

No. 17239

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**UNITED STATES OF AMERICA  
and  
UNITED REPUBLIC OF TANZANIA**

**Project Agreement relating to the Arusha region drought assistance project (with annex). Signed at Dar es Salaam on 12 and 13 August 1975**

*Authentic text: English.*

*Registered by the United States of America on 24 November 1978.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
RÉPUBLIQUE-UNIE DE TANZANIE**

**Accord de projet relatif à une assistance en période de sécheresse dans la région d'Arusha (avec annexe). Signé à Dar es-Salaam les 12 et 13 août 1975**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 24 novembre 1978.*

PROJECT AGREEMENT<sup>1</sup> BETWEEN THE DEPARTMENT OF STATE, AGENCY FOR INTERNATIONAL DEVELOPMENT (AID), AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA, AND THE TREASURY, AN AGENCY OF THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA

<p>The above-named Parties hereby mutually agree to carry out a project in accordance with the terms set forth herein and the terms set forth in any annexes attached hereto, as checked below:</p> <p><input checked="" type="checkbox"/> PROJECT DESCRIPTION, ANNEX A</p> <p><input type="checkbox"/> FOREIGN CURRENCY STANDARD PROVISIONS, ANNEX</p> <p><input checked="" type="checkbox"/> STANDARD PROVISIONS, ANNEX<sup>2</sup></p> <p><input type="checkbox"/> SPECIAL LOAN PROVISIONS, ANNEX</p>	1. Project/Activity No.: 621-11-190-128	
	2. Agreement No.: 75-10-76-2	3. <input checked="" type="checkbox"/> Original or Revision No. _____
<p>This Project Agreement is further subject to the terms of the following Agreement between the two Governments, as modified and supplemented:</p> <p><input checked="" type="checkbox"/> GENERAL AGREEMENT FOR TECHNICAL COOPERATION DATE: Feb. 8, 1968<sup>3</sup></p> <p><input type="checkbox"/> ECONOMIC COOPERATION AGREEMENT DATE:</p> <p><input type="checkbox"/> (OTHER) DATE:</p>	4. Project/Activity Title: DISASTER RELIEF — ARUSHA REGION DROUGHT PROJECT	
	5. Project Description and Explanation (See annex A attached)	
	6. AID Appropriation Symbol: 72-11X1031	7. AID Allotment Symbol: 431-50-621-00-86-51

## 8. AID Financing:

- DOLLARS
- LOCAL CURRENCY

- (a) Total
- (b) Contract services
- (c) Commodities
- (d) Other costs

Previous total (A)	Increase (B)	Decrease (C)	Total to date (D)
	2,787,000		2,787,000

9. Cooperating Agency Financing—Dollar Equivalent:  
\$1.00 =

<sup>1</sup> Came into force on 13 August 1975 by signature.

<sup>2</sup> Not published herein. For the text of the annex, see United Nations, *Treaty Series*, vol. 1084, p. 111.

<sup>3</sup> *Ibid.*, vol. 698, p. 67.

- (a) Total (See section VI of this Project Agreement)  
 (b) Technical and other services  
 (c) Commodities  
 (d) Other costs

10. Special Provisions (*use additional continuation sheets, if necessary*):  
 This Project Agreement provides funds for a drought program in the Arusha Region.

11. Date of Original Agreement: August 13, 1975	12. Date of this Revision: August 13, 1975	13. Estimated Final Contribution Date: June 30, 1978
14. For the Cooperating Government or Agency: <i>Signature:</i> R. E. MARIKI <i>Date:</i> 12/8/75 <sup>1</sup> <i>Title:</i> For Principal Secretary, Treasury		15. For the Agency for International Development: <i>Signature:</i> VERNON C. JOHNSON <i>Date:</i> Aug. 13, 1975 <i>Title:</i> Director, USAID/Tanzania

AID FINANCING: DETAILS OF U.S. CONTRIBUTION BY COST COMPONENT  
 AND METHOD OF IMPLEMENTATION

<i>Cost component Method of implementation</i>	<i>Previous total</i>	<i>Increase Decrease</i>		<i>Total to date</i>
	TOTAL	2,787,000		2,787,000
Personnel services .....				
PASA contract.....		245,000		245,000
Participants.....				
Direct AID, PASA contract.....				
Commodities .....				
Direct AID, PASA contract.....		1,690,000		1,690,000
Other costs and POL.....				
Direct AID, PASA contract.....		852,000		852,000

ANNEX A

I. BACKGROUND

In recognition of the deleterious impact of continuing drought in Tanzania and in response to a request from the Tanzanian Government for U.S. relief assistance, AID fielded a team to survey the drought affected areas of Tanzania to determine what drought related activities and programs identified by the TanGov could be effectively supported with AID relief assistance. On the basis of their travel and discussions in Tanzania, the team recommended that insofar as infrastructure was concerned, AID's drought-relief assistance should be concentrated in the Arusha Region particularly as the Masai area of the region historically has been frequently affected by drought and as this is the only region where AID already has the manpower capability in place (the Masai Livestock Project) to permit an early undertaking of the drought-relief activities within the timeframe designated.

