Financing Agreement

(Additional Financing for the Sustainable Management of Mineral Resources Project)

between

UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated JUNE 03, 2015
FINANCING AGREEMENT

AGREEMENT dated JUNE 03, 2015, entered into between UNITED REPUBLIC OF TANZANIA (“Recipient”) and INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”) for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). 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 thirty two million seven hundred thousand Special Drawing Rights (SDR 32,700,000) (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 The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.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 November 1 and May 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 Dollar.
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 MEM in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

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

4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

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

5.02. The Recipient’s Address is:

Ministry of Finance
1 Madaraka Street
P. O. Box 9111
11468 Dar es Salaam, Tanzania

Facsimile:
(255) 22 2110326

5.03. The Association’s Address is:

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

Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.
AGREED at Dar es Salaam, The United Republic of Tanzania, as of the day and year first above written.

THE UNITED REPUBLIC OF TANZANIA

By

[Signature]

Authorized Representative
Name: Dr. S.B. Lilweli
Title: Secretary

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Authorized Representative
Name: Mr. J.L. Juma
Title: Commissioner
SCHEDULE 1

Project Description

The objective of the Project is to support the Recipient’s efforts to strengthen its capacity to manage the mineral sector to improve the socio-economic impacts of large and small-scale mining for the Recipient and its citizens, and enhance private local and foreign investments.

The Project consists of the following parts:

Part A: Improving the Benefits of the Mineral Sector for the Recipient: Artisanal and Small-scale Mining, Local Economic Development and Skills Development

1. **Centers of excellence.** (a) Establishment of mining centers of excellence in the Selected Zonal Mines Offices including through: (i) the extension of existing office facilities to create classrooms, conference rooms, information centers, and workshops; (ii) the acquisition of demonstration materials including, *inter alia*, portable processing units, retorts, safety gear, and equipment for rock sample analysis, (iii) the preparation and dissemination of training manuals; (iv) the provision of training; and (b) upgrading processing technology and carrying out of demonstration activities to model environmentally sound processing techniques at selected mines, including, Buhemba (Musoma), Mbesa (Tunduru), Itumbi (Chunya), Lwamgasa (Geita), Kyerwa (Bukoba), Katente (Kahama), Mishindo (Nachingwea), and Kaparamsenga (Mpanda).

2. **Geological ground works.** Carrying out of targeted geological ground works in the selected mining zones to generate geological information to improve mine development; sampling and testing of mineral resources; and provision of related training to primary mining license holders in basic data interpretation.

3. **Small grants to Beneficiaries.** Providing Grants to Beneficiaries to support carrying out of Sub-projects, including, *inter alia*, expansion of production, improving mineral recovery, value addition, and business and skills development.

4. **Value addition.** Strengthening the capacity of the Recipient’s gemological center to function as a regional hub for training and marketing of gemstones, including through: (a) provision of training and support for the Recipient’s relevant stakeholders in value addition and investment in the gemstone sector; (b) piloting of initiatives for fair trade in Artisanal and Small-scale Mining products; (c) provision of support for the Tanzania International Gem Show; and (d) provision of support to the Recipient’s gemological center in building strategic partnerships for capacity building and marketing with international training and marketing centers.
5. **Integrating mining community development priorities into local government planning.** Provision of support to selected Local Government Authorities to improve linkages between mining and the local economy, *inter alia*, for: (a) assessing budgetary structures and mainstreaming mining into strategic planning at the District level; (b) developing policies and procedures for local government provision of social services in Artisanal and Small-scale Mining areas; (c) developing and delivering alternative livelihood skills training; and (d) assessment of local content opportunities and preparation of local procurement strategies aimed at enabling entrepreneurs to provide goods and services to large and medium scale mines.

