

No. 11186

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**INTERNATIONAL DEVELOPMENT ASSOCIATION  
and  
UNITED REPUBLIC OF TANZANIA**

**Development Credit Agreement—*Third Education Project*  
(with annexed General Conditions Applicable to Development  
Credit Agreements). Signed at Washington on 5 February 1971**

*Authentic text : English.*

*Registered by the International Development Association on 22 June 1971.*

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**ASSOCIATION INTERNATIONALE  
DE DÉVELOPPEMENT  
et  
RÉPUBLIQUE-UNIE DE TANZANIE**

**Contrat de crédit de développement — *Troisième projet  
relatif à l'enseignement* (avec, en annexe, les Conditions  
générales applicables aux contrats de crédit de développement).  
Signé à Washington le 5 février 1971**

*Texte authentique : anglais.*

*Enregistré par l'Association internationale de développement le 22 juin 1971.*

## DEVELOPMENT CREDIT AGREEMENT<sup>1</sup>

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AGREEMENT, dated February 5, 1971, between UNITED REPUBLIC OF TANZANIA (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

### *Article I*

#### GENERAL CONDITIONS; DEFINITIONS

*Section 1.01.* The parties to this Agreement accept all the provisions of the General Conditions Applicable to Development Credit Agreements of the Association, dated January 31, 1969,<sup>2</sup> with the same force and effect as if they were fully set forth herein, subject, however, to the deletion of Section 5.01 thereof (said General Conditions Applicable to Development Credit Agreements of the Association, as so modified, being hereinafter called the General Conditions).

*Section 1.02.* Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings :

(a) " Rural Training Centers " means the rural training centers included in Part A of the Project;

(b) " Agricultural Training Institutes " means the agricultural training institutes included in Part B of the Project; and

(c) " Project " means the Project described in Schedule 2 to this Agreement.

### *Article II*

#### THE CREDIT

*Section 2.01.* The Association agrees to lend to the Borrower, on the terms and conditions in the Development Credit Agreement set forth or referred to, an amount in various currencies equivalent to three million three hundred thousand dollars (\$3,300,000).

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<sup>1</sup> Came into force on 10 May 1971, upon notification by the Association to the Government of the United Republic of Tanzania.

<sup>2</sup> See p. 66 of this volume.

*Section 2.02.* The amount of the Credit may be withdrawn from the Credit Account in accordance with the provisions of Schedule I to this Agreement, as such Schedule shall be amended from time to time, for expenditures made (or, if the Association shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed under the Development Credit Agreement; provided, however, that except as the Association shall otherwise agree, no withdrawal shall be made on account of expenditures in the territories of any country which is not a member of the Bank (other than Switzerland) or for goods produced in, or services supplied from, such territories.

*Section 2.03.* The Closing Date shall be June 30, 1975 or such other date as shall be agreed between the Borrower and the Association.

*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 payable semi-annually on April 15 and October 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 April 15 and October 15 commencing April 15, 1981 and ending October 15, 2020, each installment to and including the installment payable on October 15, 1990 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 purposes of Section 4.02 of the General Conditions.

### *Article III*

#### EXECUTION OF THE PROJECT

*Section 3.01.* The Borrower shall carry out the Project with due diligence and efficiency and in conformity with sound technical, educational, financial and administrative practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

*Section 3.02.* In order to assist the Borrower in (a) the preparation of architectural briefs, lists of equipment, teaching materials and furniture for the Project, (b) the design of facilities for the educational institutions included in the Project, and (c) the preparation of bidding documents for the Project, the Borrower shall employ architectural and engineering consultants acceptable to

the Association upon terms and conditions satisfactory to the Borrower and the Association.

*Section 3.03.* In carrying out Parts A and B of the Project, the Borrower shall employ contractors acceptable to the Association, upon terms and conditions satisfactory to the Association.

*Section 3.04.* (a) Except as the Association shall otherwise agree, (i) the goods and services (other than services of consultants) required for the Project and 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 August 1969, and in accordance with such other procedures supplementary thereto as are set forth in Schedule 3 to this Agreement or as shall be agreed between the Association and the Borrower, and (ii) contracts for the procurement of all goods and services to be financed out of the proceeds of the Credit shall (except as otherwise provided in such Schedule) be subject to the prior approval of the Association.

