Development Credit Agreement

(East Africa Trade and Transport Facilitation Project)

between

UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated March 9, 2006
CREDIT NUMBER 4149 - TA

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated March 9, 2006, between UNITED REPUBLIC OF TANZANIA (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower has, pursuant to the Protocol on the Establishment of the East African Community Customs Union (the EACCU Protocol) dated March 2, 2004, entered into the Customs Union (as hereinafter defined), with other EAC Partner States (as hereinafter defined), confirming, inter alia, EAC Partner States’ commitment to a regional trade and transport facilitation program in the Customs Union (the Regional Program);

(B) the East African Community (as hereinafter defined) and NCTTCA Countries (as hereinafter defined), have pursuant to a Memorandum of Understanding (MOU) dated October 18, 2005, committed to cooperate in the development of transport infrastructure, transit transport, customs and trade facilitation including, inter alia, implementation of the Regional Program;

(C) the Association has received a letter from the Borrower, dated July 4, 2005, declaring the Borrower’s commitment to the execution of the Regional Program;

(D) the Borrower, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested the Association to assist in the financing of Part C of the Project;

(E) the East African Community (EAC), NCTTCA and CCTFA (all as hereinafter defined) intend to obtain financial assistance from the African Development Fund (AfDB Grant) in an amount of approximately eleven million United States Dollars ($11,000,000) to assist in financing Parts A and B of the Project;

(F) Part C.1 of the Project will be carried out by Tanzania Ports Authority (TPA); and Part C.2, C.3 and C.4 of the Project will be carried out by Surface and Marine Transport Regulatory Authority (SUMATRA) in coordination with TRA for Part C.2 and TANROADS (as hereinafter defined) for Part C.3 respectively, all with the Borrower’s assistance and, as part of such assistance, the Borrower will make the proceeds of the credit provided for in Article II of this Agreement (the Credit) available to SUMATRA and TPA, respectively, as set forth in this Agreement; and
WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The “General Conditions Applicable to Development Credit Agreements” of the Association, dated January 1, 1985 (as amended through May 1, 2004), with the modifications set forth below (the General Conditions), constitute an integral part of this Agreement:

(a) Section 5.08 of the General Conditions is amended to read as follows:

“Section 5.08. Treatment of Taxes

Except as otherwise provided in the Development Credit Agreement, the proceeds of the Credit may be withdrawn to pay for taxes levied by, or in the territory of, the Borrower on the goods or services to be financed under the Credit, or on their importation, manufacture, procurement or supply. Financing of such taxes is subject to the Association’s policy of requiring economy and efficiency in the use of the proceeds of its credits. To that end, if the Association shall at any time determine that the amount of any taxes levied on or in respect of any item to be financed out of the proceeds of the Credit is excessive or otherwise unreasonable, the Association may, by notice to the Borrower, adjust the percentage for withdrawal set forth or referred to in respect of such item in the Development Credit Agreement as required to be consistent with such policy of the Association.”

(b) Section 6.03 (c) of the General Conditions is amended by replacing the words “corrupt or fraudulent” with the words “corrupt, fraudulent, collusive or coercive”.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:
(a) “Central Corridor Transit Transport Facilitation Agency” or “CCTFA” means the transit and transport coordination body to be established under an agreement to be entered into among the Borrower, Republic of Burundi, Democratic Republic of Congo, Republic of Rwanda and the Republic of Uganda;

(b) “EACCU” or “Customs Union” means the East African Community Customs Union established under Article 2 of the EACCU Protocol;

(c) “East African Community” or “EAC” means the community established under Article 2 of the Treaty for the Establishment of the East African Community (the Treaty), dated November 30, 1999;

(d) “East African Community Customs Management Act, 2004” means the Act of the East African Community dated January 1, 2005, to make provisions for the management and administration of Customs and for related matters;

(e) “EAC Directorate of Trade and Customs” means the Directorate established under Article 75(3) of the Treaty, and operating pursuant to the provisions of Section 3 of the East African Community Customs Management Act, 2004;

(f) “EAC Secretariat” means the secretariat of the East African Community as defined in the Treaty;

(g) “Eligible Categories” means Categories (1) through (4) set forth in the table in Part A.1 of Schedule 1 to this Agreement;

(h) “Eligible Expenditures” means the expenditures for goods, works and consultants’ services referred to in Section 2.02 of this Agreement;

(i) “EAC Partner States” means the Borrower, The Republic of Uganda, and the Republic of Kenya, and any other country granted membership to the Community under Article 3 of the Treaty;

(j) “Financial Monitoring Report” or “FMR” means each report prepared in accordance with Section 4.02 of this Agreement;

(k) “IMO ISPS Code” means the International Ship and Port Facility Security Code (ISPS), which entered into force on July 1, 2004;
(l) “Implementing Agencies” means SUMATRA and TPA (all as hereinafter defined), and the term “Implementing Agency” means either one of such Implementing Agencies;

