

**CONFORMED COPY**

**CREDIT NUMBER 4455-TA**

# **Project Agreement**

**(Second Central Transport Corridor Project)**

**between**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**and**

**TANZANIA NATIONAL ROADS AGENCY**

**Dated July 10, 2008**

**PROJECT AGREEMENT**

Agreement dated July 10, 2008, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) and TANZANIA NATIONAL ROADS AGENCY (“TANROADS”) (“Project Agreement”) in connection with the Financing Agreement (“Financing Agreement”) of same date between UNITED REPUBLIC OF TANZANIA (“Recipient) and the Association. The Association and the TANROADS 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. TANROADS declares its commitment to the objectives of the Project and the Program. To this end, TANROADS shall carry out 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 the Project.
- 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and TANROADS shall otherwise agree, TANROADS shall carry out 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 years after the date of this Agreement.

**ARTICLE IV — REPRESENTATIVE; ADDRESSES**

4.01. TANROADS' Representative is the Chief Executive.

4.02. The Association's Address is:

International Development Association  
1818 H Street, NW  
Washington, DC 20433  
United States of America

Cable:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423(MCI)

1-202-477-6391

4.03. TANROADS's Address is:

Maktaba Complex  
Bibi Titi Mohammed Road  
PO Box 11364  
Dar es Salaam  
United Republic of Tanzania

Facsimile:

255 22 2150022

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

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By:** */s/ John Murray McIntire*  
**Authorized Representative**

**TANZANIA NATIONAL ROADS AGENCY**

**By:** */s/ Ephraem Mrema*  
**Authorized Representative**

## SCHEDULE

### Execution of the Project

#### Section I. Implementation Arrangements

##### A. Institutional and Implementation Arrangements

1. TANROADS shall at all times during the implementation of the Project: (a) maintain a team to provide technical support, including preparation of work plans, budgets, progress reports and coordination of the overall implementation of the Project, with functions, staffing and resources satisfactory to the Association, for the purpose of ensuring the prompt and efficient oversight of the Project; and (b) assign to DART and MoCT (Zanzibar) respectively, the responsibility for day-to-day management and implementation of Parts A and C of the Project.
2. **Project Implementation Plan:** TANROADS shall, with the support of DART and MoCT (Zanzibar), update and carry out the Project in accordance with the Project Implementation Plan, and shall not, except as the Association and the Recipient shall otherwise agree, amend, abrogate or waive any provision of the Project Implementation Plan, if such amendment, abrogation or waiver may, in the opinion of the Recipient, and the Association, materially or adversely affect the implementation of the Project.

##### B. Anti-Corruption

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

##### C. Environmental and Social Safeguards

1. With the appropriate support of DART and MoCT (Zanzibar), TANROADS shall:
  - (a) carry out the Project in accordance with the respective Environmental and Social Impact Assessments, the Environmental Assessment, the Environmental Management Plan, the Resettlement Policy Framework, the Resettlement Action Plan, and any resettlement plan;
  - (b) not amend or waive, or permit to be waived, any Environmental and Social Impact Assessment, the Environmental Assessment, the Environmental Management Plan, the Resettlement Policy Framework, and the Resettlement Action Plan, or any provision thereof;

- (c) prior to construction, upgrading, or rehabilitation of the *Jangwani* bus depot under Part A of the Project, ensure that a technical study and survey, satisfactory to the Association, is conducted to ascertain if such construction, rehabilitation, or upgrade would result in displacement of any Affected Persons including the magnitude of the displacement, or adversely affect their standards of living, or their rights, usufructs or customary rights to land or other resources, and as may be required, the appropriate resettlement action plan is prepared, approved and implemented in accordance with the Resettlement Policy Framework;
  - (d) prior to advertisement of tender for any contract for civil works and construction of the *Jangwani* bus depot under Part A of the Project, prepare and disclose an environmental assessment, satisfactory to the Association; and
  - (e) prior to carrying out activities which would result in displacement of any Affected Person, or adversely affect their standards of living, or their rights, usufructs or customary rights to land or other resources under the Project, ensure that:
    - (i) all rights to land, usufructs or customary rights and other property are allocated or acquired, equitable compensation thereof is paid and resettlement is carried out in accordance with the principles and institutional procedures established in the Resettlement Action Plan;
    - (ii) Affected Persons shall be equitably compensated, resettled and rehabilitated in accordance with the Resettlement Action Plan;
    - (iii) the implementation arrangements for resettlement, including compensation, relocation and rehabilitation of Affected Persons are documented; and
    - (iv) the implementation, monitoring and evaluation of such Resettlement Action Plan is completed and reported in a manner satisfactory to the Association.
2. TANROADS shall: (a) open, or cause any agency under its supervision to open and maintain an Escrow Account in a commercial bank on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment; (b) thereafter, deposit into the Escrow Account such amounts as shall be required to pay adequate compensation to the Affected Persons; and (c) ensure that funds deposited into the Escrow Account shall be exclusively used to finance payments made, or to be made for compensation to the Affected Persons.
3. Without limitation upon the provisions of Section 1.C.1 TANROADS shall: (a) take all measures for carrying out the recommendations of the respective Environmental and

Social Impact Assessments, the Environmental Assessment, the Environmental Management Plan, the Resettlement Policy Framework, and the Resettlement Action Plan in a timely and effective manner; and (b) include in the Project Reports referred to in Part A of Section II of this Schedule adequate information on monitoring the measures defined in the respective Environmental and Social Impact Assessments, the Environmental Management Plan, the Resettlement Policy Framework, and the Resettlement Action Plan.

**Section II. Project Monitoring, Reporting and Evaluation**

**A. Project Reports**

1. (a) TANROADS 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 set forth in Section II.A.1(b) of Schedule 2 to the Financing Agreement. Each such Project Report shall cover the period of one calendar quarter, and shall be furnished to the Recipient not later than two week 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.
2. TANROADS shall provide to the Recipient not later than thirty five months after the Effective Date, for incorporation in the report referred to in Section 4.08 (c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

**B. Financial Management, Financial Reports and Audits**

1. TANROADS 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 conditions of the TANROADS, including the operations, resources and expenditures related to the Project.
2. TANROADS shall have its financial statements referred to above 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 TANROADS. The audited financial statements for each period shall be furnished to the Association not later than six months after the end of the period.

**Section III. Procurement**

All goods, works and services required for 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, and the Procurement Plan.