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CREDIT NUMBER 7478-TZ

# Financing Agreement

(Dar-es-Salaam Metropolitan Development Project - Phase 2)

between

THE UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

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## **FINANCING AGREEMENT**

AGREEMENT dated as of the Signature Date between THE UNITED REPUBLIC OF TANZANIA (“Recipient”) and the INTERNATIONAL DEVELOPMENT ASSOCIATION (“Association”). 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) apply to and form 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 — CREDIT**

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Non-concessional Financing for purposes of the General Conditions, in the amount of three hundred sixty-one million one hundred thousand Euros (EUR 361,100,000), as such amount may be converted from time to time through a Currency Conversion (“Credit”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Recipient may withdraw the proceeds of the Credit in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent ( $\frac{1}{4}$  of 1%) of the Credit amount.
- 2.04. The Commitment Charge is one-quarter of one percent ( $\frac{1}{4}$  of 1%) per annum on the Unwithdrawn Credit Balance.
- 2.05. The Interest Charge is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.09(e) of the General Conditions.
- 2.06. The Payment Dates are March 1<sup>st</sup> and September 1<sup>st</sup> in each year.
- 2.07. The principal amount of the Credit shall be repaid in accordance with the Schedule 3 to this Agreement.
- 2.08. The Payment Currency is EURO.

**ARTICLE III — PROJECT**

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall: (a) carry out its Respective Activities under the Project, in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement; and (b) cause the Solid Waste Management Institution to be established under Component 2 of the Project (variously the “SWMI” and/or the “Project Implementing Entity”) to carry out its Respective Activities under the Project, in accordance with the provisions of Article V of the General Conditions, and the Project Agreement.

**ARTICLE IV — REMEDIES OF THE ASSOCIATION**

- 4.01. The Co-financing Deadline for the effectiveness of the Co-financing Agreement is twelve (12) months after the Effective Date.

**ARTICLE V — EFFECTIVENESS; TERMINATION**

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Recipient has: (i) established within PO-RALG the Project Coordination Team pursuant to Section I.A.1(b) of Schedule 2 to this Agreement; and (ii) ensure that at least one (1) of the DLAs has established its respective Project Implementation Team pursuant to Section I.A.1(d) of Schedule 2 to this Agreement, all in manner and substance satisfactory to the Association; and
  - (b) the Recipient has prepared and adopted a Project Implementation Manual, in a manner and substance satisfactory to the Association, pursuant to Section I.B.1 of Schedule 2 to this Agreement.
- 5.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

**ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Recipient’s Representative is Recipient’s Minister of Finance.

6.02. For purposes of Section 11.01 of the General Conditions:

- (a) the Recipient's address is:

Ministry of Finance  
Government City – Mtumba  
Treasury Avenue  
P.O. Box 2802  
40468 Dodoma  
Tanzania; and

- (b) the Recipient's Electronic Address is:

Facsimile:

+255-26-296-3109

6.03. For purposes of Section 11.01 of the General Conditions:

- (a) the Association's address is:

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

- (c) the Association's Electronic Address is:

Telex:

248423 (MCI)

Facsimile:

1-202-477-6391

AGREED as of the Signature Date.

**THE UNITED REPUBLIC OF TANZANIA**

**By**



**Authorized Representative**

**Name:** Dr. Mwigulu Lameck Nchemba Madelu

**Title:** Minister for Finance

**Date:** 20-Feb-2024

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**By**



**Authorized Representative**

**Name:** Nathan M. Belete

**Title:** Country Director

**Date:** 16-Feb-2024

## SCHEDULE 1

### Project Description

The objectives of the Project are to improve climate resilient urban infrastructure and services, and to strengthen institutional capacity in the Dar-es-Salaam Region.

The Project consists of the following parts (“Components”):

#### Component 1: Climate-Smart Priority Infrastructure

- 1.1. *Resilient Transport Infrastructure:* Improving the connectivity of communities with basic services service and infrastructure, through *inter alia*: (a) upgrading, rehabilitating and/or constructing: (i) roads (prioritizing those accommodating non-motorized transport); (ii) standalone pathways supporting non-motorized transport; (iii) bridges and footbridges; (iv) roadside greening, green and gray roadside drainage system, and erosion control infrastructure; (v) solar street-lighting; and (vi) bus stands, bus stops and road service infrastructure; and (b) providing maintenance supplies and equipment.
- 1.2. *Resilient and Green Drainage Systems:* Expanding the capacity of the urban drainage network and building resilience to annual flooding using a combination grey and green drainage systems, including, *inter alia*: (a) constructing stand-alone drains; (b) developing area-based drainage systems; (c) implementation of sustainable urban drainage features such as soakaways, sediment traps, tree-planting, green roofs, swales, berms, filter drains, rain gardens, rip-raps, and other erosion control structures; and (d) providing maintenance supplies and equipment.
- 1.3. *Resilient Parks, Public Spaces, and Riparian and Coastal Landscapes:* Developing parks and public spaces, and protecting and enhancing riparian and coastal areas, including rivers, flood plains wetlands and beachfronts through, *inter alia*: (a) designing and constructing landscaped areas with trees, greening, recreational features, restrooms/utilities, cycling and walking pathways, small service roads and a sustainable urban drainage systems; (b) carrying out protection works and landscaping of riparian areas and beachfronts; (c) developing climate risk-informed urban plans, cadaster and land demarcation, as well as implementing development controls for the protection of floods plains, riparian areas, parks and green open spaces; and (d) providing maintenance supplies and equipment.
- 1.4. *Area Based Urban Development:* Planning and designing, as well as providing/upgrading infrastructure solutions in business districts, other economically important areas, and transport nodes, including, *inter alia*: (a) public markets; (b) bus stops stands; (c) public spaces including roads, sidewalks, bike paths, and pedestrian ramps, trees planting and landscaping, solar street lighting, public toilets, street furniture and signage, and areas for vendors and concessions;

