Africa Nordic Development Fund – Climate Change Program
Grant Agreement

(Dar es Salaam Metropolitan Development Project)

between

UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as administrator of the Africa NDF Climate Change Program Single-Donor Trust Fund

Dated APRIL 29, 2015
AGREEMENT dated **April 29**, 2015, entered into between:

UNITED REPUBLIC OF TANZANIA ("Recipient"); and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("World Bank"), acting as administrator of the Africa NDF Climate Change Program Single-Donor Trust Fund.

The Recipient and the World Bank hereby agree as follows:

**Article I**

**Standard Conditions; Definitions**

1.01. The Standard Conditions 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 Standard Conditions or in this Agreement.

**Article II**

**The Project**

2.01. The Recipient declares its commitment to the objectives of the project described in Schedule 1 to this Agreement ("Project"). To this end, the Recipient shall carry out Parts C.3 and C.4 of the Project through PMO-RALG, DLAs and the DART Agency in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank 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 III**

**The Grant**

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to four
million Euros (EUR4,000,000) ("Grant") to assist in financing Parts C.3 and C.4 the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

3.03. The Grant is funded out of the abovementioned trust fund for which the World Bank receives periodic contributions from the donor to the trust fund. In accordance with Section 3.02 of the Standard Conditions, the World Bank’s payment obligations in connection with this Agreement are limited to the amount of funds made available to it by the donor under the abovementioned trust fund, and the Recipient’s right to withdraw the Grant proceeds is subject to the availability of such funds.

Article IV
Effectiveness; Termination

4.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Recipient to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

Article V
Recipient’s Representative; Addresses

5.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Minister responsible for finance.

5.02. The Recipient’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Facsimile:
(255) 22 2110326

5.03. The World Bank’s Address referred to in Section 7.01 of the Standard Conditions is:

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

Cable: INDEVAS Telex: 248423 (MCI) or 64145 (MCI) Facsimile: 1-202-477-6391

AGREED at ____________, __________, as of the day and year first above written.

UNITED REPUBLIC OF TANZANIA

By

Authorized Representative
Name: Dr. SAIB. LIKUKULU
Title: PERMANENT SECRETARY

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

acting as administrator of the Africa NDF Climate Change Program Single-Donor Trust Fund

By

Authorized Representative
Name: SAJJAD ALI SHAH
Title: ACTING CORPORATE DIRECTOR
SCHEDULE 1
Project Description

The objective of the Project is to improve urban services and institutional capacity in the Dar es Salaam Metropolitan Area, and to facilitate potential emergency response.

The Project consists of the following parts:

Part A: Priority Infrastructure

1. *Priority roads supporting public transit, mobility and connectivity to low income communities:* Construction and improvement of priority sections of local and feeder roads in the urban core areas of the Dar es Salaam Metropolitan Area, including the provision of related maintenance equipment.

2. *Flood control and storm water drainage:* Improvement of the primary and secondary drainage system around selected river basins of the Dar es Salaam Metropolitan Area and provision of related maintenance equipment.

3. *Contingency for Disaster Risk Response:* Enhancement of preparedness for, and provision of, rapid response to disaster, emergency and/or catastrophic events, as needed.

Part B: Upgrading in Low-Income Communities

Upgrading of selected low-income communities in selected Municipal Councils through the improvement of basic services and strengthening said communities’ capacity in undertaking such upgrading works,, including: (a) roads and road-related infrastructure, including roads, bridges, culverts, footpaths, and traffic lights; (b) environmental related works, including storm water drainage, sanitation, tertiary solid waste management, street lights; and (c) community related amenities, including parks, markets, and bus stands.

Part C: Institutional Strengthening, Capacity Building, and Urban Analytics

1. *Improving metropolitan governance arrangements and systems:* Development and implementation of the Metropolitan Governance Action Plan, including the technical analysis for an effective metropolitan governance and institutional structure, preparation of an action plan for implementation, preparation of relevant legal framework, and provision of related technical and operational support.
2. *Improving Local Government revenue collection systems and mainstreaming geographic information systems*: Launching and operationalizing of the LGRCIS in the Dar es Salaam Metropolitan Area, including through installation and provision of training, migration of data to the LGRCIS, updating of the valuation roll improvement of billing and collections systems, and provision of hardware and software systems.

3. *Support for integrated transport and land-use planning*: Provision of integrated planning and technical support to help maximize the benefits of the existing BRT system, develop priority nodes, and provide a demonstration for future BRT corridors, including the development of a Corridor Development Strategy.

4. *Strengthening operations and maintenance systems*: Strengthening the capacity of the Recipient’s relevant agencies and the DLAs to plan, deliver, operate, and maintain public infrastructure and services, including through the development of a Drainage Master Plan and road maintenance system.

5. *Urban analytics*: Carrying out of urban analytical work and provision of technical assistance to address long-term urban challenges and improve the competitiveness of the Recipient’s cities, including through the carrying out of feasibility studies and policy analysis on, *inter alia*, metropolitan sprawl and informality, land management, climate change, development of economic opportunities, cultural heritage, and studies for the preparation of future urban project investments.

