the Project, and furnish the same to the Recipient within two weeks after the end of such period to enable

the Recipient to incorporate such report in its report and comply with its obligations under Section II.A of this Schedule 2; and

- (g) with respect to financial management: (i) maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Recipient and the Association, in a manner adequate to reflect its operations and financial condition, including the operations, resources and expenditures related to its Respective Part of the Project; (ii) avail the records pertaining to the Project to external and internal auditors; (iii) prepare as part of the Project Report, interim unaudited financial reports covering each quarter, and furnish them to the Recipient not later than two (2) weeks after the end of the period covered by such reports for incorporation and forwarding by the Recipient to the Association, and provide such other information concerning such unaudited financial statements as the Recipient or the Association may from time to time reasonably request; and (iv) have its financial statements audited by independent auditors in accordance with auditing standards acceptable to the Association at least once in each Fiscal Year.

- 2. The Recipient shall exercise its rights and carry out its obligations under each Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Subsidiary Agreement or any of its provisions.

C. Project Operations Manual

- 1. The Recipient shall implement the Project in accordance with the Project Operations Manual and except as the Association shall otherwise agree in writing, not amend or waive, or permit to be amended or waived any provision of the Project Operations Manual, if such amendment or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.
- 2. In case of a conflict between the provisions of the Project Operations Manual and this Agreement and/or a Project Agreement, those of this Agreement and/or the Project Agreement shall prevail.

D. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Annual Work Plan and Budget

The Recipient shall, not later than July 1 of each year during the implementation of the Project, starting July 1, 2016, or such later date as the Association may agree, prepare and furnish to Association for its approval, the annual work plan and budget containing all proposed activities to be carried out in the following year and a proposed financing plan for expenditures required for such activities. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed annual work plan and budget and thereafter ensure that the Project is implemented in accordance with such annual work plan and budget as shall have been approved by the Association.

F. Safeguards

The Recipient shall ensure that the Project is carried out in accordance with the provisions set out in the ESMF, the RPF, the Vulnerable Groups Planning Framework, and the Integrated Pest Management Plan.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports 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 Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.
2. Without limitation on the provisions of Part A of this Section, the 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 the Project covering the quarter, in form and substance satisfactory to the Association.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one Fiscal Year of the Recipient, commencing with the fiscal year in which the first withdrawal was made under the Preparation Advance for the Project. The audited Financial Statements for each

such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. **Goods, Works and Non-consulting Services.** All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.
2. **Consultants' Services.** All consultants' services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.
3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works, and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.
2. **Other Methods of Procurement of Goods, Works, and Non-consulting Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works, and non-consulting services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Method	
(a)	National Competitive Bidding (<i>subject to the additional procedures set out in Paragraph 3 below</i>)
(b)	Shopping
(c)	Direct Contracting
(d)	Procurement in Loans to Financial Intermediary Institutions and Entities

3. **Additional Procedures for the use of National Competitive Bidding**

The following additional procedures shall apply to National Competitive Bidding:

- (a) In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document for, and contract financed out of the proceeds of the Financing, shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.
- (b) Preferences may not be awarded to domestic suppliers or contractors.

C. Particular Methods of Procurement of Consultants' Services

- 1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
- 2. **Other Methods of Procurement of Consultants' Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used:

Procurement Methods	
(a)	Quality Based Selection
(b)	Selection under a Fixed Budget
(c)	Selection Based on Consultants' Qualifications
(d)	Single-source Selection of Firms
(e)	Single-source procedures for the Selection of Individual Consultants
(f)	Least-Cost Selection
(g)	Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(h)	Procurement in Loans to Financial Intermediary Institutions and Entities

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association's Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the "World Bank Disbursement Guidelines for Projects" dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to repay the Preparation Advance in accordance with Section 2.07 of the General Conditions and finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Category	Amount of the Credit Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, non-consulting services, consultants' services and Training under Part A.1 of the Project	1,270,000	100%
(2) Operating Costs under Part A.1 of the Project	1,270,000	100%
(3) Goods, non-consulting services, consultants' services and Training under Part A.2 of the Project	1,810,000	100%
(4) Goods, non-consulting services, consultants' services, Operating Costs and Training under Part C of the Project	3,300,000	100%
(5) Part B of the Project (i) Goods, non-consulting services, consultants' services, Operating Costs and Training under Part B.1 of the Project (ii) Matching Grants under Part B.2 of the Project	7,250,000 32,900,000	100% 100% of the Matching Grant amount disbursed
(6) Refund of Preparation Advances	3,000,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	50,800,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