**Part B: Strengthening Governance and Transparency in Mining**

1. **Addressing regulatory gaps.** Carrying out of a program of activities aimed at addressing gaps in the Recipient’s regulatory framework, including through: (a) carrying out of a review and updating of MEM’s mine closure policies and regulations (“Mine Closure Policies and Regulations”) and finalization of the environmental protection plan for Artisanal and Small-scale Mining (“Environmental Protection Plan”); (b) integration of data on the Recipient’s online licensing system platform; (c) strengthening of mine inspection procedures; (d) provision of technical assistance to support the preparation of an update of the Recipient’s regulatory framework for the storage and handling of explosives use with respect to small-scale mining and related health and safety protocols; and (e) provision of technical assistance to support the preparation of implementation regulations for the Recipient’s regulatory framework for value addition.

2. **Improving transparency.** Reinforcing extractive sector transparency initiatives aimed at improving sector governance, including through: (a) supporting the Tanzania Minerals Audit Agency and the Tanzania Revenue Authority in integrating Artisanal and Small-scale Mining into the tax revenue collection model; (b) supporting the EITI Secretariat in conducting a value chain audit of Artisanal and Small-scale Mining; (c) integration of Artisanal and Small-scale Mining data with existing data sources from the EITI, Tanzania Revenue Authority, and Tanzania Minerals Audit Agency; (d) carrying out of a national survey of Artisanal and Small-scale Mining to inform the Recipient’s Artisanal and Small-scale Mining support strategy; and (e) establishment of a mine inspection tracking and management system.

**Part C: Project Coordination and Management**

Strengthening the capacity of MEM for coordination and management of the Project, including, *inter alia*: (1) day to day management of the Project; (2) procurement; (3) monitoring and evaluation; and (4) coordination of Project exit studies to evaluate the overall performance of the Project, and achievement of the Project’s objective.
SCHEDULE 2

Project Execution

Section I. Institutional and Implementation Arrangements

A. Institutional Arrangements

1. MEM
   (a) The Recipient shall ensure that MEM is maintained at all times during the implementation of the Project with mandate, staffing and resources satisfactory to the Association for the purpose of ensuring the prompt and efficient overall coordination, monitoring, reporting, evaluation and communication of Project activities.
   (b) Without limitation to sub-paragraph (a) of this paragraph, the Recipient shall maintain within MEM a Project Team with the responsibility for day-to-day management of the Project, procurement, financial management, monitoring and evaluation of the Project activities.

2. Steering Committee
   (a) Without limitation upon the provisions of Part A.1 of this Section, the Recipient shall maintain, at all times until the completion of the Project, a Steering Committee with a composition, mandate and resources satisfactory to the Association.
   (b) Without limitation to sub-paragraph (a) of this paragraph, the Steering Committee shall be responsible for, inter alia: (i) reviewing and endorsing for joint approval by the Recipient and the Association of the Annual Work Plan and Budget; (ii) reviewing progress made towards achieving the Project’s objective; (iii) making recommendations for removal of any obstacles to the implementation of the Project; and (iv) providing comments on reports and reviews prepared by the Technical Committee.

3. Technical Committee
   (a) Without limitation upon the provisions of Parts A.1 and A.2 of this Section, the Recipient shall ensure that the Technical Committee is maintained at all times during the implementation of the Project with functions, staffing and resources satisfactory to the Association, for the purpose of ensuring the prompt and efficient implementation of the Project.
Without limitation to sub-paragraph (a) of this paragraph, the Technical Committee shall be responsible for reviewing and recommending to the Steering Committee, for approval, the Annual Work Plan and Budget, and providing technical inputs to MEM’s day-to-day management and implementation of the Project.

4. Memoranda of Understanding

(a) Without limitation on the provisions of Section I.A of this Schedule, the Recipient, through MEM, shall enter into a memorandum of understanding, in each case in form and substance satisfactory to the Association, with:

(i) STAMICO for the implementation of activities related to the carrying out of demonstration activities under Part A.1 of the Project; and

(ii) Tanzanian Investment Bank, for the administration of Grants under Part A.3 of the Project.

(b) Without limitation on the provisions of sub-paragraph (a) immediately above, each such memorandum of understanding shall set forth the arrangements and procedures, in accordance with the Project Implementation Manual, for the implementation of the activities to be carried out by the Tanzanian Investment Bank and STAMICO, respectively, including, inter alia, arrangements and procedures with respect to cost sharing, expected outputs, implementation, monitoring and evaluation, reporting, communication, and exchange of information.

