Amended and Restated Financing Agreement

(Agricultural Sector Development Project)

between

UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated DECEMBER 11, 2012
AMENDED AND RESTATED FINANCING AGREEMENT

AGREEMENT dated December 11, 2012 between the UNITED REPUBLIC OF TANZANIA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association").

WHEREAS (A): (1) under an agreement dated August 30, 2006, between the Recipient and the Association ("Original Financing Agreement"), the Association agreed to provide the Recipient with a Credit in an amount equivalent to sixty one million six hundred thousand Special Drawing Rights (SDR 61,600,000) (Original Credit) to assist in financing the project described in Schedule 1 to the Original Financing Agreement ("Original Project"); (2) under an agreement dated July 22, 2009, between the Recipient and the Association ("First Additional Financing Agreement"), the Association agreed to provide the Recipient with an additional Credit in an amount equivalent to twenty million two hundred thousand Special Drawing Rights (SDR 20,200,000) (First Additional Financing) to assist in financing the project described in Schedule 1 to the First Additional Financing Agreement ("First Additional Project"); and (3) under an amendment to the First Additional Financing Agreement dated June 11, 2010, between the Recipient and the Association ("Second Additional Financing Agreement"), the Association agreed to provide the Recipient with an additional Credit in an amount equivalent to twenty three million one hundred thousand Special Drawing Rights (SDR 23,100,000) (Second Additional Financing) to assist in financing the project described in Schedule 1 to the First Additional Financing Agreement as amended by the Second Additional financing Agreement ("Second Additional Project");

(B) The Recipient has requested the Association to provide additional financial assistance ("Third Additional Financing") in support of the Project described in Schedule 1 to this Agreement ("Project");

(C) The Recipient intends, to the extent possible, that the proceeds of the Original Credit, First Additional Financing and the Second Additional Financing be disbursed on account of expenditures in respect of the Project before the disbursements of the proceeds of the Third Additional Financing are made; and

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing to extend such additional assistance to the Recipient upon the terms and conditions set forth in this Agreement;

NOW, THEREFORE, the Recipient and the Association hereby agree to amend and restate the Original Financing Agreement, the First Additional Financing Agreement and Second Additional Financing Agreement to read 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 the Financing Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

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 (variously “Credit” or “Financing”) in the following amounts to assist in financing the project described in Schedule 1 to this Agreement (“Project”):

(a) a credit an amount equivalent to sixty one million six hundred thousand Special Drawing Rights (SDR 61,600,000) (“Original Credit”);

(b) a credit in an amount equivalent to twenty million two hundred thousand Special Drawing Rights (SDR 20,200,000) (“First Additional Financing”);

(c) a credit in an amount equivalent to twenty three million one hundred thousand Special Drawing Rights (SDR 23,100,000) (“Second Additional Financing”); and

(d) a credit in an amount equivalent to nineteen million, eight hundred thousand Special Drawing Rights (SDR 19,800,000) (“Third Additional Financing”).

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 May 15 and November 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedules set forth in Schedule 3 to this Agreement.
2.07. The Payment Currency is the Dollar.

ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project and the Program. To this end, the Recipient shall carry out Part 1 of the Project through the Prime Minister's Office – Regional Administration and Local Government, and Part 2 of the Project through the Ministry of Agriculture, Food Security, and Cooperatives; the Ministry of Livestock and Fisheries Development; and the Ministry of Industry and Trade, in accordance with the provisions of Article IV of the General Conditions.

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 Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program or a significant part thereof will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. This Agreement (amending and restating the Original Financing Agreement, the First Additional Financing Agreement and the Second Additional Financing Agreement) shall not become effective until evidence satisfactory to the Association has been furnished to it demonstrating that the execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.

5.02. As part of the evidence to be furnished pursuant to Section 5.01 of this Agreement, there shall be furnished to the Association an opinion or opinions satisfactory to the Association, of counsel acceptable to the Association or, if the Association so requests, a certificate satisfactory to the Association of a competent official of the Recipient, showing, on behalf of the Recipient, that this Agreement (amending and restating the Original Financing Agreement, the First Additional Financing Agreement and the Second Additional Financing Agreement) has been duly authorized or ratified by, and executed and delivered on behalf of, the Recipient and is legally binding upon the Recipient in accordance with its terms.

5.03. (a) Except as the Recipient and the Association shall otherwise agree and subject to the provisions of paragraph 5.05 below, this Agreement (amending and restating the Original Financing Agreement, the First
Additional Financing Agreement and the Second Additional Financing Agreement) shall enter into effect on the date upon which the Association dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 (“Amendment Effective Date”).

(b) If, before the Amendment Effective Date, any event has occurred which would have entitled the Association to suspend the right of the Recipient to make withdrawals from the Financing Account had this Agreement (amending and restating the Original Financing Agreement, the First Additional Financing Agreement and the Second Additional Financing Agreement) entered into effect, the Association may postpone the dispatch of the notice referred to in paragraph (a) of this Section until such event (or events) has (or have) ceased to exist.

5.04. 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 (amending and restating the Original Financing Agreement).

5.05 The Amendment Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

ARTICLE VI – REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its Minister responsible for finance.

6.02. The Recipient’s Address is:

Minister for Finance
Ministry for Finance
P. O. Box 9111
Dar es Salaam
Tanzania

Cable: TREASURY Facsimile: (255) 222 11 77 90
Dar es Salaam
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 248423 (MCI) or 1-202-477-6391
Washington, D.C. 64145 (MCI)

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

UNITED REPUBLIC OF TANZANIA

By

Authorized Representative
Name: Hon. William A. Mwau
Title: Minister for Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative
Name: Philippe Doxier
Title: Country Director
SCHEDULE 1

Project Description

The objectives of the Project are to: (i) enable farmers to have better access to, and use of, agricultural knowledge, technologies, marketing systems and infrastructure; and (ii) promote agricultural private investment based on an improved regulatory and policy environment.

The Project consists of the following parts:

Part 1: Local Level

Carrying out of Subprogram consisting of:

(a) Local agricultural investments

(i) provision of District Agricultural Development Grants ("DADGs") for specific development projects consisting of local agricultural investments in, among other things, small-scale irrigation schemes; environmental investments; food storage facilities; market infrastructure; reforestation of degraded areas; community nurseries; public infrastructure, such as rural roads; and productive community investments, such as risk-bearing innovative equipment, crops and livestock; and

(ii) provision of District Irrigation Development Fund ("DIDF") for specific development projects to pilot the competitive selection and implementation of local investments in small-scale irrigation schemes above the established budget ceiling for DADGs.

(b) Local agricultural services

Provision of Extension Block Grants ("EBGs") for specific development projects consisting of local agricultural services to be contracted by farmers groups through private agricultural service providers, such as for advice on agricultural production and marketing, and facilitation of farmer-to-farmer visits and learning.