(m) “KRA” means Kenya Revenue Authority, a body corporate established and operating pursuant to the Kenya Revenue Authority Act (CAP 469) of the laws of Kenya, and responsible for the management and customs administration in the territory of the Republic of Kenya;

(n) “MOF” means the Ministry of Finance of the Borrower;

(o) “MCT” means the Ministry of Communications and Transport of the Borrower;

(p) “MoU” or “Memorandum of Understanding” means the memorandum of understanding dated October 18, 2005, between the EAC and NCTTCA;

(q) “Northern Corridor Transit Transport Coordination Authority” or “NCTTCA” means the transit transport coordination authority established under the agreement (the Northern Corridor Transit Agreement), dated February 19, 1985, (as amended), between Republic of Burundi, Democratic Republic of Congo, Republic of Kenya, Republic of Rwanda and the Republic of Uganda;

(r) “NCTTCA Countries” means Republic of Burundi, Democratic Republic of Congo, Republic of Kenya, Republic of Rwanda and the Republic of Uganda;

(s) “Non-tariff barriers” means the non-tariff barriers as described in the EACCU Protocol including, laws, regulations, administrative and technical requirements other than tariffs imposed by a Partner State whose effect is to impede trade;

(t) “Project Implementation Manual” or “PIM” means the manual setting out the measures required for the implementation of the Project, as the same may be amended from time to time, subject to prior approval of the Association;

(u) “PIT” means the project implementation team referred to in paragraph 1 of Schedule 4 to this Agreement, and established by SUMATRA, TANROADS, TRA and TPA (all as hereinafter defined); and the term “PITs” means collectively, the SUMATRA-PIT, TANROADS-PIT, TRA-PIT and TPA-PIT;

(v) “Procurement Plan” means the Borrower’s procurement plan, dated November 10, 2005, covering the initial 18-month period (or longer) of Project
implementation, as the same shall be updated from time to time in accordance with the provisions of Section 3.02 to this Agreement, to cover succeeding 18-month periods (or longer) of Project implementation;

(w) “PSC” means the Project Steering Committee referred to in paragraph 3(b) of Schedule 4 to this Agreement;

(x) “RRA” means Rwanda Revenue Authority, an incorporated body established and operating pursuant to the Republic of Rwanda’s Law No. 15/97 of November 8, 1997, responsible for the management and customs administration in the territory of the Republic of Rwanda;

(y) “Regional Countries” means the Borrower, Republic of Rwanda, Republic of Kenya, and the Republic of Uganda, all participating in the Regional Program, and the term “Regional Country” means any such country participating in the Regional Program;

(z) “Regional Steering Committee” or “RSC” means the committee referred to in paragraph 4 of Schedule 4 to this Agreement, established by the EAC Partner States and the Republic of Rwanda;

(aa) “Report-based Disbursements” means the Borrower’s option for withdrawal of funds from the Credit Account referred to in Part A.5 of Schedule 1 to this Agreement;

(bb) “Subsidiary Financing Agreements” means TPA Subsidiary Financing Agreement and SUMATRA Subsidiary Financing Agreement, as the same may be amended from time to time, and such term includes all schedules to said Subsidiary Financing Agreements;

(cc) “Surface and Marine Transport Regulatory Authority” or “SUMATRA” means a body corporate established and operating pursuant to the Surface and Marine Transport Regulatory Authority Act, No. 9 of 2001, of the laws of the Borrower, and responsible for the regulation and administration of surface and marine transportation in the territory of the Borrower;

(dd) “Special Accounts” means the accounts referred to in Part B of Schedule 1 to this Agreement;

(ee) “SUMATRA Subsidiary Financing Agreement” means the agreement to be entered into between the Borrower and SUMATRA pursuant to Section 3.01 (c) of
this Agreement, as the same may be amended from time to time, and such term includes all schedules to the SUMATRA Subsidiary Financing Agreement;

(ff) “TAFFA” means Tanzania Freight Forwarders Association, a body corporate established and operating pursuant to Societies Ordinance CAP 337 of 1954, of the laws of the Borrower;

(gg) “Tanzania National Roads Agency” or “TANROADS” means the Agency established under the Executive Agencies Act No. 30 of 1997 of the Laws of the Borrower;

(hh) “TPA Subsidiary Financing Agreement” means the agreement to be entered into between the Borrower and TPA pursuant to Section 3.01 (c) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to the TPA Subsidiary Financing Agreement;

(ii) “Tripartite Agreement on Road Transport” means the Agreement dated November 29, 2001, among the EAC Partner States relating to regulation and facilitation of road transport in the EAC;

(jj) “Tanzania Ports Authority” or “TPA” means a body corporate established and operating under the Tanzania Ports Authority Act No. 17 of 2004, of the laws of the Borrower, and responsible for the management and control of the ports and harbors located in the territory of the Borrower;

(kk) “Tanzania Railways Corporation” or “TRC” means a body corporate established and operating pursuant to the Tanzania Railways Corporation Act No. 11 of 1977 of the laws of the Borrower, and responsible for the management and operation of the railways network located in the territory of the Borrower;

(ll) “Tanzania Revenue Authority” or “TRA” means a body corporate established and operating pursuant to the Tanzania Revenue Authority Act No. 11 of 1995, of the laws of the Borrower, and responsible for the management and customs administration in the territory of the Borrower;

(mm) “Team Leader” means the person designated by either SUMATRA, TANROADS, TRC, TAFFA, TRA or TPA to manage a PIT in the implementation of Parts C and D of the Project; and

(nn) “URA” means Uganda Revenue Authority, a body corporate established and operating pursuant to the Uganda Revenue Authority Act 196, of the laws of the
Republic of Uganda, and responsible for the management and customs administration in the territory of the Republic of Uganda.