(c) The Recipient shall not amend, abrogate, waive, or permit to be amended, abrogated, or waived, the memoranda of understanding, or any provision of either one thereof, without the prior written consent of the Association.

(d) In the event of any conflict between the provisions of any of the memoranda of understanding, and those of this Agreement, the provisions of this Agreement shall prevail.

B. Implementation Arrangements

1. Artisanal and Small-scale Miners Grant Program Manual and the Project Implementation Manual

The Recipient shall carry out the Project in accordance with the arrangements and procedures set out in the Artisanal and Small-scale Grant Program Manual and the Project Implementation Manual (provided, however, that in case of any conflict
between the arrangements and procedures set out in the Artisanal and Small-scale Miners Grant Program Manual or the Project Implementation Manual, 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 Artisanal and Small-scale Miners Grant Program Manual and/or the Project Implementation Manual, without the prior written approval of the Association.

2. **Annual Work Plan and Budget**

The Recipient shall, not later than April 30 of each year during the implementation of the Project, or such later date as the Association may agree, prepare and furnish to the Association for its approval, the Annual Work Plan and Budget containing all proposed activities to be carried out in the following year and a proposed financing plan for expenditures required for such activities. The Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such proposed Annual Work Plan and Budget and thereafter ensure that the Project is implemented in accordance with such Annual Work Plan and Budget as shall have been approved by the Association.

C. **Anti-Corruption**

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

D. **Grants for Artisanal and Small-scale Miners Grant Program**

1. **General**

   Without limitation upon the provisions of Section I.B.1 of this Schedule, the Recipient shall appraise, approve and monitor proposed Sub-projects and administer the Grants in accordance with the provisions and procedures set forth or referred to in this Section D and established in more detail in the Artisanal and Small-scale Miners Grant Program Manual.

   (b) **Eligibility Criteria for Artisanal and Small-scale Miners Grant Program**

   No proposed Sub-project shall be eligible for financing under a Grant out of the proceeds of the Financing unless the Recipient, through MEM, has determined, on the basis of an appraisal conducted in accordance with this sub-paragraph and the guidelines in the Artisanal and Small-scale Miners Grants Manual, that the proposed Sub-project satisfies the eligibility criteria specified below and set forth or referred to in more detail in the
Artisanal and Small-scale Miners Grant Program Manual, which shall include, *inter alia*, the following:

(i) the proposed Sub-project shall fall within the areas described under Part A.3 of the Project in Schedule 1 to this Agreement, and to be described more specifically in the Artisanal and Small-scale Miners Grant Program Manual, and shall exclude any activities and expenditures specified as ineligible in the Artisanal and Small-scale Miners Grant Program Manual;

(ii) the proposed Sub-project shall be initiated by a Beneficiary which has met the eligibility criteria in the Artisanal and Small-scale Miners Grant Program Manual; and

(iii) the proposed Sub-project shall be compliant with the procedures and guidelines set forth in the ESMF and the RPF.

(c) Approval of Grants

Based on the appraisal and recommendation of the Project Team, in accordance with sub-paragraph (b) of this paragraph, MEM shall approve a Sub-project whose cost falls below the threshold to be specified in the Artisanal and Small-scale Miners Grant Program Manual.

(d) Terms and Conditions of Grants

A Sub-project shall be carried out pursuant to a Grant Agreement, to be concluded between MEM, on behalf of the Recipient, and a respective Beneficiary, under terms and conditions to be described in more detail in the Artisanal and Small-scale Miners Grant Program Manual, and in form and substance satisfactory to the Association, which, *inter alia*, shall include the following:

(i) the description of the activities to be implemented, including the outputs and performance targets to be achieved, and the arrangements for monitoring and reporting on the implementation of the Sub-project;

(ii) the obligation of the Beneficiary to contribute to the Sub-project, in cash and/or in-kind, as shall be specified in the Artisanal and Small-scale Miners Grant Program Manual;

(iii) the modalities of transfer of funds by MEM to the Beneficiary for the financing of the Sub-project;

(iv) the obligation of the Beneficiary to carry out the proposed Sub-
project in accordance with the Anti-Corruption Guidelines;