(c) Local agricultural capacity building and reform

(i) provision of Capacity Building Grants ("CBGs") for specific development projects designed to build local agricultural capacity, among other things, to improve District agricultural planning and agricultural investment appraisal, and for reform of agricultural services;
(ii) provision of training to promote farmer empowerment for interaction with local government; procurement and management of contracted services; and facilitation of farmers networking, leadership and technology testing; and

(iii) promotion of development of private sector agricultural service providers through awareness raising activities, and provision of training on operating modalities, and technical and business practices.

Part 2: National Level

Carrying out of Subprogram B consisting of:

(a) Agricultural services

Agricultural services’ reform, primarily in the field of research and extension, by:

(i) improvement of management and accountability of ZARDIs in accordance with CORDEMA Guidelines; and establishment, financing and expansion of ZARDEFs across all agro-ecological zones; and

(ii) facilitation of policy and institutional reforms, such as preparation of a code of practice for extension and research, and finalization of a reform strategy for other related technical services.

(b) National irrigation development

Carrying out of a program of activities for the National Irrigation Development Fund, consisting of:

(i) development and implementation of small, medium and large-scale irrigation investments in National and International Water Basins, including:

   (A) carrying out due diligence and preparatory work;
   (B) developing and operationalizing appropriate identification, screening and prioritization mechanisms;
   (C) developing technical designs and carrying out of studies and environmental impact assessments;
   (D) strengthening institutional capacity at the national, zonal and District levels, including carrying out monitoring and evaluation; and
(E) carrying out public awareness and publicity activities to attract private investment, and improving the policy environment for public-private partnerships; and

(ii) implementation of physical infrastructure investments in irrigation at the national level in National Water Basins through public-private partnerships.

(c) Marketing and private sector development

Scaling up of new approaches to private sector led agricultural market development, including: (i) linking smallholder marketing associations to external markets; (ii) capacity building of smallholders and supporting their investments along the entire marketing chain; (iii) empowerment of producer marketing groups at District level; (iv) improving agricultural regulations and laws and strengthening capacity for their implementation; (v) agricultural policy formulation and analysis; and (vi) carrying out of annual sector reviews and annual assessments of public expenditure in agriculture at both national and District levels.

(d) Food security

Promoting the inclusion of vulnerable and food insecure groups in planning, preparation and implementation of DADPs through the provision of technical advisory services and training to LGAs and carrying out of rural vulnerability assessments.

(e) Coordination, monitoring and evaluation

Strengthening of national, regional and District level mechanisms for planning, implementation and reporting of agricultural investments and services, including quality control; overall Program coordination; and monitoring and evaluation.
SCHEDULE 2

Project Execution

Section I. Implementation and Institutional Arrangements

1. Implementation Arrangements

A. Project Implementation Plan and Guidelines

   (i) The Recipient shall carry out the Project in accordance with the arrangements and procedures set out in the PIP and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the PIP.

   (ii) Without any limitation to sub-paragraph (i) above, the Recipient shall also carry out the Project in accordance with the DADP Guidelines, DIDF Guidelines, EBG Guidelines, CORDEMA Guidelines, ZARDEF Guidelines and NIDF Guidelines, as appropriate, and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the said Guidelines.

   (iii) In case of any conflict between the PIP on the one hand, and the Guidelines on the other, with the provisions of this Agreement, the provisions of this Agreement shall prevail.

B. Memorandum of Understanding

   (i) The Recipient shall implement the Project in accordance with the arrangements and procedures set out in the Memorandum of Understanding provided, however, that in case of conflict between the provisions of said memorandum and of this Agreement, the provisions of this Agreement shall prevail.

   (ii) Except as the Association shall otherwise agree, the Recipient shall not amend, abrogate or waive any provision of the Memorandum of Understanding.

C. Annual Work Plan and Budget

   (i) The Recipient shall, not later than May 15 of each Fiscal Year or such other date as may be agreed with the Association in consultation with other Development Partners, prepare and furnish to the Association, an annual program of activities proposed for implementation under the Project during the following Fiscal Year, together with a proposed budget for the purpose.
(ii) The Recipient shall exchange views with the Association and other Development Partners on each such proposed annual work plan, and shall thereafter adopt, and carry out such program of activities for such following Fiscal Year as shall have been agreed with the Association, as such plan may be subsequently revised during such following Fiscal Year with the prior written agreement of the Association ("Agreed Annual Work Plan").

2. Institutional Arrangements

A. Basket Fund Steering Committee

(i) The Recipient shall maintain, throughout Project implementation, the Basket Fund Steering Committee ("BFSC") with membership, resources and functions acceptable to the Association.

(ii) Without limitation on the provisions of paragraph (i) of this Section I.2.A, the BFSC shall be responsible for providing overall policy guidance on coordination of the Project and shall meet on a quarterly basis or as needed to carry out its functions under the Project.

B. ASDP Secretariat

(a) The Recipient shall: (i) maintain throughout project implementation a secretariat for the Project with terms of reference satisfactory to the Association comprising of competent staff in adequate numbers including a coordinator, a monitoring and evaluation officer and an information and communications officer, all with qualifications and experience and terms of reference satisfactory to the Association ("ASDP Secretariat"); and (ii) ensure that the ASDP Secretariat has adequate resources to carry out its functions under the Project.

(b) The ASDP Secretariat shall coordinate and facilitate support to the sector and without limitation to the generality of the foregoing shall be responsible for: (i) collecting data and preparing project monitoring reports for submission to BFSC; and (ii) the development of monitoring and evaluation systems in LGAs and ASLMs.

C. Subprogram A

1. PMO-RALG

PMO-RALG shall be responsible for the overall coordination and implementation of Subprogram A.
2. **Local Government Development Grant Steering Committee**

(i) The Recipient shall maintain throughout Project implementation, the Local Government Development Grant Steering Committee (“LGDG SC”) with membership, resources and functions satisfactory to the Association. Without limitation on the foregoing, the LGDG SC shall be chaired by the permanent secretary of PMO-RALG and comprise, among others, at least one permanent secretary of the ASLMs.

(ii) The LGDG SC shall integrate support to LGAs under Subprogram A and be responsible for making decisions, among other things, on:

(a) changes to the Assessment Manual, such as LGA Annual Performance Assessment criteria;

(b) changes to LGA resource allocation procedures, formulae and ceilings;

(c) qualification of Districts for resources based on approved LGA annual assessment reports; and

(d) addressing complaints relating to the annual LGA assessments.

(iii) Without limitation on the provisions of paragraphs (i) and (ii) of this Section 1.2.C(2), the LGDG SC shall meet on a quarterly basis or as needed to carry out its functions under the Project.

3. **Local Government Development Grant Technical Committee**

(i) The Recipient shall maintain throughout Project implementation the Local Government Development Grant Technical Committee (“LGDG TC”) with membership, resources and functions satisfactory to the Association. Without limitation on the foregoing, the LGDG TC shall be chaired by the deputy permanent secretary of PMO-RALG, and comprise, among others, a director of at least one ASLM and a representative of Development Partners.

