Project Agreement

(Intermodal and Rail Development Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

RELI ASSETS HOLDING COMPANY LIMITED

Dated JULY 02, 2014
CREDIT NUMBER 5414-TZ

PROJECT AGREEMENT

AGREEMENT dated JULY 03, 2014, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and RELI ASSETS HOLDING COMPANY LIMITED ("RAHCO") ("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 RAHCO hereby agree to the Project Agreement 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. RAHCO declares its commitment to the objective of the Project. To this end, RAHCO 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 RAHCO shall otherwise agree, RAHCO 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 (20) years after the date of this Agreement.

ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. RAHCO' Representative is its Managing Director.
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 248423(MCI) 1-202-477-6391
Washington, D.C.

4.03. RAHCO’s Address is:

Reli Assets Holding Company Limited
P.O. Box 76959
Dar es Salaam
United Republic of Tanzania

Facsimile:
255 22 212-7404
AGREED at Dar es Salaam, United Republic of Tanzania, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative

Name: PHILIPPE BONGIOI
Title: COUNTRY DIRECTOR

RELI ASSETS HOLDING COMPANY LIMITED

By

[Signature]

Authorized Representative

Name: DAG. BENHADARD M. TITO
Title: MANAGING DIRECTOR
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional and Implementation Arrangements

1. RAHCO shall at all times during the implementation of the Project maintain a Project Implementation Team, with resources, staffing, including, inter alia, a Project manager, an accountant, an operations specialist, a railway engineer, a rolling stock specialist, a regulations specialist, a monitoring and evaluation specialist, an environmental and social specialist and administrative staff, all with qualifications, experience and terms of reference satisfactory to the Association, to be responsible for, inter alia, day-to-day management of the Project.

2. Operations Manual:

RAHCO shall:

(a) prepare an Operations Manual in form and substance satisfactory to the Association, containing detailed arrangements and procedures for implementation of the Project, including inter alia: (a) institutional coordination and day-to-day implementation of the Project; (b) disbursement, procurement and financial management including financial and technical audit of the Project; (c) environmental and social safeguards management; (d) monitoring, evaluation and reporting, including performance indicators; and (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project;

(b) furnish to and exchange views with the Association on such manual promptly upon its preparation; and thereafter adopt such manual as shall have been approved by the Association; and

(c) ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Operations Manual (provided, however, that in case of any conflict between the arrangements and procedures set out in the Operations Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail), and shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the Operations Manual or any of its provisions without prior approval in writing by the Association.
B. Anti-Corruption

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

C. Environmental and Social Safeguards

1. RAHCO shall carry out the Project in accordance with ESIA and RPF and any other Safeguard Document prepared or to be prepared by the Recipient in accordance with sub-paragraph 2 below, in a manner satisfactory to the Association.

2. Whenever an ESMP or RAP (each Safeguard Document) shall be required for any proposed Project activity in accordance with the provisions of the ESIA and/or the RPF, the Recipient shall:

   (a) prior to the commencement of such activity, proceed to have such Safeguard Document: (i) prepared in accordance with the provisions of the ESIA and the RPF, as the case may be; (ii) furnished to the Association for review and approval; and (iii) thereafter adopted and disclosed as approved by the Association, in a manner acceptable to the Association;

   (b) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such Safeguard Document; and

   (c) in the case of any resettlement activity under the Project involving Affected Persons, ensure that no displacement (including restriction of access to legally designated parks and protected areas) shall occur before necessary resettlement measures consistent with the relevant RAP have been executed, including, in the case of displacement, full payment to Affected Persons of compensation and of other assistance required for relocation, prior to displacement.

3. RAHCO shall not amend, abrogate or waive, or permit to be amended, abrogated or waived, the ESIA, the RPF and any Safeguard Document adopted or to be adopted in accordance with the provisions of paragraph 2 of this Part C, unless the Association has provided its prior approval thereof in writing, and the Recipient has complied with the same consultation and disclosure requirements as applicable to the original adoption of the said instruments.

4. Without limitation on its other reporting obligations under this Agreement, RAHCO shall collect, compile and submit to the Association each calendar semester (or at such other frequency as may be agreed with the Association)
consolidated reports on the status of compliance with the ESIA, the RPF, and the Safeguard Documents, as applicable, giving details of: (a) measures taken in furtherance of the said instruments; (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the said measures; and (c) remedial measures taken or required to be taken to address such conditions.

Section II.  Project Monitoring, Reporting and Evaluation

A.  Project Reports

1. RAHCO 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 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 and the Association not later than forty-five (45) days after the end of the period covered by such report.

2. RAHCO shall provide to the Recipient not later than three (3) months after the Closing 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. RAHCO 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 RAHCO, including the operations, resources and expenditures related to the Project.

2. RAHCO 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 RAHCO. The audited financial statements for each period shall be furnished to the Association not later than six (6) 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.