(b) The Borrower undertakes to insure, or make adequate provision for the insurance of, the imported goods to be financed out of the proceeds of the Credit against marine, transit and other hazards incident to the 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.

(c) Except as the Association shall otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Credit to be used exclusively for the Project.

*Section 3.05.* (a) The Borrower shall furnish to the Association, promptly upon their preparation, the plans, specifications and construction schedules for the Project, and any material modifications or additions thereto, in such detail as the Association shall reasonably request.

(b) The Borrower: (i) shall maintain records adequate to record the progress of the Project (including the cost thereof) and to identify the goods and services financed out of the proceeds of the Credit, and to disclose the use thereof in the Project; (ii) shall enable the Association's representatives to inspect the Project, the goods financed out of the proceeds of the Credit and any relevant records and documents; and (iii) shall furnish to the Association all such information as the Association shall reasonably request concerning the Project,

the expenditure of the proceeds of the Credit and the goods and services financed out of such proceeds.

#### *Article IV*

##### OTHER COVENANTS

*Section 4.01.* The Borrower shall maintain or cause to be maintained records adequate to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition, in respect of the Project, of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

*Section 4.02.* The Borrower shall provide, promptly as needed, the funds, facilities, services and other resources required for the effective utilization, staffing, equipping, operation and maintenance of the educational institutions included in the Project.

*Section 4.03.* (a) The Borrower shall : (i) cause the educational institutions included in the Project to be operated so as to promote the educational objectives of the Borrower; and (ii) cause said institutions to be staffed with qualified teachers and administrators in adequate numbers.

(b) The Borrower shall : (i) 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; and (ii) establish appropriate administrative and financial procedures for the purposes of such maintenance.

*Section 4.04.* The Borrower shall, for the purpose of the proper execution and supervision of the Project, establish and maintain within its Ministry of Agriculture and Co-operatives a Project Unit with such responsibilities, powers and staff as are specified in Schedule 4 to this Agreement.

*Section 4.05.* (a) The Borrower shall grant fellowships in accordance with Exhibit A of Schedule 2 to this Agreement, as such Exhibit shall be amended from time to time by agreement between the Borrower and the Association.

(b) In order to assist the Borrower in the preparation of courses of study and review of curricula and program orientation for educational institutions included in the Project, the Borrower shall employ specialists in the subjects specified in said Exhibit A who shall be acceptable to the Borrower and the Association and whose terms of reference shall be satisfactory to the Borrower and the Association.

(c) The Borrower shall take steps satisfactory to the Association to strengthen the administrative structure of the Research and Training Division of the Borrower's Ministry of Agriculture and Co-operatives.

*Section 4.06.* (a) Except as the Association shall otherwise agree, the Borrower shall send to the Association for its review :

- (i) within six months after the date of this Agreement, the training programs the Borrower proposes for each Rural Training Center which shall indicate the time allocation for the various types of courses included therein, such courses being so designed as to ensure the promotion of the Borrower's educational objectives as well as to reflect clearly an agricultural content satisfactory to the Association; and
- (ii) within one year after said date curricula for all courses of training which the Borrower proposes to provide at the Agricultural Training Institutes, such curricula before their dispatch to the Association being so revised as to give effect to the provisions of paragraph (c) of this Section.

(b) Except as the Association shall otherwise agree, the Borrower shall, within one year of the date of this Agreement, make arrangements satisfactory to the Borrower and the Association for a continuous evaluation of the effectiveness of the Rural Training Centers and the training methods employed therein.

(c) The revised curricula required under paragraph (a) (ii) of this Section shall give prominence to training in farm management and farm mechanization at all Agricultural Training Institutes. The Mpwapwa Institute shall provide courses of training in animal production at the certificate level and in veterinary technology and dairy technology at the diploma level.