(ii) The LGDG TC shall be responsible for:

(a) reviewing work plans, budgets and progress reports relating to Subprojects;

(b) reviewing annual assessment reports and making recommendations to the LGDG SC on allocation formulae and assessment procedures on the basis of benchmarks defined for the system; and
(c) reviewing and recommending any changes in the Assessment Manual to the LGDG SC.

(iii) Without limitation on provisions of paragraphs (i) and (ii) of this Section 1.2.C(3), the LGDG TC shall meet on a quarterly basis or as needed to carry out its functions under the Project.

4. **Local Government Authorities**

(i) To ensure the implementation of Subprogram A at the local level, the Recipient shall maintain through-out Project implementation, the Local Government Authorities (“LGAs”) with institutional framework acceptable to the Association and with adequate resources to carry out their functions under the Project.

(ii) Without limitation on the provision of subparagraph (i) of this Section 1.2.C(4), the Recipient shall through-out Project implementation maintain within each LGA: (a) the District Agricultural and Livestock Development Officers and the District Agricultural Teams who jointly shall be responsible for day-to-day implementation of the Project; (b) Council Directors with the responsibility for: (1) formulating and implementing DADPs based on the DADP Guidelines; (2) mobilizing resources for, and undertaking monitoring of and reporting on DADP activities; and (3) supervising and coordinating delivery of support services within LGAs including extension services, cooperatives’ inspectorate services, and agricultural information and animal health services; and (c) the Council with the responsibility for: (1) reviewing and approving DADPs and budgets, and associated reforms of District extension services; and (2) reviewing quarterly physical and financial reports prior to their submission to the concerned Regional Secretariat.

5. **Regional Secretariats**

The Recipient shall maintain the Regional Secretariats with institutional framework acceptable to the Association and with adequate resources to carry out their functions under the Project which shall include, without limitation: (a) assisting Councils in the preparation of DADPs, IFRs and Project Reports; (b) evaluating compliance of DADPs and IFRs with DADP Guidelines; (c) collating LGA annual work plans and budgets proposed for inclusion in each annual Work Plan and Budget, and IFRs from Councils and forwarding the same to PMO-RALG with recommendations as to the eligibility of LGAs to receive resources under Subprogram A; (d) undertaking regular visits to monitor quality of supported investments and related services and advising LGAs on required improvements; and (e) assisting LGAs in implementing agricultural service reform measures.
6. **DIDF Committee**

(i) The Recipient shall maintain, throughout Project implementation, the DIDF Committee with institutional framework acceptable to the Association and with adequate resources necessary to carry out its functions under this Project, and without limitation to the foregoing, the DIDF Committee shall be co-chaired by PMO-RALG and MAFC, and comprise, among others, representatives of Basin Water Authorities and ASLMs.

(ii) The DIDF Committee shall be responsible for appraisal and selection of small-scale irrigation investments proposals from Districts in accordance with the PIP including the DIDF Guidelines, and upon the fulfillment of criteria for environmental, social, technical and economic soundness set forth in the said PIP.

7. **Subprojects**

(i) **Sub-Projects**

In implementing Part I of the Project, the Recipient shall provide Subgrants to Beneficiaries for Subprojects in accordance with the eligibility criteria, terms and conditions, monitoring and evaluation, and reporting requirements of such Subprojects as set forth in the PIP.

(ii) **Eligibility Criteria for Subprojects**

No proposed Subproject shall be eligible for financing unless the DALDO or DIDF Committee, as appropriate, shall have determined, on the basis of an appraisal conducted in accordance with guidelines acceptable to the Association, as elaborated in the PIP, that the proposed Subproject satisfies the eligibility criteria set forth in the PIP, including, but not limited to, the following:

(a) the Subproject shall be for purposes set forth in Schedule 1 to this Agreement;

(b) the Subproject shall be initiated by a Beneficiary who will enter into a Subgrant Agreement with the Recipient, through DALDO or the DIDF Committee, as appropriate, and into contracts with private sector operators, as required;

(c) the Subproject shall be economically, financially and technically viable in accordance with the standards specified in the PIP;
(d) the Beneficiary shall contribute, as appropriate, a proportion of the cost of the Subproject in the form of cash, materials or labor, in accordance with the PIP;

(e) the Subproject shall be in compliance with the standards set forth in the applicable laws and regulations of the Recipient relating to health, safety and environmental protection;

(f) without any limitation to paragraph (e) above, integrated pest management approaches shall be used by Beneficiaries when pesticides are financed under any Subproject; and

(g) without any limitation to paragraph (e) above, and subject to the provisions of Section 1.3 of this Schedule, the Beneficiary shall, in accordance with the provisions of the ESMF, and supported by service providers, prepare an ESMP, and, as necessary, a comprehensive Subproject ESIA, and/or RAP, and/or Dam Safety Measures Report. The Recipient shall cause: (i) each ESMP to be reviewed and approved by the NEMC or a regional environmental specialist or engineer, as appropriate; (ii) each RAP to be reviewed and approved by zonal land officers; and (iii) each Dam Safety Measures Report to be reviewed and approved by a panel of experts or independent dam specialist, as appropriate; all prior to submission to the concerned Council for final review and approval of such Subgrant.

(iii) Terms and Conditions of Subgrant Agreements

(A) Each Subgrant to a Beneficiary for a Subproject shall be made under a Subgrant agreement, to be concluded between the Recipient through DALDO or DIDF Committee, as appropriate, and the Beneficiary, under terms and conditions approved by the Association, and described in further detail in the PIP (“Subgrant Agreement”). The Subgrant Agreement shall, among other things, include the following terms and conditions:

(i) the Subgrant shall be provided on a non-reimbursable grant basis;

(ii) the Beneficiary shall contribute, as appropriate, a proportion of the amount of the cost of the Subproject in the form of cash, materials or labor, in accordance with the PIP;

(iii) the Beneficiary shall carry out the Subproject in accordance with the Anti-Corruption Guidelines and the
PIP, with due diligence and efficiency, and in accordance with sound technical, financial, managerial, social and environmental standards satisfactory to the Association, as more fully described in Section 1.3 of this Schedule;

(iv) the Beneficiary shall maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures in respect of the Subproject;

(v) the Beneficiary shall ensure that: (i) all goods, works and services to be financed from the proceeds of the Subgrant shall be procured in accordance with the Procurement Guidelines and Consultant Guidelines, and (ii) such goods, works and services shall be used exclusively in the carrying out of the Subproject;

(vi) the Beneficiary shall: (A) monitor and evaluate the progress of the Subproject and the achievement of its objectives in accordance with approved Subproject proposals; and (B) maintain financial management arrangements in accordance with the DADP Guidelines.

(vii) the Beneficiary shall enable the Recipient to inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction included in the Subproject, the operations thereof, and any relevant records and documents;

(viii) the Beneficiary shall avail all such information as the Recipient or Association shall reasonably request relating to the foregoing; and

(ix) the Recipient shall have the right to suspend or terminate the right of the Beneficiary to use the proceeds of the Subgrant for the Subproject or to obtain a refund of all or any part of the amount of the Subgrant then withdrawn, upon failure by the Beneficiary to perform any of its obligations under the Subgrant Agreement.