- (a) for payments made prior to the date of this Agreement;
- (b) under Categories (1) and (2), until: (i) the SAGCOT Centre Limited Subsidiary Agreement, acceptable to the Association, has been duly executed on behalf of the Recipient and the SAGCOT Centre Limited; and the Association has received a legal opinion satisfactory to the Association of counsel acceptable to the Association, showing that the SAGCOT Centre Limited Subsidiary Agreement has been duly authorized, executed and delivered on behalf of the Recipient and the SAGCOT Centre Limited and is legally binding upon the Recipient and the SAGCOT Centre Limited in accordance with its terms; and (ii) the Association has received evidence that the SAGCOT Centre Limited has strengthened its financial management and procurement capabilities in a manner and substance satisfactory to the Association for managing Part A.1 of the Project;
- (c) under Category (3), until the Association has received evidence that TIC has strengthened its financial management and procurement capabilities in a manner and substance satisfactory to the Association for managing Part A.2 of the Project;
- (d) under Category (5)(i), until: (i) the SAGCOT Catalytic Trust Fund Subsidiary Agreement, acceptable to the Association, has been duly executed on behalf of the Recipient and the SAGCOT Catalytic Trust Fund; and the Association has received a legal opinion satisfactory to the Association of counsel acceptable to the Association, showing that the SAGCOT Catalytic Trust Fund Subsidiary Agreement has been duly authorized, executed and delivered on behalf the Recipient and the SAGCOT Catalytic Trust Fund; and is legally binding upon the Recipient and the SAGCOT Catalytic Trust Fund in accordance with its terms; and (ii) the Association has received evidence that the SAGCOT Catalytic Trust Fund has engaged financial management and procurement staff in adequate number with qualifications and terms and reference satisfactory to the Association and put in place a financial management system acceptable to the Association; or
- (e) under Category (5)(ii), until, the conditions set forth in sub-paragraph (d) immediately above have been met; and the SAGCOT Catalytic Trust Fund has engaged Fund Manager(s) with terms and reference, qualifications and experience satisfactory to the Association for managing Matching Grants under Part B.2 of the Project.

2. The Closing Date is October 31, 2021.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each August 1 and February 1, commencing August 1, 2022, to and including February 1, 2054	1.5625%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.

APPENDIX

Section I. Definitions

1. “Affected Persons” means a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction to access legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.
2. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011.
3. “Beneficiary” means a legally established agribusiness enterprise or a smallholder farmer, meeting the selection criteria as set out in the Project Operations Manual, and “Beneficiaries” means, collectively, all such Beneficiaries.
4. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
5. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised in July 2014).
6. “Environmental and Social Management Plan” or “ESMP” means an environmental and social management plan to be prepared by the Recipient in accordance with the procedures and requirements under the ESMF, defining: (a) the measures to be taken during the implementation of a particular activity to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as such ESMP may be amended from time to time with the prior written approval of the Association; and “ESMPs” means, collectively, all such ESMP.
7. “ESMF” means the Environmental and Social Management Framework, dated August 20, 2013, adopted by the Recipient which sets forth the principles and procedures, governing the environmental and social impact screening of works to be carried out under the Project and the environmental protection measures, if any, required to be undertaken in order to avoid or mitigate potential adverse environmental impacts resulting from such works; as said Framework may be revised from time to time with the prior approval of the Association.