(d) one-stop shops for entrepreneurship services for females and marginalized vendors; (e) planning studies, detailed planning schemes, and designs, cadaster and demarcation systems; and (f) low carbon urban designs and compliance control/monitoring mechanism for improving the energy efficiency of Project-funded buildings.

***Component 2: Integrated Solid Waste Management Infrastructure and Services***

- 2.1. *Waste Disposal*: (a) Constructing solid waste landfills and related ancillary works; (b) closing dumpsites; (c) designing and implementing a livelihoods restoration program for informal waste pickers operating on dumpsites; and (d) closing and sanitizing waste accumulations points.
- 2.2. *Waste Transfer and Transport*: Constructing solid waste transfer stations and ancillary infrastructure and providing equipment for solid waste transfer and transport.
- 2.3. *Waste Recycling and Organic Waste Management*: Constructing: (a) centralized organic waste sorting, processing, recyclable sorting, and processing facilities; and (b) community-based and household-level facilities and programs for recyclable sorting and processing of organic wastes.
- 2.4. *Establishment of Intermunicipal Solid Waste Management Institution*: (a) Establishing and strengthening the institutional capacity of an inter-municipal solid waste management institution (“SWMI”) to manage the shared solid waste infrastructure on behalf of the Dar-es-Salaam Local Authorities (“DLAs”) and to be responsible for: (i) providing waste management shared services in Dar-es-Salaam Region (i.e. solid waste disposal, transfer, transport, centralized recycling and composting, and disposal) through outsourcing to private sector contractors; (ii) coordinating solid waste management planning; (iii) setting up standards and establishing tariffs for solid waste services; and (b) providing SWMI with equipment and facilities to operationalize it.

***Component 3: Strengthening Urban Institutions***

- 3.1. *Capacity Building for Resilient Urban Services*: Strengthening the institutional capacity of the DLAs and supporting agencies, to deliver key urban services including, *inter alia*: (a) strengthening strategic planning, developing guidelines and policies therefor, carrying out institutional reorganizations and developing the capacity of human resources; (b) digitizing and providing IT systems; (c) modernizing and strengthening professional service delivery; and (d) developing and implementing regulatory and by-law changes therefor.
- 3.2. *Implementation of Own Source Revenue Management Systems*: Improving billing and collection performance by strengthening of IT systems including, *inter alia*:

- (a) providing equipment, IT technical assistance and training to DLAs and their staff to improve their management of billing and collection systems; (b) collecting service-users and taxpayers information; (c) enhancing monitoring and evaluation tools; and (d) implementing public awareness campaigns on the importance of tax payment compliance.
- 3.3. *Capacity Building for Resilient Urban Planning:* (a) Carrying out urban and spatial planning studies for development controls, including corridor development strategies for additional bus rapid transport lines, greenspaces and riparian areas; and (b) providing institutional support for the institutional planning and coordination functions under Dar-es-Salaam City Master Plan.
- 3.4. *Capacity Building for Emergency Planning and Response:* Providing technical assistance to the DLAs, communities and the Dar-es-Salaam Multi Agency Emergency Response Team for, *inter alia*: (a) updating emergency response plans for the Dar-es-Salaam Region; (b) strengthening fire safety and hazardous materials storage, contingency planning, firefighting, training and equipment; (c) improving and operationalizing the digital emergency management information systems; (d) providing emergency response and communications equipment; (e) developing an operations and organizational plan to enhance the human resources preparedness/capacity for emergency response; (f) developing and implementing a capacity building program for regional municipal and community disaster management committees; and (g) carrying out community disaster sensitization campaigns, training and emergency response planning.

#### **Component 4: Project Management**

- (a) Implementing Project-management and coordination activities, through the establishment, maintenance and operation of Project coordination and implementation teams withing PO-RALG, the DLAs for the carrying out of the Project, including monitoring and evaluation, and reporting, including compliance with the Environmental and Social Standards (“ESSs”), the Environmental and Social Commitment Plan (“ESCP”), the Association’s fiduciary requirements; and
- (b) carrying out public communication activities, stakeholder engagement/coordination, impact assessments, and preparation of additional investments.

