
CREDIT NUMBER 149 TA

Development Credit Agreement

(Second Education Project)

BETWEEN

UNITED REPUBLIC OF TANZANIA

AND

INTERNATIONAL DEVELOPMENT ASSOCIATION

DATED MAY 29, 1969

Public Disclosure Authorized

Public Disclosure Authorized

Development Credit Agreement

AGREEMENT, dated May 29, 1969, between UNITED REPUBLIC OF TANZANIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

ARTICLE I

Credit Regulations

SECTION 1.01. The parties to this Agreement accept all the provisions of the Development Credit Regulations No. 1 of the Association, dated June 1, 1961 as amended February 9, 1967, with the same force and effect as if they were fully set forth herein (said Development Credit Regulations No. 1 being hereinafter called the Regulations).

ARTICLE II

The Credit

SECTION 2.01. The Association agrees to make available to the Borrower, on the terms and conditions in this Agreement set forth or referred to, a development credit in an amount in various currencies equivalent to five million dollars (\$5,000,000).

SECTION 2.02. (a) The Association shall open a Credit Account on its books in the name of the Borrower and shall credit to such Account the amount of the Credit.

(b) The amount of the Credit may be withdrawn from the Credit Account as provided in, and subject to the rights of cancellation and suspension set forth in, this Agreement and the Regulations and in accordance with the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Borrower and the Association.

SECTION 2.03. (a) The Borrower shall be entitled to withdraw from the Credit Account in respect of the reasonable cost of goods required for the Project and to be financed under this Agreement:

- (i) such amounts as shall have been paid (or, if the Association shall so agree, shall be required to meet payments to be made) for expenditures under Category II of the allocation of the proceeds of the Credit set forth in Schedule 1 to this Agreement; and
- (ii) the equivalent of sixty-five per cent (65%) of such amounts as shall have been paid for expenditures under Category I of said Schedule 1; provided, however, that if there shall be an increase in the estimate of such expenditures, the Association may by notice to the Borrower adjust the above percentage as required in order that withdrawals of the amount of the Credit then allocated to such Category and not withdrawn may continue *pro rata* with the expenditures remaining to be made under such Category; and provided further that if there shall be a decrease in the estimate of the total cost of the Project, the Association may by notice to the Borrower further adjust the above percentage in order that withdrawals from the Credit Account may approximate seventy per cent (70%) of the total cost of the Project.

(b) Except as shall be otherwise agreed between the Borrower and the Association, no withdrawals shall be made on account of expenditures made prior to the date of this Agreement.

SECTION 2.04. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

SECTION 2.05. Service charges shall be paid semi-annually on June 15 and December 15 in each year.

SECTION 2.06. The Borrower shall repay the principal amount of the Credit withdrawn from the Credit Account in semi-annual installments payable on each June 15 and December 15 commencing December 15, 1978 and ending June 15, 2018, each installment to and including the installment payable on June 15, 1988 to be one-half of one per cent ($\frac{1}{2}$ of 1%) of such principal amount, and each installment thereafter to be one and one-half per cent ($1\frac{1}{2}\%$) of such principal amount.

SECTION 2.07. The currency of the United Kingdom of Great Britain and Northern Ireland is hereby specified for the purpose of Section 3.02 of the Regulations.

ARTICLE III

Use of Proceeds of the Credit

SECTION 3.01. The Borrower shall apply the proceeds of the Credit in accordance with the provisions of this Agreement to expenditures on the Project described in Schedule 2 to this Agreement.

SECTION 3.02. Except as the Association shall otherwise agree, (i) the goods to be financed out of the proceeds of the Credit shall be procured on the basis of international competitive bidding in accordance with the Guidelines for Procurement under World Bank Loans and IDA Credits, published by the Bank in February 1968, and in accordance with such other procedures supplementary thereto as are set forth in Schedule 4 to this Agreement or as shall be agreed between the Borrower and the Association, and (ii) contracts for the procurement of such goods shall be subject to the approval of the Association.

SECTION 3.03. Except as the Association shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Credit to be used exclusively in carrying out the Project.