### *Article V*

#### CONSULTATION, INFORMATION AND INSPECTION

*Section 5.01.* The Borrower and the Association shall cooperate fully to assure that the purposes of the Credit will be accomplished. To that end, the Borrower and the Association shall from time to time, at the request of either party :

- (a) exchange views through their representatives with regard to the performance of their respective obligations under the Development Credit Agreement, the administration, operations and financial condition of the department or agencies of the Borrower responsible for carrying out the Project or any part thereof, and other matters relating to the purposes of the Credit; and

(b) furnish to the other all such information as it 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, including its balance of payments, and the external debt of the Borrower, of any of its political subdivisions and of any agency of the Borrower or of any such political subdivision.

*Section 5.02.* (a) The Borrower shall furnish or cause to be furnished to the Association all such information as the Association shall reasonably request concerning the operations and financial condition of the departments or agencies of the Borrower responsible for carrying out the Project or any part thereof.

(b) 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, the maintenance of the service thereof or the performance by the Borrower of its other obligations under the Development Credit Agreement.

*Section 5.03.* 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.

### *Article VI*

#### TAXES AND RESTRICTIONS

*Section 6.01.* The principal of, and service charges on, the Credit shall be paid without deduction for, and free from, any taxes imposed under the laws of the Borrower or laws in effect in its territories.

*Section 6.02.* The Development Credit Agreement shall be free from any taxes on or in connection with the execution, delivery or registration thereof, imposed under the laws of the Borrower or laws in effect in its territories.

*Section 6.03.* The payment of the principal of, and service charges on, the Credit shall be free from all restrictions, regulations, controls and moratoria of any nature imposed under the laws of the Borrower or laws in effect in its territories.

### *Article VII*

#### REMEDIES OF THE ASSOCIATION

*Section 7.01.* If any event specified in Section 7.01 of the General Conditions shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Association, at its option, may by notice to the Borrower declare the principal of the Credit then

outstanding to be due and payable immediately together with the service charges thereon and upon any such declaration such principal and service charges shall become due and payable immediately, anything to the contrary in the Development Credit Agreement notwithstanding.

### *Article VIII*

#### EFFECTIVE DATE; TERMINATION

*Section 8.01.* The following event is specified as an additional condition to the effectiveness of the Development Credit Agreement within the meaning of Section 10.01 (b) of the General Conditions :

The Borrower has made arrangements satisfactory to the Association for the employment of the Project Director and the Project Architect to be appointed under Section 4.04 of, and Schedule 4 to, this Agreement.

*Section 8.02.* The date May 10, 1971 is hereby specified for the purposes of Section 10.04 of the General Conditions.

### *Article IX*

#### REPRESENTATIVE OF THE BORROWER; ADDRESSES

*Section 9.01.* The Minister of the Borrower for the time being responsible for finance is designated as representative of the Borrower for the purposes of Section 9.03 of the General Conditions.

*Section 9.02.* The following addresses are specified for the purposes of Section 9.01 of the General Conditions :

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.



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

United Republic of Tanzania :

By G. M. RUTABANZIBWA  
Authorized Representative

International Development Association :

By J. BURKE KNAPP  
Vice President

### SCHEDULE 1

#### WITHDRAWAL OF THE PROCEEDS OF THE CREDIT

1. The table below sets forth the categories of goods and services to be financed out of the proceeds of the Credit, the allocation of amounts of the Credit to each category and the percentage of eligible expenditures so to be financed in each category :

<i>Category</i>	<i>Amount of the Credit Allocated (Expressed in Dollar Equivalent)</i>	<i>% of Expenditures to be Financed</i>
I. Civil works . . . . .	1,500,000	66% of total expenditures
II. Instructional equipment and materials and imported furniture . . . . .	760,000	100% of foreign expenditures
III. Locally procured furniture . . . . .	80,000	66% of total expenditures
IV. Technical assistance fellowships, professional fees and supervision . . . . .	520,000	66% of total expenditures
V. Unallocated . . . . .	440,000	
	TOTAL	
	3,300,000	

2. For the purposes of this Schedule :

(a) the term "foreign expenditures" means expenditures for goods produced in, or services supplied from, the territories, and in the currency, of any member of the Bank (other than the Borrower) or of Switzerland;