#### **Component 5: Contingency Emergency Response**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.



## **SCHEDULE 2**

### **Project Execution**

#### **Section I. Implementation Arrangements**

##### **A. Institutional Arrangements.**

1. The Recipient shall vest the primary responsibility for overall Project coordination and implementation in PO-RALG. To this end, the Recipient shall:
  - (a) establish within PO-RALG, by not later than three (3) months after the Effective Date, and thereafter maintain throughout the period of Project implementation, a Project steering committee (variously the “Project Steering Committee” or “PSC”), chaired by the Permanent Secretary of PO-RALG, and comprised by representatives of MoF, MoWT, MoLHSD, MoWI, VPO, DLAs and TARURA as further detailed in the PIM; which committee shall: (a) have a mandate, terms of reference and resources satisfactory to the Association as set forth in the PIM; and (b) meet periodically (at least bi-annually) to provide policy guidance and high level oversight to the DLAs and the Project Implementing Entity in the carrying out of the Project;
  - (b) establish within PO-RALG, and thereafter maintain throughout the period of Project implementation, a Project coordination team (variously the “Project Coordination Team” or “PCT”): (i) headed by a Project Coordinator and comprised of competent, experienced and qualified staff and/or consultants, in sufficient numbers and under terms of reference acceptable to the Association, including staff for financial management, procurement, environmental and social assessments/mitigation, community engagement and communications, urban management and infrastructure planning, and monitoring and evaluation, as further detailed in the PIM; and (ii) be vested with such financial resources, functions and competencies, acceptable to the Association and set forth in the PIM, as shall be needed for carrying out the day-to-day implementation of its Respective Activities under the Project, including, procurement and financial management responsibilities, contract management, compliance with environmental and social requirements (as per the ESSs/ESCP), quality control and monitoring and reporting requirements not otherwise delegated in the PIM to the DLAs (including providing support to DLAs’ PITs in all these respects), as well as the liaising and coordinating with other line ministries and government agencies;

- (c) establish within PO-RALG, by no later than three (3) months after the Effective Date, and thereafter maintain throughout the period of Project implementation, a technical working group for solid waste (variously the “Solid Waste Technical Working Group” or “SW-TWG”), headed by a representative of PO-RALG and the Regional Administration of Dar es Salaam, with a representative of the DLAs, with a mandate, terms of reference, composition, and resources satisfactory to the Association, in order to: (i) provide strategic guidance on the design and implementation of Component 2 of the Project; (ii) provide technical guidance for and review key deliverables of in the design of Component 2 of the Project; (iii) mediate on technical disagreements among DLAs; and (iv) ensure effective monitoring and evaluation of Component 2 of the Project, as set forth in the PIM; and
  - (d) cause each of the DLAs to establish, and thereafter maintain throughout the period of Project implementation, their respective Project implementation teams (each such team, variously, a “Project Implementation Team” or “PIT”); which team shall be: (i) comprised by competent, experienced and qualified staff, in sufficient numbers and under terms of reference acceptable to the Association including specialists on financial management, procurement, environment, resettlement, social development, monitoring and evaluation, urban management and infrastructure development, information and communications, operational health and safety, gender, engineering and legal issues, as well as technical staff from the respective DLA, seconded on a full-time basis; and (ii) vested with the mandate and resources satisfactory to the Association, as set forth in the PIM, in order to carry out the procurement, financial management, monitoring and evaluation, and reporting functions, as well as ensuring compliance with the ESSs and ESCP and adherence to sound engineering and quality standards, in respect to all Project activities (with the exception of those directly implemented by the PCT or the Project Implementing Entity).
2. Notwithstanding the foregoing, the Recipient shall cause TARURA to, throughout the period of Project implementation: (a) deploy specialists at the DLAs’ PITs to ensure the DLAs’ adherence to appropriate technical standard in the design, construction, quality control, and operations and maintenance of investments made under Sub-component 1.1 of the Project; (b) provide the DLAs with technical advice, as needed (including contract management guidance); and (c) properly operate and maintain the roads network.
3. The Recipient shall, by not later than six (6) months after the Effective Date procure the services of a project management consulting firm (“PMC”) with qualification and experience and under terms of reference acceptable to the Association, in order to assist the DLIs the design, planning, implementation and

supervision of Project activities, including, *inter alia*: (i) providing guidance and recommendation on technical and policy matters; (ii) developing the Annual Workplans and Budgets; (iii) preparing bidding documents and subsequent changes/variations thereof; (iv) evaluating technical and financial proposals; (v) handling contractual matters and procurement disputes, and establishing an automated contract management system; (vi) overseeing/monitoring the payments to service providers and/or Project contractors; and (vii) providing training, guidance and recommendations to the DLA's PITs and the SWMI-Implementation Task Team to ensure compliance with the ESSs, the ESCPs and the social and environmental documents prepared thereunder; as well as (viii) preparing the Project Reports.

