Transport Corridors for Growth
Grant Agreement

(Dar es Salaam Maritime Gateway Project)

between

UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as Administrator of the Tanzania Transport Corridors for Growth Multi Donor Trust Fund)

Dated October 2, 2017
TANZANIA TRANSPORT CORRIDORS FOR GROWTH
MULTI DONOR TRUST FUND
GRANT AGREEMENT

AGREEMENT dated October 2, 2017, entered into between: UNITED REPUBLIC OF TANZANIA ("Recipient"); and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT and INTERNATIONAL DEVELOPMENT ASSOCIATION ("World Bank"), acting as administrator of the Tanzania Transport Corridors for Growth Multi Donor Trust Fund.

The Recipient and the World Bank hereby agree as follows:

Article I
Standard Conditions; Definitions


1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

Article II
The Project

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall cause the Tanzania Port Authority ("Project Implementing Entity" or "TPA") to carry out the Project in accordance with the provisions of Article II of the Standard Conditions and the agreement dated the same date as this Agreement between the World Bank and the Project Implementing Entity, as such agreement may be amended from time to time ("Project Agreement").

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III
The Grant

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount not to exceed twelve million United States dollars ($12,000,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donors to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Additional Remedies

4.01. The Additional Events of Suspension referred to in Section 4.02 (k) of the Standard Conditions consist of the following:

(a) The TPA Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of TPA to perform any of its obligations under the Project Agreement.

(b) At any time after the date of this Agreement and before the Closing Date, in approving and/or carrying out investment projects in the maritime port and inland lake port sector, the Borrower has not, in the opinion of the Bank, applied principles, standards and measures consistent with those in the Letter of Sector Development Policy for the Dar es Salaam Maritime Gateway Project.

(c) The Recipient has taken or permitted to be taken any action which would prevent or interfere with the performance by the Project Implementing Entity of its obligations under the Project Agreement.

(d) The Project Implementing Entity has failed to perform any obligation under the Project Agreement.

(e) IBRD and IDA has declared the Project Implementing Entity ineligible to receive proceeds of any financing made by IBRD and IDA, or otherwise to participate in the preparation or implementation of any project financed in
whole or in part by IBRD and IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by the World Bank that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD and IDA; and/or (ii) a declaration by another financier that the Project Implementing Entity is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier."

(f) As a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Project Implementing Entity will be able to perform its obligations under the Project Agreement.

(g) The World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

Article V
Effectiveness; Termination

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied:

(a) The execution and delivery of this Agreement on behalf of the Recipient and the Project Agreement on behalf of the Project Implementing Entity have been duly authorized or ratified by all necessary governmental and corporate action.

(b) If the World Bank so requests, the condition of the Project Implementing Entity, as represented or warranted to the World Bank at the date of the Project Agreement, has undergone no material adverse change after such date.

(c) The Subsidiary Agreement acceptable to the World Bank has been executed on behalf of the Recipient and TPA.
The Recipient has caused TPA to adopt the Project Implementation Plan, acceptable to the World Bank.

The financing agreement dated the same date as this Agreement, between the Recipient and the World Bank, providing a credit in support of the Project ("Financing Agreement"), has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 (a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Member Country, showing the following matters:

(a) on behalf of the Recipient, that this Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms;

(b) on behalf of the Project Implementing Entity, that the Project Agreement has been duly authorized or ratified by, and executed and delivered on its behalf and is legally binding upon it in accordance with its terms; and

(c) the Subsidiary Agreement has been duly authorized or ratified by the Recipient and TPA and is legally binding upon the Recipient and TPA in accordance with its terms.

5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. Termination for Failure to Become Effective. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.
Article VI
Recipient’s Representative; Addresses

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is the Minister responsible for finance and planning.

6.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions 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 World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Telex: 248423 (MCI) or 1-202-477-6391
AGREED at Dar es Salaam, United Republic of Tanzania, as of the day and year first above written.

UNITED REPUBLIC OF TANZANIA

By

[Signature]

Authorized Representative

Name: Doto Myesha Jong
Title: Permanent Secretary

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as administrator of the Tanzania Transport Corridors for Growth Multi Donor Trust Fund)

By

[Signature]

Authorized Representative

Name: Lela Baid
Title: Country Director
SCHEDULE 1

Project Description

The objective of the Project is to improve the effectiveness and efficiency of the Port of Dar es Salaam for the benefit of public and private stakeholders.