(B) The Recipient shall exercise its rights and carry out its obligations under each Subgrant Agreement in such manner as to protect its interests and the interests of the Association and to achieve the Project objectives, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend,
abrogate or waive any Subgrant Agreement or any of its provisions.

8. **DRD-MAFC**

The Recipient shall maintain the Division for Research and Development within MAFC with resources, staffing and functions acceptable to the Association (DRD-MAFC). DRD-MAFC shall be responsible for carrying out Part 1(c) of the Project, including without limitation:

(a) assisting LGAs in the preparation of capacity building plans for strengthening performance in Annual Performance Assessments so as to qualify for CBGs under Subprogram A;

(b) contracting of services providers to support the formation of farmer fora at ward and District levels; and

(c) providing training to boost the development of private sector agricultural service providers.

D. **Subprogram B**

1. **Agricultural Sector Lead Ministries**

(a) **ASLMs**

The Recipient shall implement Subprogram B through the ASLMs and without limitation to the foregoing, each ASLM shall, in respect to its respective part of Subprogram B, be responsible for:

(i) providing technical guidance to, and evaluating the performance of, LGAs;

(ii) adopting revisions to DADP Guidelines, DIDF Guidelines, EBG Guidelines, CORDEMA Guidelines, ZARDEF Guidelines and NIDF Guidelines, as appropriate;

(iii) making recommendations to PMO-RALG relating to LGA access and performance criteria;

(iv) collecting data for monitoring of performance during Project implementation;

(v) developing laws, rules and policy regulations concerning agricultural investment, and providing extension and other agricultural services;

(vi) supporting Regional Secretariats on agricultural issues; and
(vii) carrying out of analytical studies on agricultural and trade policy, and annual agricultural public expenditure and sector reviews under Part 2(c) of the Project, and linking these reviews with monitoring and evaluation of sector performance.

(b) Directors’ Committee

The Recipient shall maintain throughout project implementation a committee of directors consisting of the heads of division of each ASLM with the responsibility for: (i) coordinating and supervising all technical aspects of Subprogram B implementation at the central government level; (ii) advising the BFSC on compliance of activities proposed for implementation under Subprogram B, with the AWPB and other Project policies and strategies; and (iii) advising on the funding amounts required form Subprogram B.

(c) DPP-MAFC

The Recipient shall through-out project implementation maintain the Directorate responsible for Policy and Planning within MAFC with terms of reference satisfactory to the Association (“DPP-MAFC”) with responsibilities for the implementation of Subprogram B, including: (i) review and consolidation of annual work plans and budgets proposed for inclusion in the AWPB, IFRs, audited Financial Statements and Project Reports for forwarding to the Association; (ii) reviewing funding requirements for Subprogram B, before their submission to the BFSC, and (ii) ensuring that food security issues are integrated into the preparation and implementation of DADPs.

2. Zonal Agricultural Research Institutions

(a) ZARDI

The Recipient shall throughout Project implementation maintain a ZARDI for each of the agro-ecological zones of the Recipient with institutional framework and terms of reference satisfactory to the Association and with staffing and adequate resources to carry out its functions under Subprogram B of the Project.

(b) ZIELUs

(i) The Recipient shall throughout Project implementation: (1) maintain a ZIELU in each ZARDI comprising a zonal information and extension liaison officer, two research staff, two extension staff and a communications and information expert, all with qualifications and experience and with terms of reference satisfactory to the Association; and (2) ensure that each ZIELU has adequate resources necessary to carry out its functions under the Project.
(ii) Without limitation on the provisions of subparagraph (i) above, each ZIELU shall be responsible for: (1) enhancing research and extension linkages between LGAs, farmer groups, networks and ASLMs; and (2) collecting and disseminating important agricultural research findings to villages, wards and Districts in a user-friendly manner.

(c) ZARDEF

(i) The Recipient shall: (1) maintain throughout Project implementation a ZARDEF in each of the agro-ecological zones of the Recipient with institutional framework and terms of reference satisfactory to the Association; (2) maintain throughout Project implementation a ZSC for each ZARDEF comprising not more than ten (10) members including the director of the concerned ZARDI (who shall act as secretary), with institutional framework and terms of reference satisfactory to the Association; and (3) ensure that each of the ZARDEFs and ZSCs has adequate resources to perform its functions under Subprogram B of this Project.

(ii) Each ZSC shall be responsible for evaluating and approving research proposals from its respective zone on a competitive basis and on the basis of criteria and guidelines elaborated in the PIP.

3. NIDF Committee

(a) The Recipient shall: (i) maintain, throughout Project implementation, the NIDF Committee headed by the director responsible for irrigation and technical services in MAFC, and comprising, among others, representatives from the Recipient’s ministries responsible for water; lands, housing and human settlements development; natural resources and tourism; energy and minerals; MLDF and the NEMC; and (ii) ensure that the NIDF Committee has adequate resources to carry out its functions under Subprogram B of the Project

(b) Without limitation on the provisions of subparagraph (a) above, the NIDF Committee shall be responsible for carrying out of due diligence and preparatory work for small, medium and large-scale irrigation investments in National and International Water Basins under Part 2(b)(i) of the Project as described in Schedule 1 to this Agreement.

(c) The Recipient shall: (i) appraise, select and monitor public-private partnerships physical infrastructure investments in irrigation at the national level in National Water Basins under Part 2(b)(ii) of the Project in accordance with the NIDF Guidelines; (ii) make investment planning decisions for such physical infrastructure investments upon completion of preparatory activities under Part 2 (b)(i) of the Project in a manner acceptable to the Association, and, among other things, on the basis of recommendations contained in the SESA; and (iii) ensure
such irrigation investments are carried out in accordance with the provisions of the ESMF, including, as necessary, the RPF, IPMP and Dam Safety Measures.

3. Environmental and Social Safeguards

A. General

(i) The Recipient shall at all times carry out the Project in accordance with the ESMF, including the RPF, IPMP and Dam Safety Measures, as applicable.

(ii) The Recipient shall ensure that all environmental and social issues associated with the Project are adequately analyzed and understood, and that all associated adverse impacts are captured through screening, effectively mitigated and monitored, and that the institutional capacity to ensure this happens is maintained throughout implementation. Without limitation to the generality of the foregoing, the Recipient shall for each Subproject under Part 1 of the Project and for each investment under Part 2(b) thereof, an ESIA is carried out in a manner satisfactory to the Association prior to the implementation of said Subprojects or irrigation investments in accordance with the ESMF.

(iii) In the event that the ESIA carried out under sub-paragraph (ii) above concludes that the Subproject or the irrigation investment, as the case may be, would have a potential negative environmental or social impact, the Recipient shall ensure that an ESMP satisfactory to the Association is prepared and implemented to mitigate against such negative impacts in accordance with the guidelines in the ESMF.