ARTICLE IV**Particular Covenants**

SECTION 4.01. (a) The Borrower shall carry out the Project with due diligence and efficiency, in conformity with sound technical, financial and administrative standards and with due regard to economy, and shall at all times make or cause to be made available, promptly as needed, all funds and other resources required for carrying out the Project and for the effective utilization, staffing, equipping, operation and maintenance of the educational institutions included in the Project.

(b) The Borrower shall cause the educational institutions included in the Project to be so operated as to promote the educational objectives of the Borrower and to be provided with qualified teachers and administrators in adequate numbers.

(c) The Borrower shall cause the buildings, furniture and equipment of the educational institutions included in the Project to be adequately maintained and shall cause all necessary repairs and renewals thereof to be made. The Borrower shall establish appropriate administrative and financial procedures for the purposes of such maintenance.

(d) To assist in the carrying out of the Project, the Borrower shall establish in the Borrower's Ministry of National Education a special unit headed by a Project Coordinator, acceptable to the Association, who shall be responsible for the proper execution and supervision of the Project. The Borrower shall appoint as members of such unit (i) an experienced architect, acceptable to the Association, (ii) an accountant and (iii) such supporting technical, accounting and secretarial staff as may be necessary for the purposes of such unit.

(e) Except as the Association shall otherwise agree, in the carrying out of the Project the Borrower shall employ or cause to be employed qualified and experienced con-

sultants acceptable to the Borrower and the Association, upon terms and conditions satisfactory to the Borrower and the Association.

(f) Except as the Association shall otherwise agree, the Borrower shall cause Parts A, B and C of the Project described in Schedule 2 to be carried out by contractors acceptable to the Borrower and the Association employed under contracts satisfactory to the Borrower and the Association.

(g) Except as the Association shall otherwise agree, the Borrower shall furnish or cause to be furnished to the Association for its approval promptly upon their preparation the plans, specifications, contracts and work schedules for the construction included in the Project and the master lists of instructional equipment and furniture included therein, and any subsequent material modifications thereof, in such detail as the Association shall reasonably request.

SECTION 4.02. (a) The Borrower shall take appropriate steps to develop agricultural, commercial and technical subjects in its teacher training institutions and secondary schools.

(b) Without limiting the generality of the foregoing paragraph (a), the Borrower shall (i) employ ten qualified specialists for such periods as shall be agreed between the Borrower and the Association to assist the Borrower in establishing adequate facilities for training teachers in the above mentioned subjects and in developing agricultural, commercial and technical education in the Borrower's secondary schools, and (ii) provide ten fellowships for the purpose of training Tanzanians overseas as specialists in the said subjects. The duties, responsibilities and qualifications of the specialists referred to in sub-paragraph (i) above shall be satisfactory to the Association. The Borrower shall promptly inform the Association of the appointment of such specialists and the qualifications of the specialists so appointed.

(c) The Borrower shall promptly take all requisite steps for the acquisition and retention by the Borrower of all such lands, interests in land and properties and all rights, powers and privileges as may be necessary or proper for the construction and operation of the educational institutions included in the Project to ensure that such lands are available immediately as needed for the purposes of said construction.

SECTION 4.03. The Borrower shall strengthen the staff of the Inspectorate in the Borrower's Ministry of National Education by appointing thereto an adequate number of specialists in agricultural, commercial and technical education.

SECTION 4.04. The Borrower shall (i) maintain or cause to be maintained such records as shall be adequate to identify the goods financed out of the proceeds of the Credit, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition, in respect of the Project, of the ministries or departments of the Borrower responsible for the construction, operation and maintenance of the Project or any part thereof; (ii) enable the Association's representatives to inspect the Project, the operation thereof, the goods and any relevant records and documents; and (iii) furnish to the Association all such information as the Association shall reasonably request concerning the expenditure of the proceeds of the Credit, the Project, the goods and the operation of the educational system of the Borrower, the programs for educational development in its territories and the operation and financial condition, in respect of the Project, of the ministries or departments of the Borrower responsible for the construction, operation and maintenance of the Project or any part thereof.

