Project Agreement
(Dar es Salaam Urban Transport Improvement Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

TANZANIA NATIONAL ROADS AGENCY

Dated MARCH 20, 2017
PROJECT AGREEMENT

AGREEMENT dated MARCH 20, 2017, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and TANZANIA NATIONAL ROADS AGENCY ("TANROADS") ("Project Agreement") in connection with the Financing Agreement ("Financing Agreement") of same date between THE UNITED REPUBLIC OF TANZANIA ("Recipient") and the Association. The Association and TANROADS hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to the Financing Agreement) constitute an integral part of this Agreement.

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

ARTICLE II — PROJECT

2.01. TANROADS declares its commitment to the objective of the Project. To this end, TANROADS shall carry out the Project in accordance with the provisions of Article IV of the General Conditions, and shall provide promptly as needed, the funds, facilities, services and other resources required for the Project.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Association and TANROADS shall otherwise agree, TANROADS shall carry out the Project in accordance with the provisions of the Schedule to this Agreement.

ARTICLE III — TERMINATION

3.01. For purposes of Section 8.05(c) of the General Conditions, the date on which the provisions of this Agreement shall terminate is twenty (20) years after the date of this Agreement.
ARTICLE IV — REPRESENTATIVE; ADDRESSES

4.01. TANROADS’ Representative is its Chief Executive.

4.02. 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
    Washington, D.C.

4.03. TANROADS’s Address is:

    Airtel House
    Ali Hassan Mwinyi/Kawawa Roads Junction
    PO Box 11364
    Dar es Salaam
    The United Republic of Tanzania

    Facsimile:
    255 22 2926011
AGREED at Dar es Salaam, The United Republic of Tanzania, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Raja Bud
Title: COUNTRY DIRECTOR

TANZANIA NATIONAL ROADS AGENCY

By

Authorized Representative

Name: CHRISTIANUS B. AKO
Title: AG CHIEF EXECUTIVE
SCHEDULE

Execution of the Project

Section I. Implementation Arrangements

A. Institutional and Implementation Arrangements

1. TANROADS shall at all times during the implementation of the Project maintain a team to provide technical support, including preparation of work plans, budgets, progress reports and coordination of the overall implementation of the Project, with functions, staffing and resources satisfactory to the Association, for the purpose of ensuring the prompt and efficient oversight of the Project; including a project manager, a pavement and materials engineer and a cost control engineer, all with qualifications, terms of reference acceptable to the Association to augment its capacity for management of the BRT system.

2. TANROADS shall be responsible for, inter alia: (i) day-to-day management, oversight and implementation of the Project; (ii) procurement under the Project, except as otherwise stated in paragraph 2(b) of Section I.A of Schedule 2 to the Financing Agreement and in the PIP; (iii) financial management; (iv) compliance with the Safeguards Instruments; (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.

3. TANROADS shall carry out the Project in accordance with the Project Implementation Plan and shall not, except as the Association and the Recipient shall otherwise agree, amend, abrogate or waive any provision of the Project Implementation Plan.

4. TANROADS 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, TANROADS shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. Anti-Corruption

TANROADS shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
C. Environmental and Social Safeguards

1. TANROADS shall:

   (a) carry out the Project in accordance with the Safeguards Instruments and any other plan prepared pursuant to the Safeguards Instruments;

   (b) not amend or waive, or permit to be waived, any Safeguards Instruments, or any provision thereof;

   (c) in case of any activity under the Project requiring the adoption of an ESIA and/or ESMP (in particular any activity under Component A.2 or B.2) pursuant to the ESMF:

      (i) proceed to have such ESIA, and/or ESMP, as the case may be: (A) prepared and disclosed in accordance with the ESMF; (B) consulted upon adequately with people affected by the Project as per the ESMF, and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and

      (ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such ESIA, ESMP;

   (d) in case of any activity under the Project requiring the adoption of a RAP (in particular any activity under Component A.2 or B.2) pursuant to the RPF:

      (i) proceed to have such RAP: (A) prepared and disclosed in accordance with the RPF; (B) consulted upon adequately with people affected by the Project as per the RPF, and submitted to the Association for review and approval; and (C) thereafter adopted, prior to implementation of the activity; and

      (ii) thereafter take such measures as shall be necessary or appropriate to ensure compliance with the requirements of such RAP;

   (e) prior to carrying out activities which would result in displacement of any Affected Person, or adversely affect their standards of living, or their rights, usufructs or customary rights to land or other resources under the Project, 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 Plans;

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

(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 Plans is completed and reported in a manner satisfactory to the Association.

2. TANROADS shall: (a) open, or cause any agency under its supervision 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) prior to carrying out activities which would result in displacement of any Affected Person, 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.

3. Without limitation upon the provisions of Section 1.C.1, TANROADS shall: (a) take all measures necessary for the carrying out of the recommendations of the Safeguards Instruments and any plan prepared pursuant to the Safeguards Instruments, in a timely and effective manner; and (b) include in the Project Reports referred to in Part A of Section II of this Schedule, adequate information on monitoring the measures set out in the Safeguards Instruments and any plan prepared pursuant to the Safeguards Instruments.

4. TANROADS shall ensure that: (i) all consultancies related to technical assistance, design and capacity building under the Project, the application of whose results could have environmental or social implications, shall only be undertaken pursuant to terms of reference reviewed and found satisfactory by the Association; and (ii) such terms of reference shall duly incorporate the requirements of the Association’s applicable safeguards policies and procedures then in force and shall require the technical assistance, design and capacity building activities to take into account the requirements of said policies.

5. TANROADS shall hire, no later than twelve (12) months after the Effective Date, or such other date as may be agreed with the Association, additional staff to its environmental and social management unit, in adequate numbers and with
qualifications and terms of reference satisfactory to the Association, as further set forth in the PIP.

D. Other Undertakings

1. TANROADS shall pay Stipends and Fare Subsidies in accordance with payment procedures, transaction controls and mechanisms satisfactory to the Association, as further set forth in the PIP.

2. TANROADS shall, no later than six (6) months after the Effective Date, or such other date as may be agreed with the Association, hire a contract management firm, satisfactory to the Association, to assist TANROADS in contract management for the Project.

3. TANROADS shall: (a) conduct an independent road safety audit for all designs for construction and rehabilitation of infrastructure for BRT Phase 3, 4, 5 and 6; and (b) to incorporate relevant and appropriate findings and recommendations into the designs for BRT Phase 3 and BRT Phase 4 prior to implementation of any activities related to such designs under the Project.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. TANROADS shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of the indicators acceptable to the Association, as set forth in the PIP. Each such Project Report shall cover the period of every six months, and shall be furnished to the Recipient not later than four (4) weeks after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association of the overall Project Report.

2. TANROADS shall provide to the Recipient not later than three (3) months after the Closing Date, for incorporation in the report referred to in Section 4.08(c) of the General Conditions all such information as the Recipient or the Association shall reasonably request for the purposes of such Section.

B. Financial Management, Financial Reports and Audits

1. TANROADS shall maintain a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Association, both in a manner adequate to reflect the operations and financial conditions of the TANROADS, including the operations, resources and expenditures related to the Project.
2. Without limitation on the provisions of Part A of this Section, TANROADS shall prepare and furnish to the Association, not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

2. TANROADS shall have its financial statements referred to above audited by independent auditors acceptable to the Association, in accordance with consistently applied auditing standards acceptable to the Association. Each audit of these financial statements shall cover the period of one fiscal year of TANROADS. The audited financial statements for each period shall be furnished to the Association not later than six (6) months after the end of the period.

Section III. Procurement

All goods, works and services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the provisions of Section III of Schedule 2 to the Financing Agreement, and the Procurement Plan.