The activities identified for AID assistance reflect a combination of project elements already included in the Region's Five-Year Plan and modification proposed by the AID-financed Masai Project Team. All activities of this drought project will have direct linkages to the work being carried out in Masailand by the Masai project team.

<sup>1</sup> 12 August 1975.

## II. PROJECT COMPONENTS/PURPOSES

The project purpose is threefold: (a) to rapidly increase the accessibility of parts of the drought-affected Masailand by constructing low cost, low standard access roads; (b) to facilitate the movement of cattle especially during drought emergencies by establishing holding grounds and night stops and by providing a transport capability; (c) to encourage better management of resources in a drought prone environment by (1) improving the field organization responsible for responding to crises in the most severely affected areas and (2) providing intermediate training for local leaders and residents in the area.

The two access roads will open up the two most remote parts of Masailand, which also happen to be the areas which were and continue to be most affected by the drought conditions experienced over the past three years. The completion of these roads to a minimum standard will allow the passage for a major part of the year of food and supplies, people and cattle, into and out of the drought areas. The roads will be directly linked to the holding grounds and night stops (discussed below) and, through them, to an existing network of primary livestock markets which have not functioned properly because of the difficulty of gaining access by outside buyers. These roads will also facilitate administrative access for equipment, supplies and personnel under the Masai project and the Tanzanian Government in its emergency program for food distribution. Because of the lack of direct access, supplies to these areas are presently carried on badly maintained tracks over a tremendous distance around the periphery of the two districts, resulting in a high rate of equipment breakage, frequent delays and a virtual blockage of communication about local conditions in the worst affected areas.

The holding grounds and related night stops will enable cattle to be trekked, collected and fed during emergencies when the need to move cattle out quickly is important. Facilities will be designed so that if necessary cattle can be collected by trucks or in emergency can be slaughtered on the spot. Once drought rehabilitation is underway, the same facilities will be used in the wetter seasons for the holding and distribution of improved, replacement stock. This fenced area will consist of approximately 2,000 acres.

The third element involves the creating of ongoing capabilities for both drought relief and rehabilitation activities which will be organizationally attached as a special program of the Farmer Training Center being built to serve Masailand. Although it is clearly difficult to change people's attitudes toward the use of range resources and to improve their capability for taking effective action early in a drought crisis, the achievement of better techniques of environmental management is of major importance for the future welfare of these areas where environmental constraints are exceedingly severe.

Funds will be used to expand the program of the planned Farmer Training Center to incorporate (i) the preparation of simple audio-visual materials related to intermediate training in the management of range and water resources in a semi-arid environment; (ii) a series of field seminars for the Masai and their leaders in the worst affected areas to discuss and organize rehabilitation measures; (iii) a program to accompany any food distribution or stock replacement activities with intensive, on-the-spot training; and (iv) development of an associated breeding farm and demonstration ranch. Efforts will also be made to establish at the Center a capability for continuous monitoring of drought severity in the most frequently affected areas as well as for evaluating the impact of the drought project. A major advantage to the drought project in fulfilling these objectives will be its access to specialists in the related land use capability survey which will be assisting the Masai project team in identifying areas for rehabilitation and in suggesting techniques for land use suited to a semi-arid environment. Implementation of the Training Center component will be supervised by the training specialist on the Masai Project team.

## III. COURSE OF ACTION

USAID technicians have already begun to work with Arusha Region officials in preparing background papers, equipment needs, personnel needs and an implementation plan (this plan is attached to this Project Agreement). Immediately after this Agreement is executed, AID and the

Government of Tanzania will begin recruiting the personnel and purchasing the equipment required to implement this program.

In regard to the access roads (each about 150 miles long), routes have been identified, and road standards and construction methods/schedules have been determined in cooperation with Arusha Region officials. In addition, the kinds and numbers of equipment pieces have been determined and the vital subjects of equipment maintenance and repair facilities are under discussion.