The Project consists of the following parts:

Part 1: Improving the Physical Infrastructure

(a) Deepening and strengthening the infrastructure of existing berths 1-7 and construction of a new multipurpose berth at Gerezani Creek.

(b) Deepening and widening entrance channel and turning basin to the end of berth 11.

(c) Improving rail linkages and platforms in the Port of Dar es Salaam.

(d) Deepening and strengthening the infrastructure of existing berths 8-11.

Part 2: Institutional Strengthening and Implementation Assistance

Carrying out a program to strengthen the institutional capacity of TPA, including, inter alia:

(a) Provision of technical assistance to TPA to support the restructuring of TPA to reflect the twin objectives of corporatization of functional business units within TPA, and enhancing TPA’s capacity to act as a landlord, develop, manage and operate ports and assess future private sector participation.

(b) Provision of capacity building and training to TPA staff to: (i) enable them to take on the new responsibilities set forth in paragraph (a) above, following corporate restructuring, including, inter alia, necessary support for procurement of management information systems as needed, the implementation of the Environmental and Social Strengthening Plan (ESSP); and (ii) build capacity and awareness of climate resilience.

(c) Provision of Project implementation support to TPA in the following areas:

(i) supervision of construction and dredging civil works and of technical assistance, including related to Project cost accounting;
(ii) provision of technical assistance to facilitate Project implementation including implementation of the Environmental and Social Strengthening Plan;

(iii) independent technical auditing; and

(iv) updating the National Port Master Plan to guide the strategic development of the Recipient's maritime sector.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to TPA as a grant under a subsidiary agreement between the Recipient and TPA, under terms and conditions approved by the World Bank (“Subsidiary Agreement”), which shall include, inter alia, that TPA shall adhere to its legal obligations as set out in this Agreement and the Project Agreement.

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

B. Anti-Corruption

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

C. Safeguards

The Recipient shall ensure that the Project is carried out in accordance with the provisions set forth in the Safeguard Instruments.

D. Project Implementation

The Recipient shall: (i) by September 30, 2017, submit to the World Bank a draft company restructuring plan for TPA for comment; and (ii) by June 30, 2018, complete the implementation of said restructuring plan.

E. Donor Visibility and Visit

1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.
2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donor(s) to visit any part of the Recipient’s territory for purposes related to the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Documents; Records

In addition and without limitation to the obligations set forth in Section 2.05 of the Standard Conditions, the Recipient shall ensure that:

(a) all records evidencing expenditures under the Project are retained for seven years and six months after the Closing Date, such records to include: (i) this Agreement, all addenda thereof, and any amendments thereto; (ii) the Recipient’s financial and narrative progress reports submitted to the World Bank; (iii) the Recipient’s financial information related to the Grant, including audit reports, invoices and payroll records; (iv) the Recipient’s implementation documentation (including sub-agreements, procurement files, contracts, purchase orders); and (v) the corresponding supporting evidence referred to in Section 3.04 of the Standard Conditions; and

(b) the representatives of the World Bank are: (i) able to examine all records referred to above in paragraph (a); (ii) provided all such information concerning such records as they may from time to time reasonably request; and (iii) able to disclose such records and information to the Donor(s).

B. Project Reports; Completion Report

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six (6) months after the Closing Date.

C. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.
2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall cause the TPA to have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank 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 Credit 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 Credit 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 World Bank 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:
2. **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 Credit, shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the World Bank, 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 Bank; 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:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding <em>(subject to the additional procedures set out in Paragraph 3 below)</em></td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>
Procurement Methods

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>Quality-Based Selection</td>
</tr>
<tr>
<td>(b)</td>
<td>Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c)</td>
<td>Selection Based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(d)</td>
<td>Single-source Selection of Firms</td>
</tr>
<tr>
<td>(e)</td>
<td>Single-source procedures for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f)</td>
<td>Least-Cost Selection</td>
</tr>
<tr>
<td>(g)</td>
<td>Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. Review by the World Bank of Procurement Decisions