SECTION 4.05. (a) The Borrower and the Association shall cooperate fully with each other to assure that the purposes of the Credit will be accomplished. To that end, each of them shall furnish to the other all such information as either shall reasonably request with regard to the general status of the Credit. On the part of the Borrower, such information shall include information with respect to financial and economic conditions in the territories of the Borrower and the international balance of payments position of the Borrower.

(b) The Borrower and the Association shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Credit and the maintenance of the service thereof. The Borrower shall promptly inform the Association of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Credit or the maintenance of the service thereof.

(c) The Borrower shall afford all reasonable opportunity for accredited representatives of the Association to visit any part of the territories of the Borrower for purposes related to the Credit.

SECTION 4.06. The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes, and free from all restrictions, imposed under the laws of the Borrower or laws in effect in its territories.

SECTION 4.07. This Agreement shall be free from any taxes that shall be imposed under the laws of the Borrower or laws in effect in its territories on or in connection with the execution, delivery or registration thereof.

SECTION 4.08. (a) The Borrower shall take out and maintain with responsible insurers or make other provisions

satisfactory to the Association for insurance against such risks and in such amounts as shall be consistent with sound practice.

(b) Without limiting the generality of the foregoing, the Borrower undertakes to insure the imported goods to be financed out of the proceeds of the Credit against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

ARTICLE V

Remedies of the Association

SECTION 5.01. (i) If any event specified in paragraph (a) or paragraph (c) of Section 5.02 of the Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (b) of Section 5.02 of the Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower, then at any subsequent time during the continuance thereof, the Association, at its option, may declare the principal of the Credit then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Development Credit Agreement to the contrary notwithstanding.

ARTICLE VI

Miscellaneous

SECTION 6.01. The Closing Date shall be December 31, 1973 or such other date as shall be agreed between the Borrower and the Association.

SECTION 6.02. The date of July 31, 1969 is hereby specified for the purposes of Section 8.04 of the Regulations.

SECTION 6.03. The following addresses are specified for the purposes of Section 7.01 of the Regulations:

For the Borrower:

The Principal Secretary
The Treasury
P.O. Box 9111
Dar es Salaam
United Republic of Tanzania

Cable address:

Treasury
Dar es Salaam

For the Association:

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

Cable address:

Indevas
Washington, D.C.

SECTION 6.04. The Minister of the Borrower for the time being responsible for finance is designated for the purposes of Section 7.03 of the Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective

names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

UNITED REPUBLIC OF TANZANIA

By /s/ J. M. YINZA
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ J. BURKE KNAPP
Vice President

SCHEDULE 1**Allocation of Proceeds of the Credit**

Category	Amounts Expressed in Dollar Equivalent
I. Civil works, professional fees and administration	3,420,000
II. Furniture and instructional equipment	810,000
III. Unallocated	770,000
	<u>5,000,000</u>

Reallocation upon Change in Cost Estimates

1. If the estimate of the cost of the items included in Category I or Category II shall decrease, the amount then allocated to, and no longer required for, such Category will be reallocated by the Association to Category III.

2. If the estimate of the cost of the items included in Category I or Category II shall increase, an amount equal to the portion, if any, of such increase, to be financed out of the proceeds of the Credit in the case of Category II, and in the case of Category I, an amount equal to 65% of such increase, will be allocated by the Association, at the request of the Borrower, to such Category from Category III, subject, however, to the requirements for contingencies, as determined by the Association in respect of the cost of the items in the other Category.

SCHEDULE 2

Description of the Project

The Project consists of the following:

- A. The construction and equipment of:
 - (i) one new secondary school;
 - (ii) extensions to twenty-four secondary schools;
 - (iii) extensions to two primary teacher training colleges; and
 - (iv) extensions to one secondary teacher training college.
- B. The construction of 63 staff houses at 14 secondary schools and 2 primary teacher training colleges.
- C. The remodelling of 9 staff houses at 2 secondary schools.
- D. Consulting services for the above works.