ARTICLE II

The Credit

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount in various currencies equivalent to twenty five million five hundred thousand Special Drawing Rights (SDR 25,500,000).

Section 2.02. The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of works, goods and services required for the Project, to be financed out of the proceeds of the Credit.

Section 2.03. The Closing Date shall be September 30, 2011, or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.
Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent (3/4 of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on February 1 and August 1 in each year.

Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each February 1 and August 1 commencing February 1, 2016 and ending August 1, 2045. Each installment to and including the installment payable on August 1, 2025 shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) the Borrower’s per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association’s resources; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower’s economy, modify the repayment of installments under paragraph (a) above by:

(A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid; and

(B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.
(d) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower’s economic condition has deteriorated significantly, the Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, shall carry out Part C of the Project through the Implementing Agencies, and: (i) cause TPA to carry our Part C.1 of the Project; (ii) cause SUMATRA to carry out Part C.2, C. and C.4 of the Project, with the assistance of TRA for Part C.2 and TANROADS for Part C.3 of the Project, respectively; all with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering, technical and environmental practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) Without limitation upon the provisions of paragraph (a) of this Section and except as the Borrower and the Association shall otherwise agree, the Borrower shall cause the Implementing Agencies to carry out Part C of the Project in accordance with the Implementation Program set forth in Schedule 4 to this Agreement.

(c) The Borrower shall make the proceeds of the Credit available to TPA and SUMATRA as a grant, under respective Subsidiary Financing Agreements to be entered into between: (i) the Borrower and TPA; and (ii) the Borrower and SUMATRA, respectively, all under terms and conditions which shall have been approved by the Association, including the terms and conditions set forth in paragraph 6 of Schedule 4 to this Agreement.

(d) The Borrower shall exercise its rights under each Subsidiary Financing Agreement in such manner as to protect the interests of the Borrower and the Association and to accomplish the purposes of the Credit, and, except as the Association shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive any Subsidiary Financing Agreement or any provision thereof.
Section 3.02. (a) Except as the Association shall otherwise agree, procurement of the goods, works and services required for the Project and to be financed out of the proceeds of the Credit shall be governed by the provisions of Schedule 3 to this Agreement, as said provisions may be further elaborated in the Procurement Plan.

(b) The Borrower shall update the Procurement Plan in accordance with guidelines acceptable to the Association, and furnish such update to the Association not later than 12 months after the date of the preceding Procurement Plan, for the Association’s approval.

Section 3.03. For the purposes of Section 9.06 of the General Conditions and without limitation thereto, the Borrower shall:

(a) cause the Implementing Agencies to prepare, on the basis of guidelines acceptable to the Association, and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, a plan for the future operation of the Project; and

(b) afford the Association a reasonable opportunity to exchange views with the Borrower on said plan.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall cause the Implementing Agencies to maintain a financial management system, including records and accounts, and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, adequate to reflect the operations, resources and expenditures related to Part C of the Project.

(b) The Borrower shall cause the Implementing Agencies to:

(i) have the respective financial statements referred to in paragraph (a) of this Section for each fiscal year (or other period agreed to by the Association), audited, in accordance with consistently applied auditing standards acceptable to the Association, by independent auditors acceptable to the Association;

(ii) furnish to the Association as soon as available, but in any case not later than six months after the end of each such year (or such
other period agreed to by the Association): (A) certified copies of the respective financial statements referred to in paragraph (a) of this Section for such year (or such other period agreed to by the Association), as so audited; and (B) an opinion on such statements by said auditors, in scope and detail satisfactory to the Association; and

(iii) furnish to the Association such other information concerning such records and accounts, and the audit of such financial statements, and concerning said auditors, as the Association may from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of reports referred to in Part A.5 of Schedule 1 to this Agreement (Report-based Disbursements) or on the basis of statements of expenditure, the Borrower shall cause the Implementing Agencies to:

(i) retain, until at least one year after the Association has received the audit report for, or covering, the fiscal year in which the last withdrawal from the Credit Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;

(ii) enable the Association’s representatives to examine such records; and

(iii) ensure that such reports and statements of expenditure are included in the audit for each fiscal year (or other period agreed to by the Association), referred to in paragraph (b) of this Section.