(v) the obligation of the Beneficiary to: (A) carry out the Sub-project with due diligence and efficiency and in accordance with sound technical, engineering, environmental, financial, and managerial practices; and (B) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the Sub-project;

(vi) the obligation of the Beneficiary to refund any Grant, if it is determined by the Association that such Grant has been used for ineligible expenditures;

(vii) the requirement that the goods, works, non-consulting services, and consultants' services to be financed from the proceeds of the Grant shall be procured in accordance with procedures ensuring efficiency and economy and in accordance with the provisions of Section III of this Schedule, and shall be used exclusively in the carrying out of the Sub-project; and

(viii) the right of the MEM, on behalf of the Recipient, to: (A) inspect by itself, or jointly with the Association, if the Association shall so request, the goods, works, sites, plants and construction included in the Sub-project, the operations thereof and any relevant records and documents; (B) obtain all information as it, or the Association, shall reasonably request regarding the administration, operation and financial conditions of the Sub-project; and (C) suspend or terminate the right of any Beneficiary to use the proceeds of the Grant upon failure by the Beneficiary to perform any of its obligations under the Grant Agreement.

(e) Administration of Grant Agreements

MEM shall exercise its rights under the Grant Agreements in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Project, and, except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Grant Agreement or any provision thereof without the prior written approval of the Association.

E. Environmental and Social Safeguards

1. The Recipient shall carry out the Project in accordance with the provisions of the Safeguard Instruments.
2. Without limitation on the provisions of paragraph 1 immediately above, the Recipient shall take the following measures:

(a) If any Project activity would, pursuant to the ESMF, require the carrying out of an ESIA, no such activity shall be implemented unless:

(i) an ESIA for such activity has been: (A) prepared, in accordance with the ESMF and furnished to the Association; (B) disclosed locally as required by the ESMF; and (C) approved by the Association and publicly disclosed;

(ii) if said ESIA would require the preparation of an ESMP, such ESMP has been: (A) prepared in accordance with such ESIA and furnished to the Association; (B) disclosed locally as required by the ESMF; and (C) approved by the Association and publicly disclosed.

(b) If any Project activity would, pursuant to the RPF, require the preparation of a RAP, no such activity shall be implemented, unless and until:

(i) a RAP for such activity has been: (A) prepared in accordance with the requirements of the RPF and furnished to the Association; (B) disclosed as required by the RPF; and (C) approved by the Association and publicly disclosed; and

(ii) (A) all measures required to be taken under said RAP prior to the initiation of said activity have been taken, including, without limitation to the above, providing funds for resettlement compensation when and if required under a RAP; (B) a report, in form and substance satisfactory to the Association, on the status of compliance with the requirements of said RAP has been prepared and furnished to the Association; and (C) the Association has confirmed that the implementation of said activity may be commenced.

2. The Recipient shall not amend or waive, or permit to be waived, any Safeguard Instrument, or any provision of any one thereof, without the prior written approval of the Association.

3. The Recipient shall ensure that all measures for carrying out the recommendations of the Safeguard Instruments are taken in a timely manner.

4. Without limitation upon its other reporting obligations under this Agreement, the Recipient shall:
(a) include in the Project Reports referred to in Section II.A of this Schedule adequate information on monitoring the measures defined in the Safeguard Instruments, giving details of:

(i) measures taken in furtherance of such Safeguard Instruments;

(ii) conditions, if any, which interfere or threaten to interfere with the smooth implementation of such Safeguard Instruments;

(iii) remedial measures taken or required to be taken to address such conditions and to ensure the continued efficient and effective implementation of such Safeguard Instruments; and

(b) afford the Association a reasonable opportunity to exchange views with the Recipient on such reports.

5. Each such report referred to in paragraph 4 immediately above shall be furnished to the Association not later than one (1) month after the end of the six (6) month period covered by such report and the first such report shall be furnished to the Association not later than one (1) month after the end of the six (6) month period in which the activities of the Project commenced.