(b) the term "local expenditures" means expenditures in the currency of the Borrower, or for goods produced in, or services supplied from, the territories of the Borrower; and

(c) the term "total expenditures" means the aggregate of foreign and local expenditures.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of :

- (a) expenditures prior to the date of this Agreement; and
- (b) payments for taxes imposed under the laws of the Borrower or laws in effect in its territories on goods or services, or on the importation, manufacture, procurement or supply thereof. To the extent that the amount represented by the percentage set forth in the third column of the table in paragraph 1 above would exceed the amount payable net of all such taxes, such percentage shall be reduced to ensure that no proceeds of the Credit will be withdrawn on account of payments for such taxes.

4. Notwithstanding the allocation of an amount of the Credit set forth in the second column of the table in paragraph 1 above :

- (a) if the estimate of the expenditures under any Category shall decrease, the amount of the Credit then allocated to such Category and no longer required therefor will be reallocated by the Association by increasing correspondingly the unallocated amount of the Credit;
- (b) if the estimate of the expenditures under any Category shall increase, the percentage set forth in the third column of the table in paragraph 1 above in respect of such expenditures shall be applied to the amount of such increase, and a corresponding amount will be allocated by the Association, at the request of the Borrower, to such Category from the unallocated amount of the Credit, subject, however, to the requirements for contingencies, as determined by the Association, in respect of any other expenditures.

5. Notwithstanding the percentages set forth in the third column of the table in paragraph 1 above, if the estimate of total expenditures under Category I, III or IV shall increase and no proceeds of the Credit are available for reallocation to such Category, the Association may, by notice to the Borrower, adjust the percentage then applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made.

## SCHEDULE 2

### DESCRIPTION OF THE PROJECT

The Project consists of the following parts :

- A. The construction of four new Rural Training Centers and conversion of five District Training Centers to Rural Training Centers;
- B. The construction of two new and the extension of two existing Agricultural Training Institutes; and
- C. The provision of specialists for the development of training programs at the Rural Training Centers and the Agricultural Training Institutes, and the granting of fellowships.

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

The Project is expected to be completed by December 31, 1974.

## EXHIBIT A

TECHNICAL ASSISTANCE AND FELLOWSHIPS TO MINISTRY OF AGRICULTURE  
AND CO-OPERATIVES FOR PART C OF THE PROJECT

	<i>Duration</i>	<i>Operational Years</i>			
		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
<i>Specialists</i>					
Agricultural Education . . . . .	4 man/years	1	1	1	1
Agricultural Extension . . . . .	2 man/years	1	1	—	—
Teaching Material . . . . .	2 man/years	—	1	1	—
Project Architect. . . . .	4 man/years	1	1	1	1
Home Economics . . . . .	2 man/years	1	1	—	—
	14 man/years				
<i>Fellowships</i>					
Agricultural Education . . . . .	2 man/years	—	1	1	—
Teaching Materials . . . . .	1 man/year	—	—	1	—
Agricultural Extension . . . . .	2 man/years	—	1	1	—
Home Economics . . . . .	2 man/years	—	1	1	—
	7 man/years				

## EXHIBIT B

## LIST OF EDUCATIONAL INSTITUTIONS

<i>Name/Location</i>	<i>No. of Staff Houses</i>	<i>Total New Construction in sq. ft.</i>	<i>New Total Enrollment</i>
<b>I. Rural Training Centers</b>			
<i>New Rural Training Centers</i>			
Geita . . . . .	10	17,100	80
Kondoa . . . . .	10	17,100	80
Ngara . . . . .	10	17,100	80
Njombe . . . . .	10	17,100	80
	Sub-totals	68,400	320