The specific educational institutions to be included in the Project, the specific locations thereof, enrollment levels thereat and the approximate areas of construction shall be those shown in Schedule 3 to this Agreement, subject to modification by further agreement between the Borrower and the Association.

The Project is expected to be completed by September 30, 1973.

SCHEDULE 3

List of Educational Institutions

1. New Secondary School, 13 Staff Houses and 576 student boarding places.

Name of School	Staff Houses	New Total Enrollment	Student Boarding Places	Approx. Total Area to be Constructed (FT ²)
Tarime	13	600	576	88,100

2. Additions to 24 Secondary Schools, including 38 Staff Houses and remodelling 9 Staff Houses, and 2,318 boarding places (612 new and 1706 by remodelling).

Ilboru	—	540	—	5,600
St. Andrews	—	540	—	3,400
St. Francis	—	540	540 ²	3,900
Mpwapwa	—	280	—	14,200
Msalato	3	540	324	30,000
Tosamaganga	3	540	—	11,100
Livingstone	1	420	—	10,300
Assumpta	3	540	252 ³	15,000
Lyamungu	1	420	140 ³	6,100
Moshi Tech.	—	880	—	6,000
Umbwe	3	400	120 ²	15,800
Musoma Alliance	1	540	100 ²	23,000
Iyunga	—	560	—	3,500
Rungwe	—	280	—	7,200
Marian	7	540	254 ⁴	22,800
Mzumbe	—	680	—	4,900
St. Joseph's	1	280	—	7,100
Bwiru	3 ¹	400	120 ²	13,800
Songea	6 ¹	540	—	6,200
Tabora	3	540	—	5,100
Galanos	—	280	—	2,200
Tanga	7	680	—	14,800
Ihungo	1	540	180 ³	9,200
Rugambwa	4	420	288	12,800

¹ remodelling

² remodelling and furniture

³ furniture only

⁴ remodelling for 60 and furniture only for 194 places

3. Additions to 2 Primary Teacher Training Colleges,
12 Staff Houses and 960 student boarding places.

Name of School	Staff Houses	New Total Enrollment	Student Boarding Places	Approx. Total Area to be Constructed (FT ²)
Korogwe	7	480	480 ⁵	63,100
Katoke	5	480	480 ⁶	56,600

4. Additions to one Secondary Teacher Training College
and 80 new boarding places.

Dar es Salaam Teacher Training College	—		80	12,300
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⁵ 120 places by remodelling

⁶ 170 places by remodelling

SCHEDULE 4**Procurement**

Pursuant to Section 3.02 of the Development Credit Agreement, international competitive bidding will be used to carry out the Project, and the procedures set forth in the Guidelines for Procurement under World Bank Loans and IDA Credits, dated February 1968, shall be applied by the Borrower together with the following supplementary provisions:

1. *Contracts for Civil Works*

(a) The several civil works included in the Project shall be grouped to form one or more economical bid packages, whenever practicable.

(b) Prior to inviting bids the Borrower shall:

(i) Submit to the Association for approval lists containing the types and groups of works proposed to be let and the estimated costs thereof, together with a description of the method to be used for obtaining bids in respect of each one.

(ii) Upon obtaining such approval, the Borrower shall submit for the approval of the Association the draft bidding documents, the draft contracts, the list of firms that the Borrower proposes to invite to bid, if any, and the proposed international advertising coverage.

(c) After bids have been received and evaluated, the Borrower shall send to the Association a summary thereof, the analysis of the bids and a brief justification of the Borrower's decision on the award; provided, however, that in the case of any contract, or a group of contracts covered by a single award, involving an amount of US\$100,000 equivalent or more, the Borrower shall request the Association's approval before making the award.

(d) As soon as a contract has been awarded, the Borrower shall send a certified copy thereof to the Asso-

ciation promptly after execution of such contract and prior to the submission to the Association of the first application for withdrawal in respect of such contract.

(e) The Borrower shall request the Association's approval for any proposed change in a contract involving a price increase of 5 per cent, or more than US\$10,000 equivalent, whichever is less.