6. The Recipient shall ensure that:

(a) all terms of reference for any technical assistance and studies to be carried out under the Project are prepared in form and substance satisfactory to the Association and consistent with the Association’s relevant environmental and social safeguards policies; and

(b) in any Project activity that may support the drafting of regulatory instruments: (i) the drafts of such regulatory instruments shall be furnished to the Association for its review and comment and, further, that the Recipient shall afford the Association a reasonable opportunity to exchange views with the Recipient on such draft regulatory instruments; and (ii) such regulatory instruments shall thereafter be adopted, taking into account the comments and views of the Association, in a manner satisfactory to the Association.

7. The Recipient shall, by no later than six (6) months after the Effective Date: (a) carry out an environmental audit of the works undertaken under the Original Project, under terms of reference and in a manner satisfactory to the Association; and (b) prepare and furnish to the Association a report, in form and substance satisfactory to the Association, on the findings of the said environmental audit.
F. Mine Closure Policies and Regulations and Environmental and Protection Plan

The Recipient shall:

1. (a) by no later than June 30, 2016, carry out the review of the Mine Closure Policies and Regulations referred to in Part B.1(a) of the Project in a manner satisfactory to the Association; and (b) by no later than December 31, 2017, or another date as may be agreed to with the Association, prepare and furnish to the Association, for its review and comment, a draft of the updated Mine Closure Policies and Regulations, and afford the Association a reasonable opportunity to exchange views with the Recipient on such draft Policies and Regulations, and thereafter ensure that the said Policies and Regulations are finalized and adopted, taking into account the comments and views of the Association;

2. by no later than June 30, 2016, prepare and furnish to the Association, for its review and comment, a draft of the Environmental Protection Plan referred to in Part B.1(a) of the Project, and afford the Association a reasonable opportunity to exchange views with the Recipient on such draft Plan, and thereafter ensure that the said Plan is finalized and adopted, taking into account the comments and views of the Association; and

3. thereafter ensure that said Policies and Regulations and said Plan are duly implemented in a manner satisfactory to the Association.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators in sub-paragraph acceptable to the Association. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. The Recipient 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.
3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. **Procurement**

A. **General**

1. **Goods, Works and Services.** 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 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, Works and Services**

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

2. **Other Methods of Procurement of Goods, Works and Services.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods, works and services. The Procurement Plan shall specify the circumstances under which such methods may be used:
3. **Additional Provisions for the use of National Competitive Bidding.** The following additional provisions shall apply to the procurement of goods, works and services under National Competitive Bidding procedures:

(a) In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document for, and contract financed out of the proceeds of the Financing, shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

(b) Preferences may not be awarded to domestic suppliers or contractors.

C. **Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies methods of procurement, other than Quality- and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.
Procurement Method

(a) Quality-based Selection
(b) Selection under a Fixed Budget
(c) Least-Cost Selection
(d) Selection based on Consultants’ Qualifications
(e) Single-source Selection of consulting firms
(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants
(g) Single-source procedures for the Selection of Individual Consultants
(h) Selection of UN Agencies

D. Review by the Association of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall 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 Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:
### Table

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants’ services,</td>
<td>13,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training, and Operating Costs for Parts A.2, A.4, A.5., B, and C of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Goods, works, non-consulting services, consultants’ services,</td>
<td>16,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>Training, and Operating Costs for Part A.1 of the Project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Grants under Part A.3 of the Project</td>
<td>2,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>32,700,000</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;

   (b) under Category (2) unless and until the memorandum of understanding, referred to in Section I.A.4(a)(i) of this Schedule, has been executed on behalf of the Recipient and STAMICO, and has entered into effect in accordance with its terms; and

   (c) under Category (3) unless and until the memorandum of understanding, referred to in Section I.A.4(a)(ii) of this Schedule, has been executed on behalf of the Recipient and Tanzanian Investment Bank, and has entered into effect in accordance with its terms.

2. The Closing Date is December 31, 2018.
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 November 1 and May 1, commencing November 1, 2021, to and including May 1, 2053</td>
<td>1.5625%</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 a person who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (i) the involuntary taking of land resulting in: (A) relocation or loss of shelter; (B) loss of assets or access to assets; or (C) loss of income sources or means of livelihood, whether or not such person must move to another location; or (ii) the involuntary restriction to access legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such person.