B. Involuntary resettlement

(i) Without any limitation on sub-paragraph (A)(iii) above, if it is determined that a Subproject under Part 1 of the Project or an irrigation investment under Part 2(b) thereof would involve involuntary resettlement of persons and/or loss of means of livelihood of the affected persons as a result of the involuntary acquisition of land, the Recipient shall ensure that a RAP satisfactory to the Association is prepared in accordance with the RPF and implemented for the benefit of the affected persons, prior to the implementation of said Subproject or investment, as the case may be.

(ii) Each RAP prepared as part of a proposed Subproject under Part 1 of the Project shall be reviewed and approved by zonal land officials and attached to the DADP before transmittal to the concerned Council for approval.
(iii) Without limitation on the provisions of sub-paragraph (ii) above, the first RAP for a Subproject under Part 1 of the Project in each District shall be subject to the Association’s prior review. Thereafter, each subsequent RAP produced in that District shall be subject to post review by the Association.

(iv) Each RAP prepared as part of a proposed investment under Part 2(b) of the Project shall be reviewed and approved by zonal land officers and/or the Recipient’s ministry responsible for lands, housing and human settlements development, as appropriate, before such investment is approved by the NIDF Committee.

(v) Without limitation on the provisions of sub-paragraph (iv) above, the first RAP for a proposed investment under 2(b) of the Project in each District shall be subject to the Association’s prior review. Thereafter, each subsequent RAP produced in that District shall be subject to post review by the Association.

C. Dam safety

(i) Without limitation to the generality of sub-paragraph (A)(iii) above, if it is determined that a proposed Subproject under Part 1 of the Project or an irrigation investment under Part 2(b) thereof would involve:

(a) construction of a new dam, the Recipient shall prior to the implementation of said Subproject or investment, as the case may be, adopt and implement dam safety measures acceptable to the Association for the design, bid tendering, construction, operation and maintenance of such dam and associated works; or

(b) reliance on the performance of an existing dam or dam under construction, the Recipient shall prior to the implementation of the said Subproject or investment, as the case may be, commission an independent inspection and evaluation of the safety status of such existing dam or dam under construction, its appurtenances, and performance history, and implement any remedial action to upgrade the safety of such existing dam or dam under construction to a standard acceptable to the Association.

(ii) Further to paragraph (i) of this Section C, if it is determined that a large dam is involved, the Recipient shall, prior to the implementation of said Subproject or investment, as the case may be, appoint an independent panel of experts acceptable to the Association with expertise in technical fields relevant to the safety aspects of the proposed dam. The panel shall advise the Recipient on, among other things, critical aspects of the dam,
its appurtenant structures, the catchment area, the area surrounding the reservoir and downstream areas. The Recipient shall ensure that: (a) panel meetings are convened regularly during Project implementation; (b) the Association is informed in advance of such meetings and allowed to observe them through a representative; (c) the Association receives a copy of the panel’s report including its conclusions and recommendations as to design, construction and start of operations; and (d) the panel is retained through the start-up of such new dam.

(iii) Further to paragraph (i) of this Section C, the Recipient shall ensure that any required plans, such as for dam construction supervision and quality assurance, operation and maintenance, instrumentation and emergency preparedness, are prepared prior to the implementation of said Subproject or investment, as the case may be, and thereafter duly implemented.

(iv) After filling and start-up of any new dam, the Recipient shall ensure that periodic dam safety inspections are carried out by independent qualified and experienced professionals who have not been involved in the investigation, design, construction or operation of such dam. The Recipient shall also undertake to modify technical criteria for evaluating dam safety and apply such revised criteria to the Project dam or existing dams if the advent of new technology or information relating to floods, seismic events, or geological features so necessitates.

D. Pest Management

The Recipient shall ensure that the Project is implemented in accordance with the provisions of the IPMP. Without limitation to the generality of the foregoing, the Recipient shall promote farmer-driven, ecologically-based pest control practices, and reduce reliance on synthetic chemical pesticides.

E. Strategic Environmental and Social Assessment

The Recipient shall implement irrigation investments under Part 2(b) of the Project in accordance with the recommendations of the Strategic Environmental and Social Assessment.

4. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
Section II. Project Monitoring, Reporting, 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 and set forth in the PIP. Each Project Report shall cover the period of one financial year, and shall be furnished to the Association not later than one (1) month 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 not later than forty-five (45) days after the end of each calendar quarter, IFRs 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. The audited Financial Statements for each such period shall be furnished to the Association not later than eleven (11) months after the end of such period. In addition to certifying the Project Financial Statements, the external auditors shall provide: (i) an opinion on the operation of the ASDP Basket Fund Account; and (ii) detailed management letters containing an assessment of the internal controls and accounting system, and recommendations for improvement.

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 and Works**

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 and Works.** 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:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Limited International Bidding</td>
</tr>
<tr>
<td>(b) National Competitive Bidding (subject to the additional procedures set out in Paragraph 3 below)</td>
</tr>
<tr>
<td>(c) Shopping</td>
</tr>
<tr>
<td>(d) Direct Contracting</td>
</tr>
<tr>
<td>(e) Community Participation procedures which have been found acceptable to the Association and are specified in the PIP</td>
</tr>
</tbody>
</table>

3. **Exceptions to National Competitive Bidding**

National Competitive Bidding may be used subject to the following:

(a) In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document 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) No preference may be accorded to domestic suppliers and 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) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(b) Quality Based Selection</td>
</tr>
<tr>
<td>(c) Fixed Budget Selection</td>
</tr>
<tr>
<td>(d) Least Cost Selection</td>
</tr>
<tr>
<td>(e) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(f) Single-source Selection of consulting firms</td>
</tr>
</tbody>
</table>

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 this Section and such additional instructions as the Association may specify by notice to the Recipient, 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 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:
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Original Credit Allocated (expressed in SDR)</th>
<th>Amount of the First Additional Financing Allocated (expressed in SDR)</th>
<th>Amount of the Second Additional Financing Allocated (expressed in SDR)</th>
<th>Amount of the Third Additional Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works and services under Subprogram A</td>
<td>34,900,000</td>
<td>19,500,000</td>
<td>21,400,000</td>
<td>14,800,000</td>
<td>Such percentage as the Association shall determine for each FY and communicate to the Recipient in a Confirmation Letter</td>
</tr>
<tr>
<td>(2) Goods, works and services under Subprogram B</td>
<td>20,100,000</td>
<td>700,000</td>
<td>1,700,000</td>
<td>5,000,000</td>
<td>Such percentage as the Association shall determine for each FY and communicate to the Recipient in a Confirmation Letter</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>6,600,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL AMOUNT</strong></td>
<td><strong>61,600,000</strong></td>
<td><strong>20,200,000</strong></td>
<td><strong>23,100,000</strong></td>
<td><strong>19,800,000</strong></td>
<td></td>
</tr>
<tr>
<td>1. Notwithstanding the provisions of Part A of this Section no withdrawal shall be made:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) for payments made prior to August 30, 2006; or</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) for expenditures in a given FY under Category (1) and (2) unless and until the Recipient has prepared and adopted an AWPB for said FY; and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(c) for expenditures in a given FY under Category (1), unless and until the Recipient has provided to the Association a list of LGAs that have qualified for Subprogram A resources under the Annual Performance Assessment.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. The Closing Date is March 31, 2014.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section V. **Transitional Provisions in respect of Procurements**