6. *Urban Planning Systems*: Strengthening the capacity of the DLAs to develop and implement core planning competency at the metropolitan and local levels.

**Part D: Implementation Support and Monitoring and Evaluation**

Provision of support for Project management and supervision functions, including procurement, accounting, financial management, safeguards, monitoring and evaluation, audit, meetings and workshops, and impact assessments.
SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. Institutional Arrangements

1. PMO-RALG

   The Recipient shall ensure that PMO-RALG is maintained at all times during the implementation of the Project with a mandate, staffing, and resources satisfactory to the World Bank, to be responsible for overall Project implementation and coordination.

2. Without limitation upon the provisions of paragraph 1 above, unless the World Bank shall otherwise agree, the Recipient shall cause PMO-RALG to:

   (a) maintain throughout Project implementation, the Project coordination unit established within PMO-RALG with a mandate, staffing, and resources satisfactory to the World Bank for the purposes of ensuring the prompt and efficient overall coordination, implementation, monitoring, reporting, and evaluation of the Project;

   (b) not later than December 31, 2015, customize the Project chart of accounts for the purposes of the Project, in a manner acceptable to the World Bank;

   (c) not later than December 31, 2015, establish an integrated procurement system for planning, monitoring, and contract management, in form and substance acceptable to the World Bank; and

   (d) not later than March 31, 2017, recruit a procurement consultant with qualifications and experience, and under terms of reference, satisfactory to the World Bank, to assist DLA staff.

3. DLAs

   (a) The Recipient shall ensure that each DLA maintain its Project Implementation Unit, with a mandate, staffing, and resources satisfactory to the World Bank for the purpose of implementing Project activities in its local jurisdiction, to be responsible for, inter alia, procurement, contract management, safeguards compliance, monitoring and evaluation, and reporting to PMO-RALG.
(b) Unless the World Bank shall otherwise agree, the Recipient shall cause each DLA, by not later than December 31, 2015, to: (i) establish a Project electronic filing system, in form and substance acceptable to the World Bank, for purposes of managing procurement documents; and (ii) designate and train staff to be responsible for managing such electronic filing system.

B. Project Implementation Manual (PIM)

1. The Recipient shall adopt and thereafter implement the PIM which shall include, \textit{inter alia},

(a) detailed arrangements and procedures for implementation of the Project;

(b) administrative, financial, procurement, technical and organizational arrangements and procedures as shall be required for the Project; and

(c) the operating guidelines for providing disaster risk response under Part A.3 of the Project and Eligible Expenditures to be financed under said Part of the Project.

2. Except as the World Bank shall otherwise agree in writing, the Recipient shall not amend, abrogate or waive any provision of the PIM. In case of any conflict between the terms set out in the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Annual Work Plans and Budget

By not later than May 1 of each year until the completion of the Project, the Recipient, through PMO-RALG, shall prepare and furnish to the World Bank for its approval, annual work plans and budgets setting forth Project activities to be undertaken in the following year, together with their implementation schedules, and thereafter implement said annual work plans and budgets taking into account the World Bank’s comments and views thereon.

D. Other Undertakings

1. Metropolitan Governance Action Plan

The Recipient shall, by not later than June 30, 2016, complete and adopt the Metropolitan Governance Action Plan, in form and substance acceptable to the World Bank, and thereafter implement said Action Plan.
2. **LGRCIS**

   The Recipient shall:

   (a) by not later than June 30, 2016, complete and adopt an LGRCIS operational plan for Dar es Salaam Metropolitan Area, including interim and final revenue collection targets, in form and substance acceptable to the World Bank; and

   (b) by not later than June 30, 2019, ensure that the LGRCIS is fully operational and that the revenue and collection targets referred to in paragraph 2(a) above have been achieved, in a manner acceptable to the World Bank.

3. **Corridor Development Strategy**

   The Recipient shall, by not later than June 30, 2017, complete and adopt the Corridor Development Strategy, in form and substance acceptable to the World Bank; and thereafter implement said Strategy.

4. **Drainage Master Plan**

   The Recipient shall, by not later than June 30, 2017, complete and adopt the Drainage Master Plan, in form and substance acceptable to the World Bank; and thereafter implement said Plan.

E. **Anti-Corruption**

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

D. **Donor Visibility and Visit**

   1. The Recipient shall take or cause to be taken all such measures as the World Bank may reasonably request to identify publicly the Donor’s support for the Project.

   2. For the purposes of Section 2.09 of the Standard Conditions, the Recipient shall, upon the World Bank’s request, enable the representatives of the Donor to visit any part of the Recipient’s territory for purposes related to the Project.

Section II. **Project Monitoring, Reporting and Evaluation**

A. **Project Reports; Completion Report**

9
1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of indicators acceptable to the World Bank. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the World Bank not later than fortyfive (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than six months after the Closing Date.