2. "Annual Work Plan and Budget" means the work plan and budget for the Project prepared annually and consolidated by MEM, in accordance with Section 1.B.2 of Schedule 2 to this Agreement.


4. "Artisanal and Small-scale Mining" means mining activities carried out on the Recipient’s territory by individual miners, or a group of miners employing basic mining tools.

5. "Artisanal and Small-scale Miners Grant Program" means the program to be carried out under Part A.3 of the Project.

6. "Artisanal and Small-scale Miners" means the miners who qualify as Beneficiaries of a Grant in accordance with the criteria in the Artisanal and Small-scale Miners Manual.

7. "Artisanal and Small-scale Grant Program Manual" means the Recipient’s manual prepared for Part A.3 of the Project, dated May 15, 2013, and revised on February 20, 2015, in form and substance satisfactory to the Association, referred to in Section 1.B.1 of Schedule 2 to this Agreement, and containing or referring to detailed arrangements and procedures for the implementation of Part A.3 of the Project, including: (i) institutional administration, coordination and day-to-day execution of activities of Part A.3 of the Project; (ii) capacity building activities for sustained achievement of Part A.3 of the Project’s objectives; (iii) disbursement and financial management; (iv) procurement; (v) procedures for defining eligibility criteria and approval, disbursement, administration and monitoring and evaluation arrangements for proposals, together with model form Grant Agreement formats for Part A.3 of the Project; as such manual may be amended and
supplemented from time to time, with the prior written approval of the Association, and such term includes all schedules and annexes to said manual.

8. "Beneficiary" means an Artisanal and Small-scale Miner, or an association established under the laws of the Recipient, and which meets the selection criteria in the Artisanal and Small-scale Miners Grant Program Manual to receive a Grant.

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

10. "Community" means an organized group living within a District (as hereinafter defined).

11. "Community-based Mining Organizations" means a mining organization established within a Community.


13. "District" means a district established as an administrative local government area pursuant to the Recipient’s Constitution.

14. "EITI" means the Extractive Industries Transparency Initiative, an association established by its Articles of Association adopted on February 16, 2009, as the same may be amended from time to time.

15. "EITI Secretariat" means the Recipient’s secretariat responsible for carrying out EITI related activities.

16. "Environmental and Social Management Framework" or “ESMF” means the Environmental and Social Management Framework of the Recipient, disclosed in the Recipient’s territory on March 13, 2015, and in the Association’s InfoShop on March 13, 2015, setting forth the modalities for environmental screening and procedures for the preparation and implementation of ESMPs, and such term includes all schedules and annexes to the ESMF; as such ESMF may be amended from time to time with the prior written approval of the Association.

17. "Environmental and Social Management Plan” or “ESMP” means an environmental and social management plan to be prepared by the Recipient in accordance with the procedures and requirements under the ESMF and referred to in Section I.E.2 of Schedule 2 to this Agreement, defining: (a) the measures to be taken during the implementation of a particular activity to eliminate or offset adverse environmental or social impacts, or to reduce them to acceptable levels; and (b) the actions needed to implement these measures, as such ESMP may be amended from time to time.
with the prior written approval of the Association; and “ESMPs” means more than one such ESMP.

18. “Environmental Protection Plan” means the environmental protection plan referred to in Part B.1(a) of the Project.


20. “Geological Survey of Tanzania” means the government executive agency under MEM which is charged with the responsibility for geological survey; and any successor thereto.

21. “Grant” means a grant allocated or proposed to be allocated out of the proceeds of the Financing to a Beneficiary, for the purpose of financing a Sub-project in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.

22. “Grant Agreement’ means an agreement to be entered into between the Recipient and a Beneficiary, in accordance with the provisions of Section I.D of Schedule 2 to this Agreement.


24. “MEM” means the Recipient’s Ministry of Energy and Minerals; and any successor thereto.

25. “Mine Closure Policies and Regulations” means the mine closure policies and regulations referred to in Part B.1(a) of the Project.