1. Notwithstanding the provisions of the Original Financing Agreement, the First Additional Financing Agreement and the Second Additional Financing Agreement and to the extent that the procurement of any goods, works or consultants’ services to be financed, at least in part, out of the proceeds of the Original Credit, the First Additional Financing or the Second Financing will have been initiated on or after August 24, 2012, the Recipient acknowledges and agrees that the provisions of this Agreement set forth or referred to in: (a) Section 2.F *(Anti-Corruption)* of this Schedule (including the related provisions under the General Conditions) shall apply to the proceeds of the Original Credit, the First Additional Financing or the Second Financing utilized to finance such goods, works or consultants’ services; and (b) Section III *(Procurement)* of this Schedule (including the related provisions under the General Conditions) shall apply to the procurement of said goods, works or consultants’ services.

2. Notwithstanding the provisions of Section 2.F *(Anti-Corruption)* and Section III *(Procurement)* of this Schedule 2: (i) to the extent that the procurement of any goods, works or consultants’ services to be financed out of the proceeds of the Original Credit, the First Additional Financing or the Second Additional Financing, as the case may be, was initiated prior to August 24, 2012; and (ii) there are no proceeds remaining under the Original Credit, the First Additional Financing or the Second Additional Financing, as the case may be, to finance such goods, works or consultants’ service; then, on an exceptional basis only and subject to the Association’s prior no-objection, Section 2.F of this Schedule 2 shall not apply to the proceeds of the Financing utilized to finance such goods, works or consultants’ services; provided, however, that the provisions of Section III of Schedule 2 *(Procurement)* to the Original Financing Agreement, First Additional Financing Agreement, or the Second Additional Financing Agreement, as applicable, shall apply to the procurement of said goods, works and consultants’ services.
SCHEDULE 3

Repayment Schedules

I. Repayment Schedule for the Original Credit

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Original Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>commencing November 15, 2016, to and including May 15, 2026</td>
<td>1%</td>
</tr>
<tr>
<td>commencing November 15, 2026, to and including May 15, 2046</td>
<td>2%</td>
</tr>
</tbody>
</table>

*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.

II. Repayment Schedule for the First Additional Financing

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the First Additional Financing repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>commencing November 15, 2019, to and including May 15, 2029</td>
<td>1%</td>
</tr>
<tr>
<td>commencing November 15, 2029, to and including May 15, 2049</td>
<td>2%</td>
</tr>
</tbody>
</table>

*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.
III. Repayment Schedule for the Second Additional Financing

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Second Additional Financing repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>commencing November 15, 2020, to and including May 15, 2030</td>
<td>1%</td>
</tr>
<tr>
<td>commencing November 15, 2030, to and including May 15, 2050</td>
<td>2%</td>
</tr>
</tbody>
</table>

*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.

IV. Repayment Schedule for the Third Additional Financing

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Third Additional Financing repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>commencing November 15, 2022, to and including May 15, 2032</td>
<td>1%</td>
</tr>
<tr>
<td>commencing November 15, 2032, to and including May 15, 2052</td>
<td>2%</td>
</tr>
</tbody>
</table>

*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

Definitions

1. "Agricultural Sector Lead Ministries" or "ASLMs" means the Recipient’s Ministry of Agriculture, Food Security and Cooperatives; Ministry of Livestock Development; Ministry of Industry and Trade; and the Prime Minister’s Office – Regional Administration and Local Government.

2. "Annual Performance Assessment" means the performance assessment carried out annually under the LGDG system to determine the eligibility of each LGA to access, or, as the case may be, receive increased or decreased resources, under Subprogram A, and which includes compliance with rules and procedures on accountability, and the existence of satisfactory accounting and procurement capacity.

3. "Annual Work Plan and Budget" or "AWPB" means the work plan and budget prepared annually and approved by the Association in accordance with Section I.1.C of Schedule 2 to this Agreement.


5. "Amendment Effectiveness Deadline" means the date after which this Amended and Restated Financing Agreement shall terminate if it has not entered into effect in accordance with the provisions Section 5.03 thereof.

6. "ASDP Basket Fund Account" means the account to be operated by the Accountant General and maintained in Dollars in the Bank of Tanzania to finance the Project, and into which the Development Partners’ funds and the Financing will be deposited.

7. "ASDP Secretariat" means the secretariat with a composition and role described in Section 1.2.B of Schedule 2 to this Agreement.


9. "Basket Fund Steering Committee" or "BFSC" means the committee with a composition and role described in Section 1.2.A of Schedule 2 to this Agreement.

10. "Beneficiary" means a farmer, livestock keeper, farmer group, livestock keeper group, or other District level farmer organization or livestock keeper
organization, who or which has met the eligibility criteria referred to in Section I.2.C (7) of Schedule 2 to this Agreement and in the PIP, and to whom or to which the Recipient has made or proposes to make a Subgrant for a Subproject.

11. "Capacity Building Grant" or "CBG" means a Subgrant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for a Subproject under Part 1(c)(i) of the Project.

12. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

13. "Confirmation Letter" means a letter from the Association to the Recipient indicating the applicable percentage rate of disbursement for the Project for the period having regard to the amount of funding available from the Recipient and other Project financiers.


15. "CORDEMA Guidelines" means the guidelines included in the PIP and to be applied by ZARDIs to strengthen client oriented research and development management, as the same may be amended from time to time in accordance with the provisions of Section I.1.A of Schedule 2 to this Agreement.

16. "Council" means either a city council, municipal council, urban council, or District council established under the LGAs.

17. "Council Director" means the head of an LGA referred to in Section I.2.C(4) of Schedule 2 to this Agreement.

18. "Dam Safety Measures" means the measures included in the ESMF to ensure the safe construction, operation and maintenance of any new or existing dam, or dam under construction.

19. "Dam Safety Measures Report" means a report to be prepared in accordance with the ESMF, in respect of a proposed Subproject under Part 1(a) of the Project or an irrigation investment under Part 2(b) thereof, when construction of a new dam or reliance upon the performance of an existing dam or dam under construction is involved.

20. "Development Partners" means collectively, the Project financiers including the Association, who have pooled or intend to pool their financing for the Project in the Basket Fund Account, and who are parties to the MOU.
21. "Directors Committee" means a committee of the Recipient referred to in Section 1.2.D(1)(b) of Schedule 2 to this Agreement.

22. "District" means an administrative area established pursuant to Section 6 of the Regions and Districts (Establishment Procedures) Act No. 12 of 1994 of the laws of the Recipient, representing a designated area and population within the territory of the Recipient, as said act may be amended from time to time.