Section 4.02. (a) Without limitation upon the Borrower’s progress reporting obligations set out in paragraphs 8 through 10 of Schedule 4 to this Agreement, the Borrower shall cause the Implementing Agencies to prepare and furnish to the Association a financial monitoring report, in form and substance satisfactory to the Association, which:

(i) sets forth sources and uses of funds for Part C of the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the Credit, and explains variances between the actual and planned uses of such funds;
(ii) describes physical progress in implementation of Part C of the Project, both cumulatively and for the period covered by said report, and explains variances between the actual and planned implementation of Part C of the Project; and

(iii) sets forth the status of procurement under Part C of the Project, as at the end of the period covered by said report.

(b) The first FMR shall be furnished to the Association not later than 45 days after the end of the first calendar quarter after the Effective Date, and shall cover the period from the incurrence of the first expenditure under Part C of the Project through the end of such first calendar quarter; thereafter, each FMR shall be furnished to the Association not later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

ARTICLE V

Remedies of the Association

Section 5.01. Pursuant to Section 6.02 (l) of the General Conditions, the following additional events are specified:

(a) the Borrower shall have abrogated or modified the legal status of the TPA, TANROADS, TRA or SUMATRA, or taken any action, including the enactment or issuance of laws or regulations, which, in the opinion of the Association, may adversely affect, prevent, or interfere with, the carrying out of Part C of the Project or the performance by the Borrower of any of its obligations under this Agreement;

(b) the Borrower shall have failed to afford reasonable opportunity for representatives of the Association to visit any part of its territory for purposes related to the Project; and

(c) TPA and SUMATRA shall have failed to perform their obligations under the respective Subsidiary Financing Agreement.

Section 5.02. Pursuant to Section 7.01(h) of the General Conditions, the following additional event is specified, namely that the events specified in Section 5.01 (a) through (c) of this Agreement shall occur and shall continue for a period of sixty (60) days after notice thereof shall have been given by the Association to the Borrower.
ARTICLE VI

Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of the General Conditions:

(a) each Subsidiary Financing Agreement has been executed on behalf of the Borrower, TPA and SUMATRA, respectively;

(b) the Borrower has adopted the Project Implementation Manual in form and substance satisfactory to the Association;

(c) the Implementing Agencies have, each: (i) demonstrated the ability to produce an FMR; and (ii) opened books of accounts and completed the chart of accounts for the Project, all in form and substance satisfactory to the Association; and

(d) SUMATRA has appointed: (i) all members to its tender board; (ii) a procurement specialist in accordance with Section III of Schedule 3 to this Agreement; and (iii) a director of finance, with qualifications, experience and terms of reference satisfactory to the Association.

Section 6.02. The following are specified as additional matters, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association:

(a) that the TPA Subsidiary Financing Agreement has been duly authorized or ratified by the Borrower and TPA and is legally binding upon the Borrower and TPA in accordance with its terms; and

(b) that the SUMATRA Subsidiary Financing has been duly authorized or ratified by the Borrower and SUMATRA and is legally binding upon the Borrower and SUMATRA in accordance with its terms.

Section 6.03. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.
ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Minister responsible for finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

Ministry of Finance:
P. O. Box 9111
Dar es Salaam
Tanzania

Cable address:  Telex:  Facsimile:
TREASURY  41329  (255) 222 11 77 90
Dar es Salaam

For the Association:

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

Cable address:  Telex:  Facsimile:
INDEVAS  248423 (MCI) or  (202) 477-6391
Washington, D.C.  64145 (MCI)
IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names at Dar es Salaam, in the United Republic of Tanzania, as of the day and year first above written.

UNITED REPUBLIC OF TANZANIA

By /s/ Gray S. Mgonja

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Judy O’ Connor

Authorized Representative
SCHEDULE 1

A. Withdrawal of the Proceeds of the Credit

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Credit, the allocation of the amounts of the Credit to each Category and the percentage of expenditures for items so to be financed in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) for Part C.1 of the Project</td>
<td>7,400,000</td>
<td>100 %</td>
</tr>
<tr>
<td>(b) for Part C.2 (a) of the Project</td>
<td>600,000</td>
<td></td>
</tr>
<tr>
<td>(c) for Parts C.2 (b), C.3 and C.4 of the Project</td>
<td>400,000</td>
<td></td>
</tr>
<tr>
<td>(2) Works</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>for Parts C.2 and C.3 of the Project</td>
<td>9,000,000</td>
<td></td>
</tr>
<tr>
<td>(3) Consultants’ services</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>(a) for Part C.1 of the Project</td>
<td>2,600,000</td>
<td></td>
</tr>
<tr>
<td>(b) for Part C.2 (a) of the Project</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td>(c) for Parts C.2 (b), C.3 and C.4 of the Project</td>
<td>3,100,000</td>
<td></td>
</tr>
<tr>
<td>(4) Operating costs</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>a) for Part C.1 of the Project</td>
<td>150,000</td>
<td></td>
</tr>
</tbody>
</table>
2. For the purposes of this Schedule, the term “Operating costs” means the cost arising under Part C of the Project on account of implementation of Part C of the Project, management and monitoring, including, utilities, office supplies, consumables, maintenance and operation of vehicles and equipment for PITs, travel and accommodation for Project staff, excluding salaries of officials of the Borrower’s civil service.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of: (a) payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding the equivalent of SDR 200,000, may be made on account of payments made for expenditures before that date but after June 30, 2005; and (b) expenditures under Categories (1)(b), and (3)(b) for Part C.2(a) of the Project unless the Borrower has concluded a railway concession contract, for the TRC network, with a railway operator satisfactory to the Association or has made other arrangements satisfactory to the Association for the proper management and operations of TRC.

4. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures under contracts for: (a) goods costing less than $150,000 equivalent per contract; (b) works costing less than $200,000 equivalent per contract; (c) services of individual consultants costing less than $50,000 equivalent per contract; and (d) services of consulting firms under contracts costing less than $100,000 equivalent per contract, all under such terms and conditions as the Association shall specify by notice to the Borrower.

5. The Borrower may request withdrawals from the Credit Account to be made on the basis of reports to be submitted to the Association in form and substance satisfactory to the Association, such reports to include the FMR and any other information as the Association shall specify by notice to the Borrower (Report-based Disbursements). In the

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Credit Allocated (Expressed in SDR Equivalent)</th>
<th>% of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) for Parts C.2, C.3 and C.4 of the Project</td>
<td>150,000</td>
<td>5</td>
</tr>
<tr>
<td>(5) Unallocated</td>
<td>2,000,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>25,500,000</td>
<td></td>
</tr>
</tbody>
</table>
case of the first such request submitted to the Association before any withdrawal has been made from the Credit Account, the Borrower shall submit to the Association only a statement with the projected sources and applications of funds for the Project for the six-month period following the date of such request.

B. **Special Accounts**

1. The Borrower may open and maintain in Dollars two separate special deposit accounts: (i) TPA Special Account for Part C.1 of the Project; (ii) SUMATRA Special Account for Parts C.2, C.3 and C.4 of the Project, all in a commercial Bank acceptable to the Association, on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure and attachment.

2. After the Association has received evidence satisfactory to it that the Special Accounts have been opened, withdrawals from the Credit Account of amounts to be deposited into the Special Accounts shall be made as follows:

   (a) if the Borrower is not making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

   (b) if the Borrower is making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

3. Payments out of each Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of a Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

4. Notwithstanding the provisions of Part B.2 of this Schedule, the Association shall not be required to make further deposits into any Special Account:

   (a) if the Association, at any time, is not satisfied that the reports referred to in Part A.5 of this Schedule 1 adequately provide the information required for Report-based Disbursements;

   (b) if the Association determines at any time that all further withdrawals for payment of Eligible Expenditures should be made by the Borrower directly from the Credit Account; or
(c) if the Borrower shall have failed to furnish to the Association, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in respect of the audit of: (A) the records and accounts for any Special Account; or (B) the records and accounts reflecting expenditures with respect to which withdrawals were Report-based Disbursements or were made on the basis of statements of expenditure, as the case may be.

5. The Association shall not be required to make further deposits into any Special Account in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Association shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Association shall determine, in its sole discretion, whether further deposits into the Special Accounts may be made and what procedures should be followed for making such deposits, and shall notify the Borrower of its determination.

6. (a) If the Association determines at any time that any payment out of any Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Association, the Borrower shall, promptly upon notice from the Association, provide such additional evidence as the Association may request, or deposit into said Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment. Unless the Association shall otherwise agree, no further deposit by the Association into any Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association determines at any time that any amount outstanding in any Special Account will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

(c) The Borrower may, upon notice to the Association, refund to the Association all or any portion of the funds on deposit in a Special Account.

(d) Refunds to the Association made pursuant to subparagraph (a), (b) or (c) of this paragraph 6 shall be credited to the Credit Account for subsequent withdrawal or for cancellation in accordance with the provisions of the Credit Agreement.
Annex A

to

SCHEDULE 1

Operation of Special Accounts
When Withdrawals Are Not
Report-based Disbursements

1. For the purposes of this Annex the term “Authorized Allocation” means:

   (a) in respect of TPA Special Account, an amount of $500,000 to be
       withdrawn from the Credit Account and deposited into the said Special Account pursuant
       to paragraph 2 of this Annex; and

   (B) in respect of SUMATRA Special Account, an amount of $700,000 to be
       withdrawn from the Credit Account and deposited into the said Special Account pursuant
       to paragraph 2 of this Annex.

2. Withdrawals of a Special Account’s Authorized Allocation and subsequent
   withdrawals to replenish the respective Special Account shall be made as follows:

   (a) For withdrawals of the Authorized Allocation, the Borrower shall furnish
       to the Association a request or requests for deposit into the respective Special Account of
       an amount or amounts which in the aggregate do not exceed the Authorized Allocation.
       On the basis of each such request, the Association shall, on behalf of the Borrower,
       withdraw from the Credit Account and deposit into the said Special Account such amount
       as the Borrower shall have requested.

