FINANCING AGREEMENT

(Second Central Transport Corridor Project)

between

UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated July 10, 2008
AGREEMENT dated July 10, 2008, entered into between UNITED REPUBLIC
OF TANZANIA (“Recipient”) and INTERNATIONAL DEVELOPMENT
ASSOCIATION (“Association”). The Recipient and the Association hereby agree 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 this
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 in an amount equivalent to one
hundred and fifteen million four hundred thousand Special Drawing Rights
(SDR 115,400,000) (variously, “Credit” and “Financing”) to assist in financing
the project described in Schedule 1 to this Agreement ("Project").

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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance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 April 1 and October 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the
repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollars.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through TANROADS in accordance with the provisions of Article IV of the General Conditions and the Project Agreement.

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 Events of Suspension consist of the following:

(a) A situation has arisen which shall make it improbable that the Program, or a significant part thereof, will be carried out.

(b) The Order establishing TANROADS has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of TANROADS to perform any of its obligations under the Project Agreement.

4.02. The Additional Event of Acceleration shall be that the Recipient has within 24 months of the Effective Date, failed to establish to the satisfaction of the Association that adequate funds for the Project are available to the Recipient from other sources on terms and conditions consistent with the obligations of the Recipient under this Agreement.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness shall be that the Subsidiary Agreement has been duly executed on behalf of the Recipient and TANROADS.

5.02. The Additional Legal Matter shall be that the Subsidiary Agreement has been duly authorized or ratified by the Recipient and TANROADS and is legally binding upon the Recipient and TANROADS in accordance with its terms.

5.03. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.
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 years 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:

Ministry of Finance and Economic Affairs
P. O. Box 9111
Dar es Salaam
Tanzania

Facsimile:

(255) 222 11 77 90

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

UNITED REPUBLIC OF TANZANIA

By: /s/ Gray S. Mgonja
    Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By: /s/ John Murray McIntire
    Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient’s efforts to achieve economic growth by providing reliable and cost effective enhanced transport facilities.

The Project consists of the following parts:

Part A: Improving Dar es Salaam City Urban Transport

1. (a) Improving public transport within the city of Dar es Salaam, and supporting implementation of the first phase of the Dar es Salaam Rapid Transit System infrastructure to facilitate the introduction of a bus rapid transit system, including, construction of separate bus-ways, bus terminals, bus stations, bus feeder stations, and bus depots, adequate drainage facilities, and rehabilitation of the upcountry bus station at Ubungo within the City of Dar es Salaam.

(b) Strengthening the institutional and management capacity of the DART to support the implementation of Part A of the Project and to manage the bus rapid transit system.

2. Supporting the implementation of the Resettlement Action Plan.

Part B: Rehabilitation and Upgrading of Korogwe- Mkumbara– Same Road

1. Carrying out the rehabilitation and widening of a selected section of the Korogwe- Mkumbara- Same road, including: (a) upgrading the road to trunk road standards; (b) improving the drainage; (c) strengthening the pavement and resurfacing it with a layer of asphalt concrete; (d) improving the existing geometric alignment to increase radius of curves in certain areas; (e) improving road safety; (f) replacing the Mombo bridge deck; and (g) widening of the Mkomazi bridge over the Tanga railway line, and eliminating the at-grade crossings.

2. Strengthening the capacity of TANROADS to implement the Project.

Part C: Repair and strengthening of Zanzibar Airport Runway

1. Carrying out the repairs and strengthening works of Zanzibar international airport runway including, inter alia, (a) repairing and resurfacing the existing runway; (b) surfacing of an approximately 560 meters extension of the existing runway; and (c) carrying out an economic appraisal, detailed design, and preparing bidding documents for construction of a new runway.
2. Strengthening the capacity of MoCT (Zanzibar) to support the implementation of Part C of the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. TANROADS

(a) The Recipient shall ensure that: (i) TANROADS is maintained at all times during the implementation of the Project with functions, staffing and resources satisfactory to the Association; and (ii) the Project is carried out by TANROADS with the support of DART and MoCT (Zanzibar) as set forth in paragraphs A.2(c) and A.3(c) of this Section and in accordance with the provisions of this Agreement and the Project Agreement, the guidelines, procedures, recommendations, and other specifications set forth in the Project Implementation Plan, the Procurement Plan, and the respective Environmental and Social Impact Assessments, the Environmental Management Plan, Environmental Assessment, the Resettlement Policy Framework, the Resettlement Action Plan, and any resettlement plan.