23. "District Agricultural Development Grant" or "DADG" means a Subgrant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for a Subproject under Part 1(a)(i) of the Project.

24. "District Agricultural Development Plan" or "DADP" means the three-year rolling agricultural development plan developed by each LGA and updated annually in accordance with the DADP Guidelines.

25. "District Agricultural Development Plan Guidelines" or "DADP Guidelines" means the guidelines amended as of March 2006, adopted by the Recipient and forming part of the PIP, which set out the District level process for developing DADPs, including their linkage with District development plans, and detailing the relevant implementation arrangements, as the same may be amended from time to time in accordance with the provisions of Section 1.1.A of Schedule 2 to this Agreement.

26. "District Agriculture and Livestock Development Officer" or "DALDO" means the head of the office for agriculture and livestock development at District level.

27. "District Agricultural Team" or "DAT" means a team of technical specialists working under the DALDO at District, ward and village levels.

28. "District Irrigation Development Fund Committee" or "DIDF Committee" means the Recipient’s committee referred to in Section 1.2.C(6) of Schedule 2 to this Agreement.

29. "District Irrigation Development Fund Grant" or "DIDF Grant" means a Subgrant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for a Subproject under Part 1(a)(ii) of the Project.

30. "District Irrigation Development Fund Guidelines" or "DIDF Guidelines" means the guidelines included in the PIP setting out the eligibility criteria for Subprojects to be financed under Part 1(a)(ii) of the Project, cost-sharing ratios, ceilings, environmental and social screening procedures, and other implementation arrangements, including for procurement, financial management and reporting, as the same may be amended from time to time in accordance with the provisions of section 1.1.A of Schedule 2 to this Agreement.
31. "DPP-MAFC" means the director in charge of policy and planning in MAFC and referred to in Section I.2.D(1) of Schedule 2 to this Agreement.

32. "DRD-MAFC" means the division responsible for charge of research and development in MAFC and referred to in Section I.2.C(8) of Schedule 2 to this Agreement.

33. "Environmental and Social Impact Assessment" or "ESIA" means an instrument to be prepared in accordance with the ESMF to identify and assess the potential environmental and social impacts of a proposed Subproject, evaluate alternatives, and design appropriate mitigation, management, and monitoring measures.

34. "Environmental and Social Management Framework" or "ESMF" means the framework prepared by the Recipient entitled ‘The Government of Tanzania: Agriculture Sector Development Program, Environmental and Social Management Framework’ and dated August 2005, setting forth an environmental and social screening process that will enable Project implementers to identify and assess potential adverse environmental and social impacts, and offset and reduce them to acceptable levels, or enhance positive impacts, and in accordance with which ESMPs will be prepared and submitted to the Association for its approval, and such framework includes the Integrated Pest Management Plan and Dam Safety Measures.

35. "ESMP" means an Environmental and Social management Plan, acceptable to the Association and prepared in accordance with the ESMF pursuant to Section I.3.A of Schedule 2 to this Agreement, and “ESMPs” means, collectively, all such plans.

36. "Extension Block Grant" or “EBG” means a Subgrant made or proposed to be made by the Recipient to a Beneficiary out of the proceeds of the Financing for a Subproject under Part 1(b) of the Project.

37. "Extension Block Grant Guidelines" or “EBG Guidelines” means the guidelines included in the PIP and setting out the eligibility criteria for Subprojects to be financed under Part 1(b) of the Project, cost-sharing ratios, ceilings, and other implementation arrangements, including for procurement, financial management and reporting, as the same may be amended from time to time in accordance with Section I.1.A of Schedule 2 to this Agreement.

38. "First Additional Financing" means the financing provided by the Association to the Recipient by virtue of the First Additional Financing Agreement and referred to in Section 2.01(b) of Article II to this Agreement.
39. “First Additional Financing Agreement” means the financing agreement for Agricultural Sector Development Project between the Recipient and the Association, dated July 22, 2009, as amended immediately prior to the date of this Agreement (Credit No 4369-TA).

40. “Fiscal Year” or “FY” means the Recipient’s fiscal year which commences on July 1 of each calendar year and ends on June 30 of the following calendar year.


42. “Integrated Pest Management Plan” or “IPMP” means the Recipient’s comprehensive plan included in the ESMF designed to address significant pest management issues such as: (a) new land-use development or changed cultivation practices in an area; (b) significant expansion into new areas; (c) diversification into new crops in agriculture; (d) intensification of existing low-technology systems; (e) proposed procurement of relatively hazardous pest control products or methods; or (f) specific environmental or health concerns (e.g., proximity of protected areas or important aquatic resources, worker safety), and designed to minimize potential adverse impacts on human health and the environment and to advance ecologically-based integrated pest management.

43. “Interim un-audited Financial Report” or “IFR” means a report referred to in Section II.B(2) of Schedule 2 to this Agreement, and which: (i) sets forth the sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing funds provided under the Basket Fund Designated Account, and explains variances between the actual and planned uses of such funds; (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned Project implementation; (iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report; and (iv) contains forecasts of projected Project expenditures for the ensuing two quarters.

44. “International Water Basin” or “International Basin” means a water basin of: (a) any river, canal, lake or similar body of water that forms a boundary between, or any river or body of surface water that flows through, the Recipient’s territory and any other state; (b) any tributary or other body of surface water that is a component of any waterway described in (a) above; and (c) any bay, gulf, strait or channel bounded by the Recipient’s territory and any other state, or, if within the Recipient’s territory, recognized as a necessary channel of communication between the open sea and other states, and any river flowing into such waters.
45. "LGA Acts" means the Recipient's Local Government (District Authorities) Act No. 7 of 1982, as amended through to the date of this Agreement, and the Local Government (Urban Authorities) Act No. 8 of 1982, as amended through to the date of this Agreement, as said Acts may be further amended from time to time.

46. "Local Government Authority" or "LGA" means a District authority or an urban authority established pursuant to the respective LGA Act, and referred to in Section 1.2.C(4) of Schedule 2 to this Agreement.

47. "Local Government Capital Development Grant Steering Committee" or "LGCDG SC" means the Recipient committee referred to in Section 1.2.C(2) of Schedule 2 to this Agreement.

48. "Local Government Capital Development Grant Technical Committee" or "LGCDG TC" means the Recipient's committee referred to in Section 1.2.C(3) of Schedule 2 to this Agreement.

49. "Memorandum of Understanding" or "MOU" means the memorandum of understanding dated June 2006 among between the Recipient, the Association and other Development Partners, as the same may be amended from time to time, providing for common arrangements and procedures on procurement, disbursement, accounting, monitoring, reporting, auditing, coordination and exchange of information required for implementation of the Project.

50. "Ministry of Agriculture, Food Security and Cooperatives" or "MAFC" means the Recipient's ministry responsible for agriculture, food security and cooperatives.


52. "Ministry of Industry and Trade" or "MIT" means the Recipient's ministry responsible for industry, trade and marketing.