8. “Executive Secretary” means the executive secretary referred to in paragraph 1(a) of Section I.A of the Schedule to the Project Agreement to be entered into between the Association and the SAGCOT Catalytic Trust Fund.
9. “Fiscal Year” means each fiscal year of the Recipient commencing on July 1 and ending on June 30 of the subsequent year.
10. “Fund Manager” means a firm, a consortia, or an individual referred to in paragraph 2 of Section I of the Schedule to the Project Agreement to be entered into between the Association and the SAGCOT Catalytic Trust Fund.
11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010.
12. “Investment Committee” means the investment committee referred to in paragraph 3 of Section I.A of Schedule 2 to this Agreement.
13. “Integrated Pest Management Plan” means the Recipient’s plan dated August 20, 2013, which: (i) addresses the concerns relating to the Project risks associated with potential increases in the use of pesticides for agricultural production, intensification and diversification and controlling disease vector populations arising from irrigation schemes; (ii) sets forth mitigation and monitoring measures to be taken during Project implementation and operation to eliminate adverse impacts, offset them, or reduce them to acceptable levels; (iii) recommends institutional measures to strengthen the implementation of the mitigation and monitoring measures; as said Plan may be revised from time to time with the prior approval of the Association.
14. “Letter of Sector Policy on Land” means the Recipient’s letter dated November 11, 2013, setting out: (i) the principles, standards and measures related to land to be applied in approving and/or carrying out agricultural investment projects in the SAGCOT Area; and (ii) the Recipient’s undertakings set out in the Strategic Regional Environmental and Social Assessment.
15. “Matching Grant” means a grant made or to be made to a Beneficiary out of the proceeds of the Credit to finance part of the costs of goods, works, or services required for a Sub-project under Part B.2 of the Project, and “Matching Grants” means, collectively, all such Matching Grants.
16. “Matching Grant Agreement” means the agreement entered into or to be entered into between the SAGCOT Catalytic Trust Fund and a Beneficiary for carrying out a Sub-project pursuant to the requirements of the Matching Grant Manual; and the term “Matching Grant Agreements” means all such Matching Grant Agreement.
17. “Matching Grant Manual” means the manual dated January 25, 2016, setting out the operating procedures in managing Matching Grants.

18. “Memorandum and Articles of Associations” means the Memorandum and Articles of Association of the SAGCOT Center dated on April 21, 2011, and amended on June 25, 2013.
19. “Operating Costs” means the incremental expenses incurred by the Recipient and the Project Implementing Entities based on annual budgets approved by the Association attributable to Project implementation, management, and monitoring, including office supplies and consumables; communication costs; operation and maintenance of office vehicles; *per diem* and travel costs for Project staff; reasonable bank charges; and allowances and salaries of the Project’s contractual staff (but excluding the salaries of the Recipient’s civil servants).
20. “PCU” means the Project Coordination Unit referred to in paragraph 4 of Section I.A of Schedule 2 to this Agreement.
21. “Preparation Advances” means collectively, the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on September 21, 2011, and on behalf of the Recipient on September 23, 2011; and the advance referred to in Section 2.07 of the General Conditions, granted by the Association to the Recipient pursuant to the letter agreement signed on behalf of the Association on August 20, 2014, and on behalf of the Recipient on September 1, 2014.
22. “Procurement Guidelines” means the “Guidelines: Procurement of Goods, Works and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated January 2011 (revised in July 2014).
23. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated December 18, 2015, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
24. “Project Implementing Entities” means the SAGCOT Centre Limited and the SAGCOT Catalytic Trust Fund, and “Project Implementing Entity” means either of the Project Implementing Entities.
25. “Project Operations Manual” means the manual dated January 25, 2016, referred to in Section I.C of Schedule 2 to this Agreement, as the same may be updated from time to time with prior agreement of the Association.
26. “Project Steering Committee” means the committee referred to in paragraph 2 of Section I.A of Schedule 2 to this Agreement.
27. “Resettlement Action Plan” or “RAP” means a resettlement action plan to be prepared by the Recipient in accordance with the procedures and requirements

under the RPF, setting out, for a particular activity, actions and measures for compensation and resettlement of Affected Persons, including the magnitude of displacement, proposed compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the RAP, as such plan may be revised from time to time with prior written approval of the Association; and “RAPs” means, collectively, all such RAP.