The two holding grounds, each about 20,000 to 30,000 acres in size, will be located along the access roads at a point within two days' trekking time of a primary marketing terminus. Complementing each of the holding grounds will be two night stops to handle the cattle being trekked and the herdsmen. These holding grounds will fall under the jurisdiction of the Tanzania Livestock Marketing Corporation (TLMC) when completed. The construction will be under the joint supervision of the zonal Livestock Marketing Advisor to TLMC and the Animal Production Specialist on the Masai team; however, final responsibility for construction rests with TLMC.

The Farmer Training Center, which is included in the Region's Five-Year Plan, will be built in Monduli District and the construction will be financed by the TanGov. AID's grant inputs will be concentrated on program establishment in general and drought-related training in particular. The detailed operation of the Center is currently being designed by AID and regional officials including the precise inputs required to make the Center an effective training school.

Disbursement of all AID funds provided in this Project Agreement will be completed within two years of initial disbursement.

IV. ADMINISTRATIVE CONSIDERATIONS

The location of overall administration for this project within the Tanzanian Government will be at the regional level. General supervision will rest with the Arusha Region Regional Development Director, with specific implementation responsibility resting with the Regional Livestock Development Office working in close conjunction with its expatriate counterparts on the Masai Project team. Inputs from ComWorks will be coordinated generally by the Masai Project Team and more specifically in the case of roads construction by the project manager who will have administrative, supervisory and implementation authority for that component.

Project administration has been designed to take maximum advantage of the resources available on the Masai Project. This includes not only technical expertise but equipment and shop facilities to the extent possible without jeopardizing accomplishment of the Masai Project work objectives.

Equipment procurement responsibility, procedures and support have been determined and agreed to by Arusha Region officials and USAID.

V. U.S. CONTRIBUTION

In support of the program outlined in this Project Agreement, the U.S. Government subject to the availability of funds agrees to contribute a total of \$2,787,000 over the life of the project to be used as follows:

1. U.S. technical services. These funds will assist in financing the services and related expenses of four specialists and one local secretary (Project Manager, two mechanic/construction technicians, one road location engineer, and one local secretary) and the road construction component of the project	<u>\$245,000</u>
2. Participant training	None
3. Commodities*	<u>1,690,000</u>
a. Access roads	<u>\$1,425,000</u>

\* Lists and specifications of equipment have already been prepared, however the major components consist of 2 (D-7 class) Caterpillar tractors; 2 motor graders; 2 front-end loaders; 8 dump trucks.

1.	New equipment.....	\$1,135,000	
2.	Spare parts .....	290,000	
b.	Holding grounds .....		154,000
c.	Farmer Training Center.....		111,000
1.	Kitchen, classroom, sanitary/water items.....	20,000	
2.	Vehicles .....	46,000	
3.	Field equipment .....	6,000	
4.	Farm development equipment .....	39,000	
4.	Other costs .....		<u>852,000</u>
a.	Access roads .....		797,000
1.	Recurrent costs including fuels, oils and lubricants for equipment .....	370,000	
2.	Headquarters support and supplies.....	10,000	
3.	Contingency**.....	411,000	
b.	Holding grounds .....		None
c.	Farmer Training Center.....		55,000
1.	Pilot outreach activities.....	40,000	
2.	Contingency**.....	15,000	

In addition, contributions to the project which are not reflected above are the man hours, equipment and facilities of the Masai Livestock project which will be shared with this drought project. For instance, one of the Masai team members will be assigned to design the content of the Farmer Training Center program/curriculum as well as actually doing some of the field outreach training. In addition, other Masai team members will be available to assist as required and as time permits.

#### VI. TANGOV CONTRIBUTION

In support of the program outlined in this Project Agreement, the TanGov agrees to make the following contributions either in cash or in kind over the life of the project:

	<i>TShs.</i>	<i>TShs.</i>
A. Access roads.....		2,955,660
1. Capital costs.....	357,000	
2. Recurrent costs .....	2,106,000	
3. Contingency .....	492,660	
B. Farmer Training Center.....		1,963,500
1. Construction of facilities.....	1,356,600	
2. Stock purchase and pasture development.....	606,900	

C. All the land required for the roads, holding grounds and the Farmer Training Center.

D. Office space for the Team Leader of the road project, ComWorks shop support, camp equipment and uniforms, required water and fuel tanks, Masai Team support as required, and sufficient personnel to effectively carry out the project as will be mutually agreed upon by USAID and the Arusha Regional officials.

E. For support of U.S. personnel financed under this Agreement:

1. Housing and hard furnishings in accordance with the standards for Housing Pool "A" established by the TanGov for government employees of equal rank;
2. Medical services, local transport, office facilities, etc., provided TanGov employees of comparable rank.