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

Section IV. Withdrawal of Grant Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “Disbursement Guidelines for Investment Project Financing” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to 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 Grant (“Category”), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
### Category and Amount of the Grant

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, consultants’ services, Training and Operating Costs for all Parts of the Project except Part 1(d)</td>
<td>10,100,000</td>
<td>3%</td>
</tr>
<tr>
<td>(2) Works under Part 1(d) of the Project</td>
<td>1,900,000</td>
<td>3%</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>12,000,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

### 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 Category (2), until the World Bank has received satisfactory evidence showing that the Recipient has operational arrangements in place for Berths 8-11 to ensure no business interruption by maintaining the current level of operations of said container terminal during rehabilitation under Part 1 of the Project.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is September 30, 2021.
APPENDIX

Section I. Definitions


2. “Category” means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.


4. “Environmental and Social Impact Assessments” or “ESIAs” means, collectively: (a) ESIA document prepared by the Recipient for Part 1(a) of the Project, disclosed at the World Bank’s Infoshop on February 26, 2016, and in the country on February 26, 2016, including: (i) environmental and social impact assessments for said Parts of the Project; (ii) the mitigation measures to be taken during the implementation of said Parts of the Project to eliminate or offset adverse environmental impacts, or to reduce them to acceptable levels; and related monitoring arrangements; and (iii) measures/actions to mitigate any potential social impacts under the Project, including those as a result of TPA’s corporate restructuring; and (b) ESIA document(s) to be prepared by the Recipient for other Parts of the Project in accordance with the requirements set out in Section I. C.2 of the Schedule to the Project Agreement; as such ESIAs may be amended from time to time with the prior written approval of the Association; and the term “ESIA” means any of such ESIAs.

5. “Environmental and Social Management Plans” or “ESMPs” means, collectively: (a) the environmental and social management plan, as a part of the ESIA prepared by the Recipient for Part 1(a) of the Project; and (b) environmental and social management plan(s) to be prepared by the Recipient for other Parts of the Project in accordance with the procedures and requirements under Section I.C.2 of the Schedule to the Project Agreement, defining: (i) 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 (ii) the actions needed to implement these measures; as such ESMPs may be amended from time to time with the prior written approval of the World Bank; and “ESMP” means any of such ESMPs.

6. “Environmental and Social Strengthening Plan” means the plan prepared by TPA, dated October 20, 2015, including measures to strengthening the capacity of TPA to address the social and environmental impacts of the Project.
7. "Governance and Anti-Corruption Action Plan" means the plan agreed between the Recipient and the Association and dated May 31, 2017, including time-bound actions to improve governance in TPA through strengthening TPA’s procurement and financial management systems and procedures.

8. "Letter of Sector Development Policy for the Dar es Salaam Maritime Gateway Project" means the Recipient’s letter dated May 31, 2017, setting out the principles, standards and measures to be applied in approving and/or carrying out investment projects in the Recipient’s maritime port sector.

9. "National Port Master Plan" means the Recipient’s strategic plan, dated February 2009 for the development of the maritime and inland ports in the Recipient’s country from the medium to long term.

10. "Operating Costs" means the incremental costs incurred by TPA, on account of the implementation of the Project, including the costs of renting venues for meetings and Training, purchase of materials for approved Training, operation and maintenance costs for Project vehicles, office supplies, consumables, travel costs and per diems, and accommodation, but excluding salaries of the Recipient’s civil servants.

11. "PIT" means the Project implementation unit established within TPA and referred to in Section I.A of the Schedule to the Project Agreement.


13. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated February 23, 2017, 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.

14. "Project Implementing Entity" means the TPA (as defined hereinafter).

15. "Project Implementation Plan" or "PIP" means the implementation plan, acceptable to the World Bank, to be adopted under Section 5.01(b) of this Agreement.

16. "Safeguards Instruments" means, collectively, the ESIAs and ESMPs.

17. "Subsidiary Agreement" means the agreement referred to in Section I.A of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Credit available to TPA.
18. “TPA” means the Tanzania Ports Authority, a statutory corporation, established pursuant to the Recipient’s Ports Act (2004).


21. “Training” means the costs directly associated with the training and workshops required under the Project, including travel and subsistence costs for training and workshops participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course preparation and implementation.