(b) Without limitation upon the provisions of sub-paragraph (a) of this paragraph, TANROADS shall be responsible for, inter alia: (i) management and oversight of the Project, and implementation of Part B of the Project; (ii) procurement under the Project, except as otherwise stated in paragraph 2(b) of this Part; (iii) financial management; (iv) compliance with the environmental and social safeguard guidelines; (v) monitoring, evaluation, reporting and communication; and (vi) such other administrative, financial, technical and organizational arrangements and procedures set forth in the Project Implementation Plan.

2. Dar es Salaam Rapid Transit Agency

(a) The Recipient shall ensure that DART builds adequate technical and administration capacity and is maintained at all times during the implementation of the Project with functions, staffing and resources satisfactory to the Association.

(b) Without limitation upon the provisions of sub-paragraph (a) of this paragraph, DART shall be responsible for, inter alia, procurement of bus operators, fare collectors and fund managers under operating contracts,
for day-to-day operation and management of the bus rapid transit system under Part A of the Project.

(c) Without limitation upon the provisions of paragraph A.1 of this Section, the Recipient shall ensure that DART provides adequate support to TANROADS in the day-to-day management of Part A of the Project, and specifically the implementation, monitoring and evaluation, and reporting of the Environmental and Social Impact Assessment, the Environmental Management Plan, the Resettlement Framework, and the Resettlement Action Plan relating to Part A of the Project as set forth in Section 1.E of this Schedule.

3. **MoCT (Zanzibar)**

(a) The Recipient shall ensure that MoCT (Zanzibar) is maintained at all times during the implementation of the Project with functions, staffing and resources satisfactory to the Association.

(b) Without limitation upon the provisions of sub-paragraph (a) of this paragraph, MoCT (Zanzibar) shall through a Project Manager be responsible for day-to-day implementation of Part C of the Project. To this end, MoCT (Zanzibar) shall, at all times during the implementation of the Project, provide the Project Manager with resources satisfactory to the Association.

(c) Without limitation upon the provisions of paragraph A.1 of this Section, the Recipient shall ensure that MoCT (Zanzibar) provides adequate support to TANROADS in the day-to-day management of Part C of the Project, and specifically the implementation, monitoring and evaluation, and reporting of the Environmental Assessment relating to Part C of the Project as set forth in Section 1.E of this Schedule.

B. **Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to TANROADS under a subsidiary agreement between the Recipient and TANROADS, under terms and conditions approved by the Association, which shall, *inter alia*, include the following:

(a) the requirement that TANROADS carry out the Project with due diligence and efficiency, in conformity with appropriate administrative, financial, engineering, technical, environmental and social safeguard practices, and provide, or cause to be provided, promptly as needed, the facilities, services and other resources required for the Project;
(b) the obligation of the TANROADS for oversight and management of the Project, including the obligation to provide, or cause to be provided, promptly as needed to DART, and MoCT (Zanzibar), facilities, services and other resources required for Parts A and C of the Project.

(c) the obligation of TANROADS to comply with the procedures for procurement of works, goods, and consultants’ services set forth in the Procurement Plan and this Agreement;

(d) the requirement that TANROADS comply with record keeping, auditing and reporting requirements set forth in Section II of this Schedule, including the annual auditing of its records and accounts (operations, resources and expenditure);

(e) the obligation of TANROADS to exchange views with the Recipient and the Association with regard to the progress of the Project and the performance of its obligations under the Project Agreement, and the Subsidiary Agreement;

(f) the requirement that TANROADS promptly inform the Recipient 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 Agreement; and

(g) the obligation of TANROADS to carry out the Project in accordance with the Anti-Corruption Guidelines.

2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

C. Project Implementation Plan

1. The Recipient shall cause TANROADS to update the Project Implementation Plan, in form and substance satisfactory to the Association, containing detailed arrangements and procedures for: (i) institutional coordination and day-to-day execution of the Project; (ii) budgeting, disbursement and financial management; (iii) procurement; (iv) environmental and social safeguard guidelines; (v) monitoring, evaluation, reporting and communication including, in respect of environmental and social safeguard matters; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.
2. The Recipient shall cause TANROADS to carry out, or cause the Project to be carried out, in accordance with the arrangements and procedures set out in the Project Implementation Plan (provided, however, that in case of any conflict between the arrangements and procedures set out in the Project Implementation Plan and the provisions of this Agreement, the provisions of this agreement shall prevail) and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of the Project Implementation Plan, if such amendment, abrogation or waiver shall, in the opinion of the Association, materially or adversely affect the implementation of the Project.