*Conversions and Extensions for Rural Training Centers*

Gera . . . . .	8	11,500	80
Handeni . . . . .	8	11,500	80
Same. . . . .	8	11,500	80
Shinyanga . . . . .	8	11,500	80
Bigwa . . . . .	8	11,500	80
	—	—	—
Sub-totals	40	57,500	400
Sub-totals all Rural Training Centers :	80	125,900	720
II. Agricultural Training Institutes			
<i>New Agricultural Training Institutes</i>			
Mpwapwa . . . . .	26	44,900	185
Mtwara. . . . .	21	45,900	185
	—	—	—
Sub-totals	47	90,800	370
<i>Extensions to Agricultural Training Institutes</i>			
Olmotonyi . . . . .	8	25,900	270
Ukiriguru. . . . .	4	15,700	300
	—	—	—
Sub-totals	12	41,600	570
Sub-totals all Agricultural Training Institutes :	59	132,400	940

## SCHEDULE 3

## PROCUREMENT

Pursuant to Section 3.04 (a) 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* published by the Bank in August 1969 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) Before inviting bids the Borrower shall :

- (i) send 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 such type and group; and
- (ii) upon obtaining such approval, send 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\$200,000 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 Association 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 of 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 which will be coded and numbered for identification of the institution and type of space for which the item is required. Items will be grouped so as to permit bulk procurement as shall be consistent with sound technical and procurement practices.

(b) Before inviting bids the Borrower shall :

- (i) send to the Association for its approval the lists mentioned in paragraph 2 (a) above, and
- (ii) send for the Association's approval the proposed standard bid, tender and contract documents and a description of the method to be used for obtaining bids on an international basis.

(c) As soon as bids have been evaluated and a contract has been awarded, the Borrower shall send to the Association prior to the submission to the Association of the first application for withdrawal in respect of such contract, the following :

- (i) a certificate signed by the Project Director, or his deputy, stating that the goods tendered for are in accordance with the quantities and specifications in the list approved by the Association,
- (ii) a summary of the tenders received, and
- (iii) a certified copy of the contract.

(d) Where it is proposed to award a contract to a bidder who is not the lowest bidder or where the lowest evaluated contract involves a price of 10% or more above the original estimate submitted under paragraph 2 (a) above, a summary and analysis of such contract and a brief justification of the Borrower's decision on the award should be sent to the Association for its approval before the award is made.

## SCHEDULE 4

### THE PROJECT UNIT

1. Except as the Borrower and the Association shall otherwise agree, the Project Unit referred to in Section 4.04 of the Development Credit Agreement shall have such

responsibilities and powers as shall be necessary or incidental to the proper execution and supervision of the Project and, in particular, the following responsibilities and powers :

- (a) the supervision of the preparation of architectural briefs and lists of equipment and furniture for the Project;
- (b) the approval of the design of facilities for the educational institutions included in the Project and of the lists of furniture to be procured for such institutions;
- (c) the preparation of detailed price lists of the instructional and other equipment to be procured for such educational institutions;
- (d) the coordination of the preparation of bidding documents for all construction works and for the procurement of furniture;
- (e) the preparation of bidding documents for the procurement of instructional and other equipment and the analysis of bids;
- (f) the coordination of the regular inspection of all construction works; and
- (g) the maintenance of records, including financial records, of the execution of the Project and the preparation and sending to the Association of regular reports relating to the execution of the Project.

2. The said Project Unit shall consist of the following staff appointed on a full-time basis :

- (a) a Project Director whose experience and qualifications for such position shall be satisfactory to the Borrower and the Association and who shall have overall responsibility for the direction and coordination of the Project Unit's work;
- (b) the Project Architect referred to in Exhibit A of Schedule 2 to this Agreement whose experience and qualifications for such position (particularly with regard to school design) shall be satisfactory to the Borrower and the Association and who shall be particularly responsible for the direction and supervision of all construction works and for liaison with the departments or agencies of the Borrower responsible for carrying out or as shall be concerned with such works or any part thereof;
- (c) a qualified and experienced Accountant; and
- (d) such technical, accounting, secretarial and other staff as may be required for the efficient and proper discharge of the Project Unit's responsibilities.

INTERNATIONAL DEVELOPMENT ASSOCIATION

GENERAL CONDITIONS, DATED 31 JANUARY 1969

GENERAL CONDITIONS APPLICABLE TO DEVELOPMENT CREDIT AGREEMENTS

[Not published herein. See *United Nations, Treaty Series, vol. 703, p. 244.*]