53. "Ministry of Livestock and Fisheries Development" or "MLFD" means Recipient's ministry responsible for livestock development and fisheries.”

54. "Ministry of Water and Irrigation" or "MOWI" means Recipient’s ministry responsible for water and irrigation development.”

55. "National Environment Management Council" or "NEMC" means the council established by the Recipient in the office of its vice president pursuant to the Environment Management Act No. 20 of 2004, with responsibility for review, monitoring and enforcement of environmental impact assessments, facilitation of public participation in environmental decision making, and exercise of general supervision and coordination over all matters in relation to the environment, or the legal successor thereto.
56. "National Irrigation Development Fund" or "NIDF" means the Recipient’s national fund for irrigation development which will be utilized by the Recipient to provide counterpart funds for the financing of activities under Part 2(b) of the Project.

57. "National Irrigation Development Fund Committee" or "NIDF Committee" means the Recipient’s committee referred to in Section I.2.D(3) of Schedule 2 to this Agreement.

58. "National Irrigation Development Fund Guidelines" or "NIDF Guidelines" means the guidelines adopted by the Recipient and included in the PIP, setting out the eligibility criteria for physical investments in irrigation infrastructure to be financed under Part 2(b)(ii) of the Project, environmental and social screening procedures, and other implementation arrangements, including for procurement, financial management and reporting, as the same may be amended from time to time in accordance with the provisions of section I.1.A of Schedule 2 to this Agreement.

59. "National Irrigation Master Plan" means the Recipient’s master plan dated November 2002 for sustainable development of irrigation in its territory, and having as its objective the attainment of increased agricultural productivity and profitability.


61. "National Water Basin" or "National Basin" means any water basin that is not an International Water Basin as hereinabove defined.

62. "Original Credit" means the credit in an amount equivalent to sixty one million six hundred thousand Special Drawing Rights (SDR 61,600,000) provided to the Recipient, pursuant to the Original Financing Agreement.

63. "Original Financing Agreement" means the financing agreement for Agricultural Sector Development Project between the Recipient and the Association, dated August 30, 2006, as amended to the date of this Agreement (Credit No 4192-TA).

64. "Procurement Guidelines" means the “Guidelines for Procurement under IBRD Loans and IDA Credits” dated January 2011.

65. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated September 19, 2012, and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the
same shall be updated from time to time in accordance with the provisions of said paragraphs.


67. "Project Implementation Plan" or "PIP" means the Project plan dated June 2006, specifying, among other things, the procedures, timetables, procurement, disbursement, financial management, accounting, reporting, monitoring, evaluation, environmental and social management, and other implementation arrangements agreed upon by the Recipient and Association, and including the DADP Guidelines, DIDF Guidelines, EBG Guidelines, CORDEMA Guidelines, ZARDEF Guidelines and NIDF Guidelines, as the same may be amended from time to time in accordance with the provisions of Section I.1.A of Schedule 2 to this Agreement and such term includes any annexes to the Project Implementation Plan.

68. "Prime Minister's Office — Regional Administration and Local Government" or "PMO-RALG" means the office of the Recipient's Prime Minister responsible for regional administration and local government.

69. "Regional Secretariat" means each secretariat established under the Regional Administration Act No. 19 of 1997 of the laws of the Recipient and referred to in Section I.2.C(5) of Schedule 2 to this Agreement or any successor thereto.

70. "Resettlement Action Plan" or "RAP" means a plan prepared for a Subproject or an investment under Part 2(b) of the Project in accordance with the RPF pursuant to Section I.3.B of Schedule 2 to this Agreement, and "RAPs" means, collectively, all such plans.

71. "Resettlement Policy Framework" or "RPF" means the framework prepared by the Recipient entitled 'The United Republic of Tanzania, Agricultural Sector Development Program, Resettlement Policy Framework' and dated July 2005 governing land acquisition, resettlement and compensation under the Project, and in accordance with which RAPs will be prepared.

72. "Second Additional Financing" means the financing provided by the Association to the Recipient by virtue of the Second Additional Financing Agreement and referred to in Section 2.01(c) of Article II to this Agreement.

73. "Second Additional Financing Agreement" means the financing agreement for the Agricultural Sector Development Project between the Recipient and the Association, dated June 11, 2010, as amended to the date immediately preceding the date of this Agreement (Credit No 4740-TZ).
74. “Strategic Environmental and Social Assessment” or “SESA” means the Recipient’s instrument entitled ‘The United Republic of Tanzania, Ministry of Agriculture, Food Security and Cooperatives, Agricultural Sector Development Programme, Irrigation Development Sub-Component: The Strategic Environmental and Social Assessment for the National Irrigation Master Plan and the National Irrigation Policy’ dated May 2011 and referred to in Section I.3.E of Schedule 2 to this Agreement.

75. “Subgrant” means a DADG, DIDFG, EBG or CBG.

76. “Subgrant Agreement” means each agreement to be entered into between the Recipient and a Beneficiary, in accordance with the provisions of I.2.C(7) of Schedule 2 to this Agreement, setting forth the terms and conditions upon which proceeds of a Subgrant shall be made available to said Beneficiary for the purpose of financing a Subproject.

77. “Subprogram A” means an annual program of activities and associated budget included under Part 1 of the Project to be financed in part out of the proceeds of the Financing from the ASDP Basket Fund account.

78. “Subprogram B” means an annual program of activities and associated budget for included under Part 2 of the Project to be financed in part out of the proceeds of the Financing from the ASDP Basket Fund Account.

79. “Subproject” means a specific development project comprising: (i) an investment in agricultural infrastructure or a capacity building activity under Part 1 of the Project; or (ii) an extension activity financed under Part 1(b) of the Project.

80. “Third Additional Financing” has the meaning ascribed to it in Section 2.01(d) of Article II to this Agreement.

81. “Zonal Agricultural Research and Development Fund” or “ZARDEF” means each fund for agricultural research established under an administrative arrangement in each of the Recipient’s seven agro-ecological zones and referred to in Section I.2.D(2)(c) of Schedule 2 to this Agreement.

82. “Zonal Agricultural Research and Development Fund Guidelines” or “ZARDEF Guidelines” means the guidelines included in the PIP for the operationalization of the ZARDEFS, as the same may be amended from time to time in accordance with the provisions of Section 1.1.A of Schedule 2 to this Agreement.

83. “Zonal Agricultural Research and Development Institutes” or “ZARDI” means the institutes for promotion of agricultural research and development constituted in each of the Recipient’s seven agro-ecological zones by MAFC and MLDF and referred to in Section I.2.D(2)(a) of Schedule 2 to this Agreement.
84. "Zonal Information and Extension Liaison Unit" or "ZIELU" means the unit established in each ZARDI and referred to in Section I.2.D(2)(b) of Schedule 2 to this Agreement.

85. "Zonal Steering Committee" or "ZSC" the committee established by MAFC for each ZARDEF and referred to in Section I.2.D(2)(c) of Schedule 2 to this Agreement.