\*\* Contingency to cover price escalation and quantity increases.

F. Although the technicians will be fully funded by USAID (total salaries paid in the U.S.) the Tanzanian Government agrees to contribute to a Trust Account in Tanzania in the name of the U.S. Agency for International Development the sum of TShs. 21,600 per year for each technician financed under this Agreement. Each required payment into the Trust Account shall be made in advance immediately upon the first arrival of each technician at the project site. The Trust Account will be set up or arranged so that USAID may draw thereon to support development projects in Tanzania, including Arusha Region Drought Project. The USAID Mission will notify the United Republic of Tanzania of the time when a payment into the Trust Account is due and of the amount due.

G. In the event that contributions to the project required of the TanGov and AID under this Agreement are inadequate to complete the project, the TanGov shall provide such additional resources and contributions in cash or in kind as may be necessary for the timely and effective completion of the project.

#### VII. PROCUREMENT

A. Except as may be inconsistent with other provisions of this Agreement or as AID may otherwise specify in writing, the procurement of commodities to be financed by AID shall be conducted in accordance with the AID Country Contracting Guidelines applicable to Procurement of Equipment and Materials, AID Handbook 11.

B. Except as hereinafter specified or as AID may otherwise agree in writing, all goods and services to be financed by AID under this Agreement shall have their source and origin in Tanzania or those countries included in AID Geographic Code 941.

C. Except as AID may otherwise agree in writing, any commodities procured under AID financing and transported to Tanzania by sea shall be carried on U.S. flag commercial vessels.

D. Except as AID may otherwise agree in writing up to \$500,000 of the off-shelf procurement in Tanzania and Kenya of commodities having their origin in countries included in AID Geographic Code 935.

E. Definitions, procedures, and relevant AID Geographic Codes regarding the foregoing procurement eligibility requirement are contained in the Country Contracting Guidelines. Additional advice on procurement will be covered by initial and subsequent implementation letters as appropriate.

#### VIII. SPECIAL PROVISIONS

A. In regard to the implementation of the project the Government of Tanzania agrees, as follows:

1. That central regional workshop facilities for the repair and maintenance of construction equipment shall be made available at Arusha for the duration of the project;
2. That the Ministry of Works will provide adequate staff and necessary staff support to meet its required contribution to the road construction portion of the project;
3. That the northern access road shall be located within the corridor running from Monduli to Lake Natron to Sonjo and that the southern access road shall be located within the corridor running from Themti to Naberera to Ngasumet to Ndedo;
4. That the amounts budgeted or allocated in the Arusha Region plan for road improvement in the project area will be applied to the maintenance of roads constructed under the project;
5. That the FTC shall be located at Monduli;
6. That the FTC will engage in activities designed to benefit both Monduli and Kiteto Districts;
7. That construction equipment will remain in the project area upon completion of the two access roads and will be assigned to the Masai Project Team for use in road maintenance and drought relief work;

8. That for purposes of this project the Arusha RDD is authorized to communicate directly with and to submit requests directly to Treasury without transmitting such communications and requests through the Office of the Prime Minister;
9. That seaborne project equipment, material and supplies may be routed through the port of Tanga as well as Dar es Salaam.

B. It is understood and agreed that the Regional Development Director signing this Project Agreement or a subsequent incumbent in that position will also be the Tanzanian Government's authorized representative for implementation of the activities thereunder.

#### IX. GENERAL PROVISIONS

A. The USAID-financed specialists under this project will not be subject to transfer or reassignment outside this project and will be under the general supervision of the Arusha Region Regional Development Director and his staff with continual liaison with the Masai Livestock Project Team Leader.

B. The vehicles provided by USAID under this Agreement will be for official project use only and shall be under the administrative control of the USAID-financed technicians during the life of the project. The title to the vehicles will reside with the Government of Tanzania.

C. *Privileges and immunities.* The personnel provided by USAID under this Agreement fall within the category of personnel described in section 5(d) of the Agreement for technical cooperation of February 8, 1968, between the United Republic of Tanzania and the United States of America. The basic privileges and immunities provided are:

1. Duty-free import privileges of goods for personal use for four months after first arrival in Tanzania and of one motor vehicle, one refrigerator, and one air conditioning unit per Customs Tariff (Remission of Customs Duties) (Technical Assistance Projects and Personnel) Order, 1970;
2. Exemption from the registration tax imposed by the Private Motor Vehicles Registration Tax Act, 1964, per Private Motor Vehicle Registration Tax (Technical Assistance Exemption) Order, 1965;
3. Currency exchange facilities afforded to officials of comparable rank in the Tanzanian Government;
4. Exemption from taxation or mandatory contribution on the U.S. salary and emoluments;
5. Immunity from Tanzania's national service obligation for employees and their dependents;
6. Immunity from immigration restrictions and alien registration;
7. The USAID-financed personnel provided under this Agreement will be protected against criminal prosecution and/or civil action arising from his official position as hereinafter provided:
  - a. When a criminal prosecution or civil action is instituted against any of the USAID-financed personnel provided under this Agreement as a result of his official position or an act done or committed in the course of his official duties, he will be at liberty to apply to the Arusha Region Regional Development Director for assistance in his defense;
  - b. The Arusha Region Regional Development Director if satisfied that:
    - (i) The act was done or committed in good faith in the execution of the official duties of the USAID-financed technician concerned and was not in contravention of any departmental regulation or instruction; or
    - (ii) That the case is malicious and is brought on account of the official position which the technician holds; and



- (iii) That it is in the public interest that the technician should be defended at government expense, will immediately report the matter to the Attorney General under paragraph 2 above, the Arusha Region Regional Development Director will include certificates in writing along the lines indicated in that paragraph;
- c. In making reports to the Attorney General under paragraph 2 above, the Arusha Region Regional Development Director will include certificates in writing along the lines indicated in that paragraph;
- d. If the Attorney General is satisfied that it is proper and just to do so, he will, with the consent of the technician:
  - (i) Determine that it is in the public interest that the technician should be defended at Government expense, will immediately report the matter to the Attorney General and ask that arrangements be made for the technician's defense;
  - (ii) In making reports to the Attorney General under paragraph (i) above, the Arusha Region Regional Development Director will include certificates in writing along the lines indicated in that paragraph;
  - (iii) If the Attorney General is satisfied that it is proper and just to do so, he will, with the consent of the technician concerned, arrange for his defense; the costs of his defense will then be met by the Government of Tanzania;
  - (iv) If in a case in which his defense has been arranged under paragraph (i) above the technician loses the case and is required to pay any sum by way of damage, costs, fine or compensation, such payment will be met from public funds

D. Except as AID may otherwise agree in writing, any AID-financed supplies, materials or equipment, including, but not limited to, petroleum products and vehicles, introduced into or acquired in Tanzania for use on or incorporation into the project shall be exempt from any taxes, levies or duties on the import, export, purchase, use, ownership, registration or possession of such supplies, materials or equipment.

E. Except as AID may otherwise agree in writing, no goods or services financed by AID shall be used to promote or assist any foreign aid project or activity associated with or financed by any country not included in AID Geographic Code 935.

F. The Government of Tanzania agrees to execute an assignment to AID upon request of any cause of action which may accrue to the Government of Tanzania in connection with or arising out of contractor's performance or breach of performance of any contract financed in whole or in part out of funds provided by the United States Government under this Agreement.

G. AID shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Project Agreement.

H. Except to the extent modified by the preceding sections of this Agreement or by the February 8, 1968, Agreement for technical cooperation between the Parties hereto, the terms and conditions of the Standard Provisions Annex (copy attached) shall apply to this Agreement and the Project.

## X. EVALUATION

Evaluation will be carried out on two levels—evaluation of output indicators, and evaluation of project impact. The first is obviously the easiest and merely involves measuring physical accomplishments, i.e., arrival of equipment and technicians, construction of roads and establishment of holding grounds and training center facilities. The second may be further divided into two parts: one, the impact on short-term relief efforts (distribution of food and supplies and emergency movement of cattle) and two, the impact on longer-term development of the area. Neither of these will be necessarily fully evaluatable at the end of the two-year project period.

With respect to impact on emergency relief efforts, it will be necessary to compare numbers of people receiving food, distances and time travelled in delivering supplies and cattle marketed during the most recent emergency with the same data collected for the next emergency. Food distribution data is being recorded by the Region; cattle and human census data are being compiled by the Masai Project Team. For the longer term, it will not be practical, if indeed possible, to separate the impact of this activity from that of the Masai Project. Thus for project evaluation purposes, it will be necessary to rely on (1) the annual PAR exercise for the Masai Project which will henceforth incorporate the drought project; (2) the Masai Project in-depth evaluation scheduled for FY 1976 (as a follow-up to the FY 73 evaluation) which, as a minimum, will include evaluation of the drought activity outputs (on the presumption that it will be too early to measure impact on drought) and (3) the terminal AID evaluation of the Masai Project at its conclusion in FY 1979.

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