D. Anti-Corruption

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

E. Environmental and Social Safeguards

1. The Recipient shall ensure that:

   (a) the Project is carried out by TANROADS with the appropriate support of DART and MoCT (Zanzibar) respectively, in accordance with the respective Environmental and Social Impact Assessments, the Environmental Assessment, the Environmental Management Plan, the Resettlement Policy Framework, and the Resettlement Action Plan;

   (b) prior to construction, upgrading, or rehabilitation the Jangwani bus depot under Part A of the Project, a technical study and survey, satisfactory to the Association, is conducted to ascertain if such construction, rehabilitation, or upgrade would result in displacement of any Affected Persons including the magnitude of the displacement, or adversely affect their standards of living, or their rights, usufructs or customary rights to land or other resources, and as may be required, the appropriate resettlement action plan is prepared, approved and implemented in accordance with the Resettlement Policy Framework;

   (c) prior to advertisement of tender for any contract for civil works and construction of the Jangwani bus depot under Part A of the Project, ensure that an environmental assessment, satisfactory to the Association is prepared and disclosed; and

   (d) prior to carrying out activities which involve displacement of Affected Persons, take all measures satisfactory to the Association, to implement the recommendations of the Resettlement Action Plan in a timely manner. To this end, the Recipient shall ensure that:
(i) all rights to land, usufructs or customary rights and other property are allocated or acquired, equitable compensation thereof is paid and resettlement is carried out in accordance with the principles and institutional procedures established in the Resettlement Action Plan;

(ii) Affected Persons shall be equitably compensated, resettled and rehabilitated in accordance with the Resettlement Action Plan;

(iii) the implementation arrangements for resettlement, including compensation, relocation and rehabilitation of Affected Persons are documented; and

(iv) the implementation, monitoring and evaluation of such Resettlement Action Plan is completed and reported in a manner satisfactory to the Association.

2. The Recipient shall: (a) cause TANROADS to open and maintain an Escrow Account in a commercial bank on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment; (b) thereafter, cause TANROADS to deposit into the Escrow Account such amounts as shall be required to pay adequate compensation to the Affected Persons; and (c) ensure that funds deposited into the Escrow Account shall be exclusively used to finance payments made, or to be made for compensation to the Affected Persons in accordance with the Resettlement Action Plan.

3. The Recipient shall ensure that the Project Reports referred to in Section II.A of this Schedule shall include adequate information on monitoring the measures defined in the respective Environmental and social Impact Assessments, the Environmental Assessment, the Environmental Management Plan, the Resettlement Policy Framework, and the Resettlement Action Plan.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. (a) The Recipient shall cause TANROADS to monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators set forth below in sub-paragraph (b) of this paragraph. Each Project Report shall cover the period of one calendar quarter, and shall be furnished to the Association not later than one month after the end of the period covered by such report.
(b) The performance indicators referred to above in sub-paragraph (a) consist of the following:

(i) average rush hour travel by public transport users between Ubungo and the Dar es Salaam central business district (Posta);

(ii) average vehicle operating cost on the Korogwe – Mkumbara – Same trunk road; and

(iii) satisfactory rating of the Zanzibar international airport by airlines and passengers.

2. For purposes of Section 4.08 (c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than thirty six (36) months after the Effective Date.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall cause TANROADS to maintain 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 cause TANROADS to prepare and furnish to the Association as part of the Project Report, interim unaudited financial reports for the Project covering one calendar quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have the 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 of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six months after the end of such period.

Section III. Procurement

A. General

1. **Goods and Works.** All goods and works 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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works and services other than Consultants’ Services**

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods and works shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods and Works.** The following methods of procurement, other than International Competitive Bidding, may be used for goods and works under the circumstances specified in the Procurement Plan for each such method: (a) National Competitive Bidding; (b) Shopping; (c) Direct Contracting; and (d) Established Private or Commercial Practices which have been found acceptable to the Association.

**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 methods of procurement, other than Quality- and Cost-based Selection, may be used for consultants’ services under the circumstances specified in the Procurement Plan for each such method: (a) Least Cost Selection; (b) Selection Based on Consultants’ Qualifications; (c) Quality Based Selection; (d) Selection under Fixed Budget; (e) Single-source Selection; (f) Established Private or Commercial Practices which have been found acceptable to the Association; and (g) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants.