2. *Contracts for Equipment and Furniture*

(a) Lists for all items of equipment and furniture required for the Project shall be prepared, showing the specifications and estimated unit and total price of each item. Items will be grouped so as to permit bulk procurement as shall be consistent with sound technical and procurement practices.

(b) Prior to inviting bids the Borrower shall:

(i) Submit to the Association for its approval the lists mentioned in paragraph 2 (a) above, together with a description of the method to be used for obtaining bids in respect of each one.

(ii) Submit for the Association's approval the proposed standard bid, tender and contract documents.

(c) In the case of a contract involving an amount of US\$25,000 equivalent or more, the Borrower shall send to the Association, after the bids have been evaluated and awarded (provided the bid amount was within original estimates) a summary and analysis thereof, and a brief justification of the decision on the awarding of the contract.

(d) As soon as a contract has been awarded, the Borrower shall send a certified copy thereof to the Association, promptly after the execution of such contract and prior to the submission to the Association of the first application for withdrawal in respect of such contract.

SCHEDULE 5**Employment of Specialists**

It is hereby agreed that the specialists to be employed by the Borrower pursuant to Section 4.02 (b) of the Development Credit Agreement shall be employed for the periods specified below and shall have the following qualifications and responsibilities:

- A. One coordinator in agriculture to be employed in July 1969 for four years:

(i) *Qualifications and Experience*

As a minimum, a degree in agriculture from a recognized university, followed by at least five years experience in the field of agricultural education including at least two years in educational administration.

(ii) *Duties and Responsibilities*

He will advise and assist the Ministry of National Education on all agricultural education matters particularly agricultural curriculum development for teacher training colleges and secondary schools; coordinate the teacher training and secondary school agricultural education programs; and advise and assist in the design of building facilities and preparation of lists of equipment and teaching materials.

- B. One teacher training expert in agriculture to be employed in July 1969 for four years:

(i) *Qualifications and Experience*

As a minimum, a degree in agriculture from a recognized university, followed by at least five years experience in agriculture teaching including at least two years as an agricultural teacher trainer.

(ii) *Duties and Responsibilities*

He will assist in the training of agriculture teachers at a suitable agricultural training institution. He will

also assist in curriculum and syllabus development for agricultural teacher training courses and develop teaching materials and resources.

- C. Four school experts in agriculture, two to be employed in July 1969 for three years, and the other two to be employed in March 1970 for three years:

(i) *Qualifications and Experience*

As a minimum, a degree in agriculture from a recognized university plus at least four years experience in teaching agriculture at the secondary school level.

(ii) *Duties and Responsibilities*

They will teach agricultural subjects at secondary school level to include classroom and field work, and assist in the development of curricula and syllabuses, teaching plans and materials.

- D. Two teacher training experts in technical subjects to be employed in March 1970 for three years:

(i) *Qualifications and Experience*

As a minimum, a degree in industrial arts from a recognized university or an appropriate Final City and Guilds of London Institute qualification plus a minimum of two years industrial experience and three years technical teaching.

(ii) *Duties and Responsibilities*

They will develop courses of training in industrial subjects at secondary school level for technical teacher trainees. This will include the preparation of curricula and syllabuses, teaching plans, development of materials, workshop layout and equipment lists. They will also participate in the teaching of technical teacher trainees at the Dar es Salaam Teacher Training College.

E. Two teacher training experts in commercial subjects to be employed in July 1969 for three years:

(i) *Qualifications and Experience*

As a minimum, a degree in office arts from a recognized university or its equivalent plus a minimum of two years commercial experience and two years commercial teaching.

(ii) *Duties and Responsibilities*

They will develop courses of training in commercial subjects at secondary school level for teachers of these subjects. This will include the preparation of curricula and syllabuses, teaching plans, development of materials, workshop layout and equipment lists. They will also participate in the teaching of commercial teacher trainees at the Dar es Salaam Teacher Training College.

All specialists should be fluent in the English language and all will be responsible for training their Tanzanian counterparts.