B. Financial Management; Financial Reports; Audits

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than fortyfive (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such 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 World Bank not later than ninemonths (9) months after the end of such period.

Section III. Procurement

A. General

1. Procurement and Consultant Guidelines. All goods, non-consulting-services and consultants’ services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in:

(a) Section I of the“Procurement Guidelines” in the case of goods, works and non-consulting services, and Sections I and IV of the “Consultant Guidelines” in the case of consultants’ services; and

(b) the provisions of this Section III, as the same shall be elaborated in the Procurement Plan in accordance with paragraph 1.18 of the
Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines.

2. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Non-consulting Services**

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

2. **Other Methods of Procurement of Goods and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods and non-consulting services for those contracts specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) National Competitive Bidding, subject to the additional procedures set out in paragraph 3 below</td>
</tr>
<tr>
<td>(b) Shopping</td>
</tr>
<tr>
<td>(c) Direct Contracting</td>
</tr>
</tbody>
</table>

3. **Additional Procedures for the use of National Competitive Bidding**

The following additional procedures shall apply to National Competitive Bidding:

(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 World Bank, 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 World Bank; 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 methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan:

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Quality-based Selection</td>
</tr>
<tr>
<td>(b) Selection under a Fixed Budget</td>
</tr>
<tr>
<td>(c) Least Cost Selection</td>
</tr>
<tr>
<td>(d) Selection based on Consultants’ Qualifications</td>
</tr>
<tr>
<td>(e) Single-source Selection of consulting firms</td>
</tr>
<tr>
<td>(f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants</td>
</tr>
<tr>
<td>(g) Single-source procedures for the Selection of Individual Consultants</td>
</tr>
</tbody>
</table>

D. **Review by the World Bank of Procurement Decisions**

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

**Section IV. Withdrawal of Grant Proceeds**

A. **General**
1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank 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 World Bank 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 Grant (“Category”), the allocations of the amounts of the Grant 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 Grant Allocated (expressed in Euros)</th>
<th>Percentage of Expenditures to be Financed (exclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods, non-consulting services, and consultants’ services under Parts C3 and C4 of the Project</td>
<td>4,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>4,000,000</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 for payments made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06 (c) of the Standard Conditions is December 31, 2021.
APPENDIX

Section I. Definitions


2. “BRT” means the bus rapid transit system.

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


5. “Corridor Development Strategy” means the corridor development strategy for the first line of the Dar es Salaam Metropolitan Area BRT, to be developed by the Recipient under Part C.3 of the Project and referred to in Section I.D.3 of Schedule 2 to this Agreement.

10. “Dar es Salaam Metropolitan Area” means the area in the Recipient’s territory comprised of the city of Dar es Salaam and the Kinondoni, Ilala, and Tembeke municipalities.

11. “DART Agency” means the Recipient’s agency for implementing the Dar bus rapid transit system, established and operating pursuant to the Recipient’s Executive Agencies Act Cap. 247; and any successor thereto.


13. “Drainage Master Plan” means the drainage master plan for Dar es Salaam Metropolitan Area, to be developed by the Recipient under Part C.4 of the Project and referred to in Section I.D.4 of Schedule 2 to this Agreement.

16. “Financing Agreement” means the agreement dated March 12, 2015, between the Recipient and IDA, providing a credit in support ofParts A, B, C.1, C.2, C.5, C.6, and D of the Project.
17. “LGRCIS” means the Local Government Revenue Collection and Information System, the Recipient’s system for supporting the entire chain of revenue collection.

18. “Metropolitan Governance Action Plan” means the plan to be developed and implemented by the Recipient under Part C.1 of the Project and referred to in Section I.D.1 of Schedule 2 to this Agreement, setting forth an institutional reform strategy and program for the Dar es Salaam Metropolitan Area, including an action plan for the implementation of an improved metropolitan governance system and measurable targets for the implementation of such plan.

19. “Operating Costs” means incremental costs incurred by the Recipient on account of implementation of the Project and on the basis of the annual budget and work plans acceptable to the World Bank, including 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.


21. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated January 15, 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.

22. “Project Implementation Manual” or “PIM” means the Recipient’s Project Implementation Manual for the Project, to be adopted pursuant to Section 5.01 of this Agreement and referred to in Section I. B.1 of Schedule 2 to this Agreement; as such manual may be amended by the Recipient from time to time with the World Bank prior written agreement.

23. “Project Implementation Unit” means the Project implementation unit of a DLA to be maintained accordance with the provisions of Section I.A.3(a) of Schedule 2 to this Agreement.

24. “PMO-RALG” means the Recipient’s Prime Minister’s Office-Regional Administration and Local Government, or any successor thereto, responsible for regional administration and local government, and overall implementation of the Project.

26. "Training" means costs incurred by the Recipient on the basis of the annual budget and work plans acceptable to the World Bank and on account of approved workshops and training of Recipient 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.