**B. Project Implementation Manual**

1. The Recipient shall prepare and adopt, and cause the DLAs and the SWMI (upon establishment) to adopt, a Project implementation manual (variously the "Project Implementation Manual" or "PIM") in a manner and substance satisfactory to the Association, and shall thereafter implement, and cause the DLAs and the SWMI (once established) to implement, its/their Respective Activities under the Project in accordance therewith; which manual shall set forth, *inter alia*: (i) the Project implementation arrangements, including the setup and job descriptions/terms of reference and allocation of functions and responsibilities, reporting lines and accountabilities for: (A) the PCT's, SW-TWG's and PITs' staff; and the SWMI-Implementation Task Team; (ii) all necessary inter-institutional coordination arrangements for the Project, including allocation decision-making powers among PO-RALG, the DLAs, and eventually the SWMI, as well as the various implementation teams (i.e. PSC, PCT, SW-TWG, PITs, etc.); (iii) the selection criteria and for the prioritization and financing of infrastructure investments/subproject under the Project and the protocols to obtain the Association's prior no-objection thereto; (iv) the operational arrangements, standards and protocols for the Project's grievance redress mechanisms; (v) the procedures for the preparation and approval of the Annual Workplans and Budgets; (vi) the financial management requirements including detailed arrangements and procedures for financial approval hierarchies and segregation of duties; management of bank accounts and payment processes; management and accounting of assets, and preparation of internal audits and annual Financial Statements, including the terms of reference for the external auditor; and (vii) the Project monitoring and evaluation, and reporting requirements (including personal data collection and processing protocols in accordance with applicable national law and good international practice), as the same might be amended from time to time with the prior written concurrence of the Association.

2. The Recipient shall, and cause the DLAs and the SWMI to, refrain from materially and/or substantially amending, revising, waiving, voiding, suspending or abrogating, any provision of the Project Implementation Manual, whether in whole or in part, without the prior written concurrence of the Association.
3. In the event of any inconsistency between a provision of the Project Implementation Manual and those of this Agreement and/or the Project Agreement, the provisions of this Agreement and/or the Project Agreement shall prevail.

**C. Establishment of SWMI**

1. For purposes of carrying out the activities under Component 2 of the Project the Recipient shall:
  - (a) through the DLAs, establish, in a manner and substance acceptable to the Association, an inter-municipal solid waste management institution (the "SWMI"), formally registered financially autonomous corporate body jointly owned by the DLAs, to serve as a public service delivery entity, with a mandate of: (i) providing solid waste management services shared among the DLAs, including solid waste disposal, transfer and transport, centralized waste sorting and processing and operating the facilities corresponding to these services constructed under Component 2 of the Project; and (ii) setting standards for, and undertaking regional planning of, solid waste management service in coordination with the DLAs;
  - (b) promptly upon establishing it, ensure that the SWMI enters into a Project Agreement with the Association under terms and conditions acceptable to the Recipient and the Association, setting forth the obligations and responsibilities, including environmental and social standards applicable to the carrying out of the SWMI's Respective Activities under the Project as well as monitoring and evaluation and reporting obligations thereunder; and
  - (c) cause: (i) the DLAs to transfer/assign to the SWMI, within three (3) months upon the SWMI's establishment, all extant infrastructure facilities and affected to the provision of their mandated solid waste services as well as all regulatory powers, in a manner and substance satisfactory to the Recipient and the Association; and (ii) the DLAs to immediately transfer/assign to the SWMI, within two (2) months upon their commissioning, all new solid waste infrastructure facilities under their mandate financed under Component 2 of the Project; all in a manner satisfactory to the Association.

2. The Recipient shall, upon the establishment of the SWMI, ensure that the SWMI establishes and thereafter maintains, throughout the period of implementation of the SWMI's Respective Activities under the Project, a Project implementation task team ("SWMI-Implementation Task Team") which team shall be: (i) comprised by competent, experienced and qualified staff, in sufficient numbers and under terms of reference acceptable to the Association including specialists on financial management, procurement, environment, resettlement, social development, monitoring and evaluation, and communications, operational health and safety, gender, engineering and legal issues, as well as technical staff from the DLAs, seconded on a full-time basis; and (ii) vested with the mandate and resources satisfactory to the Association, as set forth in the PIM, in order to carry out the procurement, financial management, monitoring and evaluation, and reporting functions, as well as ensuring compliance with the ESSs and ESCP and adherence to sound engineering and quality standards for the activities under Component 2 of the Project. The SWMI shall regularly report through its SWMI-Implementation Task Team to the PCT on the progress made and challenges encountered in the implementation of the said activities, in a manner and substance satisfactory to the Association and the Recipient, and in accordance with the PIM.
3. The Recipient shall ensure that, prior to the transfer of the DLA's solid waste assets pursuant to Section I.C.1(c) above, the SWMI enters into service agreement with private sector provider/s for purposes of carrying out its mandated solid waste services within the Dar-es-Salaam Region, including the operation and maintenance of the SWMI's solid-waste transfer, transport, disposal and centralized organic waste processing and recyclable sorting facilities to be transferred pursuant to the said Section I.C.1(c) of this Schedule, all in manner and substance and under terms of reference, acceptable to the Association and consistent with the ESS and ESCP requirements.