   (b) For replenishment of said Special Account, the Borrower shall furnish to
       the Association requests for deposit into said Special Account at such intervals as the
       Association shall specify. Prior to or at the time of each such request, the Borrower shall
       furnish to the Association the documents and other evidence required pursuant to Part B.3
       of Schedule 1 to this Agreement for the payment or payments in respect of which
       replenishment is requested. On the basis of each such request, the Association shall, on
       behalf of the Borrower, withdraw from the Credit Account and deposit into the respective
       Special Account such amount as the Borrower shall have requested and as shall have
       been shown by said documents and other evidence to have been paid out of the Special
       Account for Eligible Expenditures. Each such deposit into the respective Special Account
shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.

3. The Association shall not be required to make further deposits into a Special Account, once the total unwithdrawn amount of the Credit minus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall equal the equivalent of twice the amount of the Authorized Allocation. Thereafter, withdrawal from the Credit Account of the remaining unwithdrawn amount of the Credit shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association shall have been satisfied that all such amounts remaining on deposit in said Special Account as of the date of such notice will be utilized in making payments for Eligible Expenditures.
Annex B
to

SCHEDULE 1

Operation of Special Accounts
When Withdrawals Are
Report-based Disbursements

1. Withdrawals from the Credit Account shall be deposited by the Association into any Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the respective Special Account shall be withdrawn by the Association from the Credit Account under one or more of the Eligible Categories.

2. Upon receipt of each application for withdrawal of an amount of the Credit, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the respective Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Association has determined, based on the reports referred to in Part A.5 of this Schedule 1 applicable to such withdrawal application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such reports.
SCHEDULE 2

Description of the Project

The objectives of the Project are: (a) improving the trade environment among the Regional Countries, through effective implementation of the EACCU Protocol; (b) enhancing the efficiency of transport and logistic services along key transport corridors by reducing non-tariff barriers and uncertainty of transit time; and (c) improving railway services in the Republic of Kenya and the Republic of Uganda.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Association may agree upon from time to time to achieve such objectives:

Part A: Support to Implementation of the EACCU

1. Strengthening the capacity of EAC Secretariat, EAC Directorate of Trade and Customs department in the Regional Countries, including provision of: (a) training to the staff of EAC Secretariat, EACCU and customs departments in the EAC Partner States; (b) technical advisory services and acquisition of equipment for monitoring implementation of the EACCU, Non-tariff barriers to trade within the EAC; and (c) enhanced communication facilities to the EAC Secretariat and customs authorities in the EAC Partner States.

2. Improving information technology connectivity within the EACCU, including: (a) designing a study of interconnectivity for Regional Countries within the customs union; (b) carrying out studies for investing in customs interconnectivity; (c) establishing common database within EACCU; and (d) developing EAC customs training centre;

3. Strengthening and modernizing the customs departments of the Regional Countries, including: (a) rolling out information technology systems to key border posts; (b) provision of training to customs officers, and provision of technical advisory services in specific areas essential for the development of the Customs Union; (c) acquisition of equipment; and (d) development of necessary infrastructure.

Part B: Institutional Support for Transport Facilitation

1. Strengthening the NCTTCA, including: (a) building the capacity of its secretariat to improve its efficiency and for monitoring and evaluation performance; (b) facilitating harmonization of national policies and regulations relating to transport and transit; (c) developing participation of its stakeholders; and (d) carrying out a comparative study on
cost of transport in the Region, all through the acquisition of goods and provision of technical advisory services.

2. Supporting the establishment of the CCTFA, including: (a) supporting its secretariat, and stakeholder consultations; (b) provision of monitoring tools; and (c) carrying out studies on transport and trade issues along the corridor.

3. Supporting the harmonization of Regional Countries regulations relating to cross-border transport with the relevant Regional treaties and agreements, including harmonization of axle load control policies.

4. Supporting the EAC Secretariat in implementing and monitoring the implementation of the Tripartite Agreement on Road Transport among the EAC Partner States.

5. Supporting the EAC, NCTTCA, and CCTFA in coordinating the implementation of the Regional Program, including in effectively carrying out: (a) their role as part of the Regional Steering Committee; and (b) monitoring of efficiency along key transport corridors in the Regional Countries.

Part C: Support to Implementation of EACCU Trade and Transport Facilitation in the Territory of the Borrower

1. Supporting TPA:

   (a) to implement measures to make the security requirements in the Port of Dar es Salaam compliant with the IMO ISPS Code requirements, including upgrading security equipment and infrastructure, through: (i) the acquisition of security equipment; and (ii) the provision of technical advisory services on enhancement of port security;

   (b) in establishing and implementing community-based systems, to facilitate data exchange among stakeholders in the transport logistics chain, including setting up a one-stop window, through: (a) the provision of technical advisory services and training; and (b) the acquisition of equipment; and

   (c) in its overall development strategy and in developing inland container depots in Dar es Salaam and inland through the provision of technical advisory services.
2. Supporting TRA:

   (a) to allow TRC to implement a rail cargo tracking system compatible with TRA’s system and RRA, URA and KRA systems’ respectively, for effective monitoring of transit transport crossing the territory of the Borrower; and

   (b) to establish one-stop border posts in key border crossings, including developing the Borrower’s side of: (i) Lungalunga-Horohoro border post; (ii) Taveta-Holili border post; (iii) Isebania-Sirari border post; and (iv) Mutukula border post.