28. “Respective Part of the Project” means in the case of TIC and PCU, Parts A.2 and C of the Project respectively, in the case of the SAGCOT Centre Limited, Part A.1 of the Project; and in case of the SAGCOT Catalytic Trust Fund, Part B of the Project.
29. “RPF” means the Resettlement Policy Framework adopted by the Recipient, dated October 22, 2013, which sets forth the principles and procedures, governing land or other asset acquisition from, resettlement and rehabilitation of and compensation to, Project affected persons, as well as reporting and monitoring arrangements to ensure compliance with said principles, and for the preparation of resettlement action plans whenever required in the carrying out of Project activities, as said Framework may be revised from time to time with the prior approval of the Association.
30. “Safeguard Instruments” means, collectively, the ESMF, VGPF, RPF, Integrated Pest Management Plan, RAPs, ESMPs and VGPs and “Safeguard Instrument” means any one such instrument.
31. “SAGCOT” means the Southern Agricultural Growth Corridor of Tanzania.
32. “SAGCOT Area” means the Recipient’s Regions of Ruvuma, Iringa, Njombe, Morogoro, Lindi (Liwale), Singida, Dar es Salaam, Mbeya, Katavi, Rukwa, Coastal Region, and Dodoma (Kondoa).
33. “SAGCOT Catalytic Trust Fund” means the trust established in May 2011 under the Recipient’s Trustees Incorporation Act, Cap 318 R.E. and operating pursuant to its Trust Deed, whose purpose is to serve as a financing vehicle catalyzing the development of agribusiness that pioneer inclusive business models encompassing smallholder farmers.
34. “SAGCOT Centre Limited” means the SAGCOT Center Limited, established in 2011 under the Tanzania Companies Act, Cap 212 R.E. 2002, with the objective to facilitate the partnership that brings together key stakeholders involved in the agriculture in the SAGCOT to contribute to the Recipient’s economic growth and ensure maximum benefit to smallholder farmers and local communities.

35. "Secretariat" means the secretariat referred to in paragraph 1(b) of Section I.A of the Schedule to the Project Agreement to be entered into between the Association and the SAGCOT Catalytic Trust Fund.
36. "Strategic Regional Environmental and Social Assessment" or "SRESA" means the document, dated December 5, 2013, adopted by the Recipient which describes environmental and social issues associated with agribusiness development in the SAGCOT Area and findings and recommendations to be incorporated into investment planning process for developing agribusiness in the SAGCOT Area.
37. "Sub-project" means a specific agribusiness investment project selected or to be selected for financing under Part B.2 of the Project in accordance with the requirements set out in the Project Operations Manual; and "Sub-projects" means, collectively, all such Sub-projects.
38. "Subsidiary Agreements" means, collectively, the SAGCOT Centre Limited Subsidiary Agreement and the SAGCOT Catalytic Trust Fund Subsidiary Agreement; all referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make part of the proceeds of the Financing available to the SAGCOT Centre Limited and the SAGCOT Catalytic Trust Fund.
39. "TIC" means the Tanzania Investment Centre, a public agency under the Prime Minister's office, established in 1997 by the Tanzania Investment Act, Cap 38 R.E. 2002, responsible for promoting business investment in the Recipient's country.
40. "TIC's Letter on Investment Principles" means the letter from TIC dated September 24, 2013, setting out the principles, standards and measures related to promotion of investment projects in the SAGCOT Area.
41. "Training" means expenditures directly related to the Project for study tours, training courses, seminars, workshops and other training activities, not included under service providers' contracts, including costs of training materials, space and equipment rental, travel, accommodation and per diem costs of trainees and trainers, trainers' fees, and other training related miscellaneous costs.
42. "Trust Deed" means the Trust Deed of the SAGCOT Catalytic Trust Fund dated May 30, 2011, registered with the Recipient's relevant authority, amended as of the date of this Agreement, setting out the governance structure and operating rules and procedures for the SAGCOT Catalytic Fund.
43. "Vulnerable Groups Planning Framework" or "VGPF" means the Framework, dated December 2015, adopted by the Recipient, disclosed in the Recipient's country on January 25, 2016, and in the Association's Infoshop on January 15, 2016, identifying and assessing the potential social impacts of the Project, evaluating alternatives, and proposing appropriate mitigation, grievance redress,

management, and monitoring measures, defining specific measures to be implemented for vulnerable groups, through free, prior, and informed consultations and broad community support, in order to protect them and ensure that they receive appropriate benefits under the Project, as the said plan may be amended and/or supplemented from time to time with the prior written consent of the Association, and such term includes any schedules to such document.

44. “Vulnerable Group Plan” or “VGP” means a plan, to be prepared by the Recipient pursuant to the requirements of the Vulnerable Groups Planning Framework, which sets out measures or actions to be undertaken to ensure that vulnerable groups under a Sub-project receive appropriate benefits from the Project and avoid, and otherwise reduce, mitigate and offset adverse impacts of the implementation of the Sub-project on such vulnerable groups, as said plan may be amended from time to time with prior written agreement of the Association.