**D. Annual Workplans and Budgets, and First Year Activities**

1. The Recipient shall, by no later than March 31<sup>st</sup> of each year, throughout the Project implementation period, prepare and furnish to the Association, a consolidated annual workplan and budget containing all activities proposed to be carried out under the Project during the following Fiscal Year (including the activities implemented by the DLAs and the Project Implementing Entity), and the proposed financing plan for the expenditures required thereunder, indicating the amounts and source of financing ("Annual Workplan and Budget"), all in accordance with the PIM, each said Annual Workplan and Budget of such scope and detail as the Association shall reasonably request.
2. The Recipient shall afford the Association a reasonable opportunity to exchange views with it on each such Annual Workplan and Budget, and, thereafter, ensure that the Project is implemented with due diligence during said following Fiscal Year in accordance with said Annual Workplan and Budget as shall have been

approved taking into due consideration the comments/suggestions provided by the Association.

3. The Recipient shall refrain, and cause the DLAs and the Project Implementing Entity to refrain, from making any change(s) to the approved Annual Workplan and Budget without the Association's prior written concurrence.
4. In order to ensure the prompt launching of Project implementation activities, the Recipient should float, by not later than January 15, 2024, bidding documents corresponding to civils works under Component 1 of the Project for an amount equivalent to no less than seventy-five million United States Dollars (USD 75,000,000), all in accordance with the Procurement Plan and the Procurement Regulations.

**E. Environmental and Social Standards.**

1. The Recipient shall, and shall cause the DLAs and the Project Implementing Entity to, ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall, and shall cause the DLAs and the Project Implementing Entity to, ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association. To this end, the Recipient shall, and shall cause the DLAs and the Project Implementing Entity to, ensure that:
  - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Association shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. Without limitation upon the provisions of paragraph 2 above, if ninety (90) days prior to the Closing Date, the Association determines that there are measures and/or actions specified in the ESCP which will not be completed by the Closing Date, the Recipient and/or the DLAs and/or the Project Implementing Entity/ies responsible for those measures and/or actions shall:

- (a) not later than ninety (90) days before the Closing Date, prepare and present to the Association, an action plan satisfactory to the Association on the outstanding measures and/or actions, including a timetable and budget allocation for such measures and/or actions (which action plan shall be considered an amendment of the ESCP); and
  - (b) thereafter, carry out said action plan in accordance with its terms and in a manner acceptable to the Association.
- 4. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
- 5. The Recipient shall, by no later than one (1) year after the Effective Date, through PO-RALG's PCT, select and engage/hire, and thereafter maintain throughout the period of implementation of resettlement activities under Component 2 of the Project, as well as the livelihoods restoration program under Sub-component 2.1(c) of the Project, the services of a social development consulting firm/organization (the "Livelihoods Program Coordination Consultant"), with qualification and experience and under terms of reference acceptable to the Association, in order to assist PO-RALG's PCT with the carrying out of the Project's Resettlement Action Plans and the implementation of any compensations thereunder, as well as the implementation of the livelihoods restoration program under Sub-component 2.1(c) of the Project, including the timely response to any grievances raised in connection therewith, ensuring compliance with the ESSs and the provisions of the ESCP.
- 6. The Recipient shall, and shall cause the DLAs and the Project Implementing Entity to, ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Association through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Association, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Association, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Association is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental

and social instruments referenced therein and the Environmental and Social Standards.

7. The Recipient shall, and shall cause the DLAs and the Project Implementing Entity to, establish, publicize, maintain, and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.
8. The Recipient shall, and shall cause the DLAs and the Project Implementing Entity to, ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

**F. Contingency Emergency Response**

1. In order to ensure proper implementation of the Component 5 of the Project (“CER Component”), the Recipient shall ensure that:
  - (a) a manual (“CERC Manual”) is prepared and adopted in form and substance acceptable to the Association, which shall set forth detailed implementation arrangements for the CER Component, including: (i) any structures or institutional arrangements for coordinating and implementing the CER Component; (ii) specific activities which may be included in the CER Component, Eligible Expenditures required therefor (“Emergency Expenditures”), and any procedures for such inclusion; (iii) financial management arrangements for the CER Component; (iv) procurement methods and procedures for the CER Component; (v) documentation required for withdrawals of Credit amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the CER Component; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Association;
  - (c) the CER Component is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of



any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and

- (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed or waived without the prior written approval by the Association.
2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the CER Component, with adequate staff and resources satisfactory to Association.
  3. The Recipient shall ensure that:
    - (a) the environmental and social instruments required for the CER Component are prepared, disclosed and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Association; and
    - (b) the CER Component is carried out in accordance with the environmental and social instruments in a manner acceptable to the Association.
  4. Activities under the CER Component shall be undertaken only after an Eligible Crisis or Emergency has occurred.

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

The Recipient shall furnish to the Association each Project Report not later than forty-five (45) days after the end of each calendar quarter, covering the calendar quarter. Except as may otherwise be explicitly required or permitted under this Agreement or as may be explicitly requested by the Association, in sharing any information, report or document related to the activities described in Schedule 1 of this Agreement, the Recipient shall ensure that such information, report or document does not include Personal Data.