3. Supporting TANROADS: in carrying out: (a) upgrading and extension of the weigh bridge station at Kibaha; (b) rehabilitation of selected existing axle load control stations; and (c) implementation of a vehicle overload management system.

4. Supporting SUMATRA and MCT to oversee overall implementation of Regional and the Borrower’s relevant transport regulations and training of transport professionals, all through the acquisition of goods, provision of works and technical advisory services.

* * *

The Project is expected to be completed by March 31, 2011.
SCHEDULE 3

Procurement

Section I. General

A. All goods, works and services (other than consultants’ services) shall be procured in accordance with the provisions of Section I of the “Guidelines: Procurement under IBRD Loans and IDA Credits” dated May 2004 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants’ services shall be procured in accordance with Sections I and IV of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” dated May 2004 (the Consultant Guidelines), and with the provisions of this Schedule.

C. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the Association of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

Section II. Particular Methods of Procurement of Goods, Works and Services (other than Consultants’ Services)

A. International Competitive Bidding:

Except as otherwise provided in Part B of this Section, contracts shall be awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Borrower and works to be carried out by domestic contractors.

B. Other Procurement Procedures

1. National Competitive Bidding:

(a) Goods estimated to cost less than $150,000 equivalent per contract; and (b) works estimated to cost less than $200,000 equivalent per contract, may be procured under contracts awarded on the basis of National Competitive Bidding.
2. **Shopping:**

   (a) Goods estimated to cost less than $50,000 equivalent per contract, and
   (b) works estimated to cost less than $50,000 equivalent per contract, may be procured
   under contracts awarded on the basis of Shopping.

3. **Procurement from UN Agencies.**

   Goods estimated to cost less than $50,000 equivalent per contract may be procured directly from the Inter-Agency Procurement Service Office (IAPSO) of the United Nations, in accordance with the provisions of paragraphs 3.1 and 3.9 of the Procurement Guidelines.

### Section III. Particular Methods of Procurement of Consultants’ Services

A. **Quality- and Cost-based Selection:**

   Except as otherwise provided in Part B of this Section, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than $200,000 equivalent per contract may comprise entirely national consultants.

B. **Other Procedures**

1. **Quality-based Selection:**

   Services for assignments which the Association agrees meet the requirements set forth in paragraph 3.2 of the Consultant Guidelines may be procured under contracts awarded on the basis of Quality-based Selection in accordance with the provisions of paragraphs 3.1 through 3.4 of the Consultant Guidelines.

2. **Selection Under a Fixed Budget:**

   Services for assignments which the Association agrees meet the requirements of paragraph 3.5 of the Consultant Guidelines may be procured under contracts awarded on the basis of a Fixed Budget in accordance with the provisions of paragraphs 3.1 and 3.5 of the Consultant Guidelines.
3. **Least-cost Selection:**

   Services for assignments which the Association agrees meet the requirements of paragraph 3.6 of the Consultant Guidelines may be procured under contracts awarded on the basis of Least-cost Selection in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

4. **Selection Based on Consultants’ Qualifications:**

   Services estimated to cost less than $150,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1, 3.7 and 3.8 of the Consultant Guidelines.

5. **Single Source Selection:**

   Services for tasks in circumstances which meet the requirements of paragraph 3.10 of the Consultant Guidelines for Single Source Selection, may, with the Association’s prior agreement, be procured in accordance with the provisions of paragraphs 3.9 through 3.13 of the Consultant Guidelines.

6. **Individual Consultants:**

   Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

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**Section IV. Review by the Association of Procurement Decisions**

Except as the Association shall otherwise determine by notice to the Borrower, the following contracts shall be subject to Prior Review by the Association:

(a) each contract for goods estimated to cost the equivalent of $150,000 or more procured on the basis of International Competitive Bidding or National Competitive Bidding:
(b) each contract for works estimated to cost the equivalent of $200,000 or more procured on the basis of International Competitive Bidding, or National Competitive Bidding; 

(c) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $100,000 or more; and 

(d) each contract for Individual consultants estimated to cost the equivalent of $50,000 or more.

All other contracts shall be subject to Post Review by the Association.
SCHEDULE 4

Implementation Program

A. Implementation Responsibilities

1. For the purpose of ensuring the proper execution of Part C of the Project, the Borrower shall cause each of the Implementing Agencies to establish and maintain at all times during the implementation of Part C of the Project, a PIT under terms of reference and with staff and resources satisfactory to the Association.

2. Each PIT, acting under the direction of a Team Leader, shall perform all technical responsibilities for the implementation of Part C of the Project, including: (a) the preparation, with the assistance of consultants, of bidding and contract documents; (b) maintenance of Project financial records and accounts and arranging for the audit thereof; (c) preparation of the half-yearly reports referred to in paragraph 8 of this Schedule; and (d) supervision of progress in carrying out of Part C of the Project. To this end, TPA-PIT shall be responsible for Part C.1 of the Project, and SUMATRA-PIT shall have the overall responsibility for coordination and implementation of Parts C.2, C.3 and C.4 of the Project with the assistance of TANROADS-PIT for Part C.3 of the Project, and TRA-PIT for Part C.2 of the Project, respectively.

