Project Agreement

(Tax Modernization Project)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION

and

TANZANIA REVENUE AUTHORITY

Dated August 30, 2006
CREDIT NUMBER 4190-TA

PROJECT AGREEMENT

Agreement dated August 30, 2006, entered into between INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") and TANZANIA REVENUE AUTHORITY (Project Implementing Entity) ("Project Agreement") in connection with the Financing Agreement of same date between the United Republic of Tanzania ("Recipient") and the Association (the "Financing Agreement"). The Association and TRA 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 the Project Agreement have the meanings ascribed to them in the Financing Agreement or the General Conditions.

ARTICLE II—PROJECT

2.01. TRA declares its commitment to the objectives of the Project and the Program. To this end, the TRA 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 the TRA shall otherwise agree, TRA 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 20 years after the date of this Agreement.
ARTICLE IV – REPRESENTATIVE; ADDRESSES

4.01. The Project Implementing Entity’s Representative is the Commissioner General of TRA.

4.02. The Association’s Address is:

For the Association:

International Association for Reconstruction and Development
1818 H Street, NW
Washington, DC 20433
United States of America

Cable: INDEVAS
Telex: 248423(MCI) or Washington, D.C.
Facsimile: 64145(MCI) 1-202-477-6391

4.03. The Project Implementing Entity’s Address is:

Tanzania Revenue Authority
Sokoine Drive
PO Box 11491
Dar es Salaam
Tanzania

Facsimile:

(255) 22 2111814
AGREED at Dar es Salaam, United Republic of Tanzania, as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Judy O’Connor

Authorized Representative

TANZANIA REVENUE AUTHORITY

By /s/ Harry M. Kitillya

Authorized Representative
SCHEDULE

Execution of the Project

Section I. Institutional and Other Arrangements

A. Institutional Arrangements


TRA shall carry out the Project in accordance with the arrangements and procedures set out in the Operations Manual and, except as the Association shall otherwise agree, shall not amend, abrogate or waive any provision of any of the Operations Manual, if such amendment, abrogation or waiver may, in the opinion of the Association, materially or adversely affect the implementation of the Project.

2. Tax Modernization Program Unit

Without limitation upon the provisions of Part A.1 of this Section, TRA shall maintain, at all times until the completion of the Project, establish and maintain a Tax Modernization Program Unit with the responsibility for financial management, disbursement and procurement support for the Project. To this end, the Tax Modernization Program Unit shall prepare periodic implementation progress reports.

Section II. Project Monitoring, Reporting, Evaluation.

A. Project Reports.

1. (a) The TRA shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 (b) of the General Conditions and on the basis of indicators set forth below in subparagraph (b) of this paragraph. Each such Project Report shall cover the period of six months, and shall be furnished to the Recipient not later than forty five days after the end of the period covered by such report for incorporation and forwarding by the Recipient to the Association as part of the overall Project Report.

(b) The performance indicators referred to above in sub-paragraph (a) consist of the indicators referred to in Section II.A.1 (b) of Schedule 2 to the Financing Agreement.


1. TRA 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 condition of the Project Implementing Entity, including the operations, resources and expenditures related to the Project.

2. TRA 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 TRA. The audited financial statements for each period shall be furnished to the Association not later than six 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 Schedule 2 to the Financing Agreement.