## **Section III. Withdrawal of the Proceeds of the Credit**

### **I. A. General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Credit to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Credit Allocated (expressed in EUR)</b>	<b>Percentage of Expenditures to be Financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Workshops and Training, and Incremental Operating Costs under the Project (other than activities under Sub-components 2.1(a); 2.2; 2.3(a); and 2.4(b) of the Project).	309,500,000	100%
(2) Goods, works, non-consulting services, consulting services, Workshops and Training, and Incremental Operating Costs for the activities under Sub-components 2.1(a); 2.2.; 2.3(a) and 2.4(b) of the Project	51,600,000	As per the % to be agreed from time to time between the Association and the Recipient as per the approved Annual Work Plans and Budget
(3) Emergency Expenditures for the CER Component (i.e., Component 5 of the Project)	0	100%
<b>TOTAL AMOUNT</b>	361,100,000	

**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 Signature Date; or
  - (b) until and unless the Recipient has paid in full of the Front-end Fee.
  - (c) under Category (2), until and unless:
    - (i) the Recipient has signed the Co-financing Agreement with the Co-financier;

- (ii) the Recipient has established the SWMI pursuant to Section I.C.1(a) of this Schedule 2;
  - (iii) the SWMI has: (A) entered into a Project Agreement with the Association setting forth the implementation arrangements for its Respective Activities under the Project; and (B) established the SWMI-Implementation Task Team pursuant to Section I.C.2 of this Schedule 2; and
  - (iv) the Dar-es-Salaam City Council has selected and hired the Livelihoods Program Coordination Consultant, pursuant to Section I.E.5 of this Schedule 2.
- (d) for Emergency Expenditures under Category (3), unless and until all of the following conditions have been met in respect of said expenditures:
- (i) (A) the Recipient has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Association a request to withdraw Credit amounts under Category (3); and (B) the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and
  - (ii) the Recipient has adopted the CERC Manual and an Emergency Action Plan, in form and substance acceptable to the Association.

2. The Closing Date is April 30, 2030.

**C. Eligibility of DLA's Expenditures**

Notwithstanding the provisions of Section 2.05 of the General Conditions and Section III.A and B (above) in this Schedule, the Recipient shall ensure that no funds shall be transferred/advanced out of the Credit to any of the DLAs, or paid on behalf of any such DLAs, out of the Credit prior to such DLAs having established their respective PITs pursuant to Section I.A.1(d) of this Schedule Any funds transferred, advanced and/or paid prior to, or on behalf of, a DLA prior to the establishment of its respective PIT, shall be deemed ineligible for financing under the Credit.

**D. Tax Exemptions**

1. It is the Recipient's own undertaking that the importation, procurement, and/or supply of any goods, works and/or services, which are wholly and exclusively for the purpose of carrying out the Project and financed with the proceeds of the Credit, will be exempted from taxes and duties.

**SCHEDULE 3**

**Repayment Schedule**

The following table sets forth the Principal Payment Dates of the Credit and the percentage of the total principal amount of the Credit payable on each Principal Payment Date (“Installment Share”).

<b>Principal Payment Date</b>	<b>Installment Share*</b>
On each March 1 <sup>st</sup> and September 1 <sup>st</sup> Beginning March 1 <sup>st</sup> , 2034, through September 1 <sup>st</sup> , 2053	2.5%

\*The determination of the principal amounts of the Credit repayable on each Principal Payment Date is made in accordance with Section 3.10 of the General Conditions.

## **APPENDIX**

### **Definitions**

1. “Annual Workplan and Budget” means each annual work plan, together with the related budget, for the Project to be prepared by the Recipient, through PO-RALG, pursuant to the provisions of Section I.D. of Schedule 2 to this Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006, and revised in January 2011 and as of July 1, 2016.
3. “Attributes” means specific/detailed information that can be used to identify an Identifiable Individual including, but not limited to, name, identification number, location data, online identifier, metadata and factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of an individual.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “CER Component” means Component 5 of the Project, as described in Schedule 1 to this Agreement.
6. “CERC Manual” means the immediate response mechanism operations manuals referred to in Section I.F.1(a) of Schedule 2 to this Agreement, acceptable to the Association, to be adopted by the Recipient for the implementation of the CER Component, in accordance with the provision of said Section, as the same may be updated from time to time with the prior written concurrence of the Association.
7. “Co-financier” means the Ministry of Foreign Trade and Development Cooperation of the Netherlands, on its behalf Invest International Public Programmes B.V.
8. “Co-financing” means, for purposes of paragraph 14 of the Appendix to the General Conditions, an amount equivalent to fifty million Euros (€ 50,000,000), to be provided by the Co-financier to assist in financing the Project.
9. “Co-financing Agreement” means the agreement to be entered into between the Recipient and the Ministry of Foreign Trade and Development Cooperation of the Netherlands, on its behalf Invest International Public Programmes B.V. providing for the Co-financing.