3. The Borrower shall, at all times during the implementation of Part C of the Project:

   (a) entrust MCT, with the responsibility for overall coordination and reporting progress in implementation of the Project; and

   (b) establish and maintain a PSC with composition and terms of reference satisfactory to the Association, and with the responsibility for providing overall oversight and policy guidance. The PSC shall be comprised of, the Permanent Secretary of MCT, Director General SUMATRA, Director General of TPA, Director General of TRC, Commissioner of Customs and Excise, Chief Executive of TANROADS, and the Secretary of General of TAFFA.

4. The Borrower shall, during the implementation of the Project, maintain its participation in the RSC, including in the preparation of the agenda, and organizing meetings of the RSC with the other Regional Countries.
B. Execution Covenants

5. Except as the Association shall otherwise agree, the Borrower shall, for the purpose of Part C of the Project: (a) cause TPA and SUMATRA to implement the Project in accordance with procedures, guidelines, timetables and criteria set forth in the Project Implementation Manual; and (b) not amend, or abrogate, or waive, or permit to be amended, abrogated or waived, the Project Implementation Manual or any provision thereof, in a manner which, in the opinion of the Association, may materially and adversely affect the implementation of Part C of the Project, or the achievement of the objectives thereof.

C. Execution Covenants for Part C.1 of the Project

6. Subsidiary Financing Agreements:

The terms and conditions of each Subsidiary Financing Agreement shall include the obligation of TPA and SUMATRA, to:

(a) carry out the respective Part of the Project with due diligence and efficiency, in conformity with appropriate administrative, financial, technical and environmental practices and in accordance with the PIM, and provide, or cause to be provided, promptly as needed, the facilities, services and other resources required for the Project;

(b) comply with the procedures for procurement of goods, works and consultants’ services set forth in Schedule 3 to this Agreement;

(c) comply with record keeping, auditing and reporting requirements set forth in Section 4.01 of this Agreement with respect to the respective Part of the Project, including the annual auditing of its records and accounts in respect of the Project (operations, resources and expenditure in respect of the Project);

(d) at the request of the Borrower or the Association, exchange views with the Borrower and the Association with regard to the progress of the respective Part of the Project and the performance of its obligations under the Subsidiary Financing Agreement;

(e) promptly inform the Borrower and the Association of any condition which interferes or threatens to interfere with the progress of the Project, or the performance of its obligations under the Subsidiary Financing Agreement;
(f) except as the Borrower and the Association shall otherwise agree, neither take nor concur in any action which would have the effect of amending, abrogating, assigning or waiving Subsidiary Financing Agreement or any provision thereof; and

(g) ensure that in the event of conflict between the Subsidiary Financing Agreement and this Agreement, the latter shall prevail.

D. Reporting, Monitoring and Midterm Review

7. Reporting:

The Borrower shall ensure timely preparation by the PITs of the respective Implementing Agencies, and submission to the Association of half yearly progress reports of implementation of Part C of the Project.

8. Monitoring:

The Borrower shall cause each Implementing Agency to:

(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in Schedule 5 to this Agreement, the carrying out of Part C of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Association, and furnish to the Association, on or about September 30 in each Project Year, a report integrating the results of the monitoring evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Association, by October 31 in each Project Year, or such later date as the Association shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of the said report and the Association’s views on the matter.
9. **Midterm Review**

The Borrower shall, not later than twenty four (24) months after the Effective Date, carry out jointly with the Association, and the Implementing Agencies a mid-term review (the Midterm Review) of the progress made in carrying out Part C of the Project. The Midterm Review shall among other things cover:

(a) an assessment of: (i) work programs prepared as of the date of the Midterm Review and the progress made in carrying out the said programs; (ii) training provided under Part C of the Project; (iii) procurement under Part C of the Project; (iv) the extent to which actions described in the indicators set out in Schedule 5 to this Agreement have been carried out; and (v) plans made or proposed for updating said indicators; and

(b) a review of the state of maintenance of any works carried out under Part C of the Project.
SCHEDULE 5

Performance Monitoring Indicators

(1) The EAC Customs Management Act of 2004 is implemented in Tanzania.

(2) Central Corridor

   (a) The CCTFA and its Permanent Secretariat is established and functions.

   (b) Port of Dar es Salaam’s security significantly improves in accordance with ISPS code.

   (c) Port of Dar es Salaam makes significant progress in reducing clearing time for cargo (target: decrease by 20%).

   (d) Total transit time through the Central Corridor from Dar es Salaam to Kigali decreases by 20%.

   (e) Overall border-crossing time with Kenya, Uganda and Rwanda decreases by 20%.

(3) Variability in total transit time along the Central Corridor from Dar es Salaam to Kigali decreases by half.