**D. Review by the Association of Procurement Decisions**

1. Except as the Association shall otherwise determine by notice to the Recipient, the following contracts shall be subject to Prior Review by the Association:(a)
each contract for works estimated to cost the equivalent of $1,000,000 or more; (b) each contract or goods estimated to cost the equivalent of $500,000 or more; and (c) each contract for consultants’ services provided by a firm estimated to cost the equivalent of $200,000 or more.

2. In addition, the following prior review procedures shall apply to each contract for the employment of individual consultants (other than consultants to be selected on a Single-source Selection basis) estimated to cost the equivalent of $100,000 or more: (a) the report on the comparison of the qualifications and experience of candidates, terms of reference and conditions of employment of the consultant shall be furnished to the Association for its prior review and approval; (b) the contract shall be awarded only after the Association’s approval shall have been given; and (c) the provisions of paragraphs 3 and 5 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

3. The following prior review procedures shall apply to each contract for the employment of individual consultants to be selected on a Single-source Selection basis: (a) the qualifications, experience, terms of reference and conditions of employment of the consultants shall be furnished to the Association for its prior review and approval; (b) the contract shall be awarded only after the Association’s approval shall have been given; and (c) the provisions of paragraph 3 of Appendix 1 to the Consultant Guidelines shall apply to the contract.

4. 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 Article II of the General Conditions, this Section, and such additional instructions as the Association may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions) to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Credit 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 Credit Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) works, goods, consultants’ services, Training and Operating Costs under Part A of the Project</td>
<td>59,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) works, goods, consultants’ services, Training and Operating Costs under Part B of the Project</td>
<td>34,900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) works, consultants’ services, Training and Operating Costs under Part C of the Project</td>
<td>9,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Unallocated</td>
<td>11,400,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>115,400,000</td>
<td></td>
</tr>
</tbody>
</table>

**B. Withdrawal Conditions; Withdrawal Period**

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement; or

   (b) for expenditures under Category (1) unless DART is fully operational in the opinion of the Association, and has: (i) adequate capacity, satisfactory to the Association, including management and key technical staff, all with terms of reference and qualifications satisfactory to the Association, and a board of directors; (ii) produced a communication strategy satisfactory to the Association; and (iii) a fully functional procurement unit and tender board;

   (c) for expenditures under Category (2), unless TANROADS Board of Directors has been put in place, and is operational in the opinion of the Association, and in accordance with the Roads Act; and

   (d) for expenditures under Category (3), unless MoCT (Zanzibar) has recruited a Project Manager with experience, qualification and terms of
reference satisfactory to the Association, and in accordance with the provisions of Section III of this Schedule.

2. The Closing Date is December 31, 2011.

Section V Other Undertakings

A. Operation of the Rapid Bus System

1. Not later than twenty four (24) months after the Effective Date, the Recipient shall:

   (a) pursuant to a provision to be included in the respective contracts with bus operators and fare collectors for operation of the DART system under Part A of the Project, provide a guarantee to each bus operator, or fare collector to back-stop the loss of such bus operator, or fare collector in the event that DART may fail to satisfy any of its obligations pursuant to any contract with any bus operator, or fare collector, as the case may be.

   (b) cause DART to procure the services of bus operators, fare collectors and a fund manager in accordance with the Recipient’s procurement rules and procedures, and a process satisfactory to the Association.

2. Not later than eighteen (18) months after the Effective Date, the Recipient shall, ensure that a grievance process, satisfactory to the Association, is established as a mechanism for addressing any grievances that may arise from affected private operators of public transport vehicles (daladalas) and daladala drivers in connection with the introduction of the DART system under Part A of the Project.

3. The Recipient shall ensure that the Project Reports referred to in Section II.A of this Schedule shall include adequate information on monitoring the progress made by DART in: (a) executing the respective contracts with the bus operators and fare collectors, and performance of the respective bus operators and fare collectors under said contracts; and (b) addressing the grievances of the daladala operators and drivers.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1:</td>
<td></td>
</tr>
<tr>
<td>commencing October 1, 2018 to and including April 1, 2028</td>
<td>1</td>
</tr>
<tr>
<td>commencing October 1, 2028 to and including April 1, 2048</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. “Affected Persons” means persons who, on account of the execution of the Project had or would have their: (i) standard of living adversely affected; or (ii) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected.