10. “Component” means each of the clustered Project activities grouped under the titles: “*Component 1: Climate-Smart Priority Infrastructure*,” “*Component 2: Integrated Solid Waste Management Infrastructure and Services*,” “*Component 3: Strengthening Urban Institutions*,” “*Component 4: Project Management*” and “*Component 5: Contingency Emergency Response*” in the Project description in Schedule 1 to this Agreement.
11. “Dar-es-Salaam City Council” means the city council for the city of Dar-es-Salaam (formerly known as Ilala Municipal Council) established on February 24, 2021, in accordance with Section 5(1) of the Recipient’s Local Government (Urban Authorities) Act, Chapter 288, as amended.
12. “Dar-es-Salaam City Master Plan” means the Dar-es-Salaam City Master Plan 2016-2036, prepared and approved by the Recipient’s Ministry of Land, Housing, and Human Settlements Development, dated February 27, 2020.
13. “Dar-es-Salaam Local Authorities” and the term “DLAs” means, collectively, the Dar-es-Salaam’s local authorities, namely, the Recipient’s Kigamboni Municipal Council, Kinondoni Municipal Council, Temeke Municipal Council, Ubungo Municipal Council and the Dar-es-Salaam City Council, all of them established and operating under the Recipient’s Local Government (Urban Authorities) Act, Chapter 288, as amended. The terms “DLA” refers to any of such local authority. The term “DLA” means individually each one of the DLAs, as the case may be.
14. “Dar-es-Salaam Multi Agency Emergency Response Team” means a sub-committee of the Dar-es-Salaam Regional Disaster Management Technical Committee responsible for providing technical advice to the latter and coordinating emergency operations established pursuant to Section 17(d) of the Disaster Management Act No. 7 of 2015.
15. “Dar-es-Salaam Region” means the Administrative Region of Dar es Salaam established under the Recipient’s Regions and Districts (Establishment Procedure) Act, Chapter 397, of 1994 as amended.
16. “Displaced Persons” means any persons who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction or access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.
17. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.

18. “Emergency Action Plan” means the plan referred to in Section I.F.1(b) of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements, to respond to the Eligible Crisis or Emergency.
19. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual, in accordance with the provision of Section I.F.1 of Schedule 2 to this Agreement, and required for the activities described in such manual to be financed under the CER Component.
20. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 17, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
21. “Environmental and Social Standards” or “ESSs” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; and (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.
22. “Fiscal Year” means the Recipient’s fiscal year commencing on July 1 of each calendar year and finishing on June 30 of the next following calendar year.
23. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 15, 2023), with the modifications set forth in Section II of this Appendix.

24. “Identifiable Individual” means a person who can be identified by reasonable means, directly or indirectly, by reference to an Attribute or combination of Attributes within the data, or combination of the data with other available information.
25. “Incremental Operating Costs” means the reasonable incremental expenditures incurred by the Recipient and/or the DLAs on account of implementation of their Respective Activities under the Project, as further estimated and detailed in the Annual Work Plans and Budgets acceptable to the Association, including, *inter alia*, the costs of 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 and DLA’s civil servants and/or regular staff.
26. “IT” means information technology.
27. “Kigamboni Municipal Council” means the municipal council of Kigamboni, established pursuant to GN No. 68 of October 29, 2016.
28. “Kinondoni Municipal Council” means the municipal council of Kinondoni, established pursuant to GN No. 319A of October 15, 1999.
29. “Livelihoods Program Coordination Consultant” means the consultant to be recruited by the Dar-es-Salaam City Council pursuant to Section I.E.5 of Schedule 2 to this Agreement.
30. “Minister of Finance” and the term “MoF” mean the Recipient’s Ministry of Finance, or any successor thereto, acceptable to the Association.
31. “MoLHSD” means the Recipient’s Ministry of Land, Housing and Human Settlements Development, or any successor thereto, acceptable to the Association.
32. “MoWI” means the Recipient’s Ministry of Water and Irrigation, or any successor thereto, acceptable to the Association.
33. “MoWT” means the Recipient’s Ministry of Works and Transport, or any successor thereto, acceptable to the Association.
34. “Personal Data” means any information relating to an identified or Identifiable Individual.
35. “PMC” means the Project management consultant to be recruited by the Recipient through PO-RALG’s PCT pursuant to Section I.A.3 of Schedule 2 to this Agreement.



36. “PO-RALG” means the Recipient’s President’s Office for Regional Administration and Local Government, or any successor thereto, acceptable to the Association.
37. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
38. “Project Agreement” means the agreement to be entered between the Association and the SWMI pursuant to Section I.C.1(b) of Schedule 2 to this Agreement.
39. “Project Coordination Team” and the term “PCT” mean the Project coordination team to be established by PO-RALG pursuant to Section I.A.1(b) of Schedule 2 to this Agreement.
40. “Project Implementing Entity” means the SWMI.
41. “Project Implementation Team” and the term “PIT” mean each of the Project implementation teams established and/or to be established by the DLAs pursuant to Section I.A.1(d) of Schedule 2 to this Agreement.
42. “Project Implementation Manual” and the term “PIM” mean the implementation manual for the Project, to be prepared by the Recipient pursuant to Section I.B.1 of Schedule 2 to this Agreement, as the same may be amended from time to time with the prior written concurrence of the Association.
43. “Project Steering Committee” and the term “PSC” mean the committee to be established within PO-RALG pursuant to Section I.A.1(a) of Schedule 2 to this Agreement.
44. “Regional Administration of Dar-es-Salaam” means the Regional Administration of Dar es Salaam established pursuant to the Recipient’s Regional Administration Act of 1997, as amended.
45. “Resettlement Action Plans” means collectively all the resettlement action plans prepared, or to be prepared, by the Recipient, in a manner and substance satisfactory to the Association and pursuant to the provisions of the ESCP and the Resettlement Policy Framework, identifying the Displaced Persons on account of implementation of the Project activities, and setting forth the terms and conditions for providing them with resettlement assistance and/or compensation, including the protocols for consultation, processing of complaints and grievance redressal, monitoring and reporting requirements, and the Displaced Persons’ entitlement schedules; as such plans may be amended from time to time with the prior written concurrence of the Association.