27. “Operating Costs” means the incremental costs incurred by the MEM, on account of the implementation of the Project, and on the basis of the Annual Work Plan and budget prepared for the Project approved by the Association, including the costs of renting venues for meetings and Training, purchase of materials for approved Training, operation and maintenance costs for Project vehicles, office supplies, consumables, travel costs and per diems, and accommodation, but excluding salaries of the Recipient’s civil servants.

29. "Original Project" means the Project (as defined in the Original Financing Agreement) described in Schedule 1 to the Original Financing Agreement.


31. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated April 3, 2015, and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

32. "Project Implementation Manual" means the Recipient’s manual, dated February 20, 2015, in form and substance satisfactory to the Association, referred to in Section B.1 of Schedule 2 to this Agreement, and containing or referring to detailed arrangements and procedures for the implementation of the Project, including: (a) institutional administration, coordination and day-to-day execution of activities of the Project; (b) capacity building activities for sustained achievement of the Project’s objectives; (c) disbursement and financial management; (d) procurement; (e) monitoring, evaluation, reporting, information, education and communication; and (f) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project, as such manual may be amended and supplemented from time to time, with the prior written approval of the Association, and such term includes all schedules and annexes to said manual.

33. "Project Team" means the Recipient’s Project team referred to in Section I.A.1(b) of Schedule 2 to this Agreement.

34. "Resettlement Action Plan" or "RAP" means a resettlement action plan to be prepared by the Recipient in accordance with the procedures and requirements under the RPF and referred to in Section I.E.2 of Schedule 2 to this Agreement, defining, for a particular activity, a program of actions, measures and policies for compensation and resettlement of Affected Persons, including the magnitude of displacement, proposed compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, the RAP, as such plan may be revised from time to time with prior written approval of the Association; and "RAPs" means more than one such RAP.

35. "Resettlement Policy Framework" or "RPF" means the Resettlement Policy Framework of the Recipient, disclosed in the Recipient’s territory on March 13, 2015, and in the Association’s InfoShop on March 13, 2015, setting forth the modalities for resettlement and compensation of Affected Persons under the Project and procedures for the preparation and implementation of RAPs, and such
term includes all schedules and annexes to the RPF; as such RPF may be amended from time to time with the prior written approval of the Association.

36. “Safeguard Instruments” means, collectively, the ESMF, the ESIAs, the ESMPs, the RPF, and the RAPs, and “Safeguard Instrument” means any one such instrument.

37. “Selected Zonal Mines Offices” means, collectively, the Zonal Mines Offices in Musoma, Songea, Mbeya, Mwanza, Shinyanga, Mtwarica, and Mpanda.

38. “Sub-project” means a set of activities carried out or to be carried out by a Beneficiary under Part A.3 of the Project and financed or proposed to be financed by a Grant.

39. “STAMICO” means the State Mining Corporation, established and operating pursuant to the Public Corporations Act (CAP 257 R.E. 2002) of the laws of the Recipient; and any successor thereto.

40. “Steering Committee” means the committee referred to in Section I.A.2 of Schedule 2 to this Agreement.

41. “Tanzanian Investment Bank” means the Tanzanian Investment Bank, a statutory corporation established and operating pursuant to the laws of the Recipient; and any successor thereto.

42. “Tanzania Minerals Audit Agency” means the Tanzania Minerals Audit Agency, established and operating pursuant to Government Notice No. 263 under the Executive Agencies Act, Cap. 245 of the laws of the Recipient; and any successor thereto.

43. “Tanzania Revenue Authority” means the Tanzania Revenue Authority, established and operating pursuant to the Tanzania Revenue Authority Act 11 of 1995 (Cap. 399) of the laws of the Recipient; and any successor thereto.

44. “Technical Committee” means the committee referred to in Section I.A.3 of Schedule 2 to this Agreement.

45. “Training” means the costs associated with the training and workshops, based on annual plans and budgets approved by the Association pursuant to Section III.D.1 of Schedule 2 to this Agreement, including travel and subsistence costs for training and workshops 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.

46. “Zonal Mines Office” means a zonal mines offices established pursuant to the Mining Act.