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


6. “Environmental Assessment” means the Environmental Assessment for Extension of Runway for Zanzibar Airport dated September 2003, and updated in February 2007, describing the set of environmental impact and mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of Part C of the Project to mitigate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, or to enhance positive impacts; as the said environmental assessment may be amended and/or supplemented from time to time with the prior concurrence of the Association.

7. “Environmental Management Plan” or “EMP” means a plan which constitutes a part of the respective Environmental and Social Impact Assessments for Parts A and B of the Project describing mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of infrastructure activities under Part A of the Project to mitigate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, or to enhance
positive impacts, as the said annex may be amended and/or supplemented from time to time with the prior written concurrence of the Association.

8. “Environmental and Social Impact Assessment” means each environmental and social impact assessment for construction, rehabilitation, upgrading, or expansion of the infrastructure for the bus rapid transit system, and trunk road under Part A of the Project dated February 2007, and for Part B of the Project, dated January 2007, respectively, describing the set of mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of Parts A and B of the Project to mitigate adverse environmental and social impacts, offset them, or reduce them to acceptable levels, or to enhance positive impacts; as the said environmental impact and social assessment may be amended and/or supplemented from time to time with the prior written concurrence of the Association; and the term “Environmental and Social Impact Assessments” means all such environmental and social impact assessments.

9. “Escrow Account” means the account referred to in Section I.E.2 of Schedule 2 to this Agreement.

10. “Fiscal Year” or “FY” means the Recipient’s fiscal year commencing July 1 and ending June 30 of each year.

11. “General Conditions” means the “International Development Association General Conditions for Credits and Grants”, dated July 1, 2005 (as amended through October 15, 2006).

12. “MoCT (Zanzibar)” or “Ministry of Communications and Transport” means the ministry responsible for transport and communication of the Revolutionary Government of Zanzibar within the territory of the Recipient.

13. “Operating Costs” means incremental costs incurred by DART, MoCT Zanzibar, and TANROADS on account of implementation of the Project including, and on the basis of the annual budget and work plans acceptable to the Association, for fuel, maintenance of vehicles, office supplies, utilities, consumables, bank charges, communication expenses, travel per diems, accommodation and subsistence allowances for authorized travel, but excluding salaries of the Recipient’s civil servants.


15. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated April 23, 2008, 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.


17. “Project Agreement” means the agreement between the Association and TANROADS of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement.

18. “Project Implementation Plan” means the updated Project Implementing Plan dated April 2008, prepared by TANROADS in form and substance satisfactory to the Association, containing or referring to detailed arrangements and procedures for the Project, including: (i) institutional coordination and day-to-day execution of the Project; (ii) budgeting, disbursement and financial management; (iii) procurement; (iv) environmental and social safeguard management; (v) monitoring, evaluation, reporting and communication, including in respect of environmental and social safeguard matters; and (vi) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as the said Project Implementation Plan may be amended and/or supplemented from time to time with the prior concurrence of the Association.

19. “Resettlement Action Plan” or “RAP” means the plan dated November 2007, and referred to in Section I.E.1 (a) of Schedule 2 to this Agreement, setting out the principles, procedures, the time schedule governing acquisition of rights to land, resettlement and compensation, as well as reporting and monitoring arrangements to ensure compliance with the said plan.

20. “Resettlement Policy Framework” means the framework satisfactory to the Association, dated February 2007, setting forth the guidelines and procedures for preparation of resettlement action plans in the event of acquisition of rights to land, resettlement procedures and compensation, institutional arrangements, including valuation procedures, budget, public consultation and participation, monitoring and evaluation, and disclosure, as the same may be amended from time to time with the agreement of the Association.

21. “Revolutionary Government of Zanzibar” means the government established and operating pursuant to the Constitution of the Recipient, as the administrative authority over the islands of Zanzibar within the territory of the Recipient.
22. “Subsidiary Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement pursuant to which the Recipient shall make the proceeds of the Financing available to TANROADS.


24. “TANROADS” or “Tanzania National Roads Agency” means the agency established and operating pursuant to the Tanzania National Roads Agency (TANROADS) Establishment Order No. 293 of 2000, made under the Executive Agencies Act No. 30 of 1997, of the Laws of the Recipient, or the Project Implementing Entity.

25. “Training” means costs incurred by DART, MoCT Zanzibar, and TANROADS, on account of approved workshops, and training of TANROADS, DART and Zanzibar international airport personnel involved in implementation of the Project, including study tours, travel and subsistence costs for training participants, costs associated with securing the services of trainers, rental of training facilities, preparation and reproduction of training materials, and other costs directly related to course preparation and implementation.