46. “Resettlement Policy Framework” means the resettlement policy framework dated October 2023 prepared and adopted by the Recipient in a manner and substance satisfactory to the Association, and disclosed on the Association’s website on October 12, 2023, setting forth the guiding principles, acceptable standards and procedures for: (a) screening Project activities and identifying Displaced Persons, on account of Project implementation; and (b) preparing Resettlement Action Plans, as required; as such framework may be revised, updated or supplemented from time to time with the prior written concurrence of the Association.
47. “Respective Activities under the Project” means:
- (a) In respect of the Recipient:
    - (i) acting through the Dar-es-Salaam City Council: All civil works sub-projects under Component 1 and 2 of the Project within the respective DLAs’ jurisdiction, the management of shared DLAs’ solid waste facilities (up until their transfer to SWMI) and Project management activities associated therewith, under Component 4;
    - (ii) acting through the DLAs (other than the Dar-es-Salaam City Council): All civil works sub-projects (other than drainage and roads) under Component 1 of the Project within the respective DLAs’ jurisdiction, the management of shared DLAs’ solid waste facilities (up until their transfer to SWMI) and Project management activities associated therewith, under Component 4; and
    - (iii) acting through PO-RALG: The overall Project coordination, monitoring and evaluation, environmental and social oversight, coordination and allocation of Project funds, roads and drainage sub-projects under Component 1, Component 3, the provision of any technical assistance aimed at benefiting two or more DLAs, as well as Project management activities associated therewith, under Component 4; and
  - (b) In respect of the SWMI: The operation and maintenance of the DLAs’ shared solid waste facilities, upon their transfer to SWMI as per Section I.C.1(c) of Schedule 2 to this Agreement.
48. “Signature Date” means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to “the date of the Financing Agreement” in the General Conditions.
49. “Sub-component” means each of the sub-clusters of Project activities grouped under the titles “1.1. Resilient Transport Infrastructure”; “1.2, Resilient and

*Green Drainage Systems*”; “1.3. Resilient Parks, Public Spaces, and Riparian and Coastal Landscapes”; “1.4. Area Based Urban Development”; “2.1. Waste Disposal”; “2.2. Waste Transfer and Transport”; “2.3. Waste Recycling and Composting”; “2.4. Establishment of Intermunicipal Solid Waste Management Institution”; “3.1. Capacity Building for Resilient Urban Services”; “3.2. Implementation of Own Source Revenue Management System”; “3.3. Capacity Building for Resilient Urban Planning”; and “3.4. Capacity Building for Emergency Planning and Response” in the Project description in Schedule 1 to this Agreement.

50. “Solid Waste Management Institution” and the term “SWMI” mean the corporate body to be established as a public institution owned by the DLAs pursuant to Section I.C.1(a) of Schedule 2 to the FA, and/or any successor to it acceptable to the Association.
51. “Solid Waste Technical Working Group” and the term “SW-TWG” mean the technical experts working group to be established by the Recipient under the aegis of PO-RALG pursuant to Section I.A.1(c) of Schedule 2 to this Agreement.
52. “SWMI-Implementation Task Team” means the Project task team to be established by the SWMI for purposes of carrying out its Respective Activities under the Project pursuant to Section 1.C.2 of Schedule 2 to this Agreement.
53. “TARURA” means the Tanzania Rural and Urban Roads Agency, an executive agency of the Recipient, established under Section 3(1) of the Executive Agencies Act (Cap. 245) (Recipient’s Act 30 of 1997 and 18 of 2002 of December 11, 1997, G.N. No. 83 of 2003), as per the Order issued under Government Notice No. 211, published in the National Gazette on May 12, 2017, or any successor acceptable to the Association.
54. “Temeke Municipal Council” means the municipal council of Temeke, established pursuant to GN No. 319A of October 15, 1999.
55. “Ubungo Municipal Council” means the municipal council of Ubungo, established pursuant to GN No. 68 of October 29, 2016.
56. “VPO” means the Office of the Vice-President of the Recipient.
57. “Workshops and Training” means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient, or, subject to prior approval by the Association, attended abroad by the Recipient’s and/or the DLAs’ officials and staff in connection with the Project, as further estimated and detailed in the Annual Work Plans and Budgets, including, *inter alia*, the purchase and publication of materials, rental of facilities, course fees, and travel cost, per diems and subsistence allowance of trainers and/or trainees.