PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Report No.: PIDC11095

Project Name	LAKE VICTORIA TRANSPORT PROGRAM - SOP1 (P151606)
Region	AFRICA
Country	Africa
Sector(s)	Rural and Inter-Urban Roads and Highways (10%), Ports, waterways and shipping (90%)
Theme(s)	Infrastructure services for private sector development (75%), Regional integration (25%)
Lending Instrument	Investment Project Financing
Project ID	P151606
Borrower(s)	REPUBLIC OF UGANDA
Implementing Agency	East Africa Community, Lake Victoria Basin Commission (LVBC), Ministry of Works and Transport
Environmental Category	A-Full Assessment
Date PID Prepared/ Updated	27-Apr-2015
Date PID Approved/ Disclosed	18-May-2015
Estimated Date of Appraisal Completion	03-Oct-2016
Estimated Date of Board Approval	20-Dec-2016
Concept Review Decision	Track II - The review did authorize the preparation to continue

I. Introduction and Context

Country Context

The catchment area of Lake Victoria holds a population of around 35 million people, and is responsible for an approximate Gross Domestic Product (GDP) of some US$30 billion, or around 40 percent of the total GDP from the East Africa Community Countries. Significant economic potential exists around the lake, such as hydropower generation, agriculture, irrigation, fishery and inland water transportation. The majority of the people who live around the lake depend on agriculture for food and their livelihoods. Although its contribution to GDP has been declining due to the growth of other sectors, such as mining, agriculture remains crucial for inclusive growth, contributing to 20-30 percent of GDP and employing 60-70 percent of the total workforce. In Mwanza Region, which has the largest port on Lake Victoria, about 85 percent of the population rely on agriculture for their livelihood. In Mara Region, one of Tanzania's 30 administrative regions

situated on the southeastern shore of Lake Victoria, nearly 90 percent of population are engaged in agriculture, contributing to about 60 percent of its regional GDP.

From an agro-climatic point of view, the lake region (defined by coastal areas within 100 km from the lake) is estimated to have a potential theoretical maximum of US$63 billion of agricultural production per annum, assuming no constraints on land use. The region currently produces US$4.8 billion of agricultural commodities per annum, accounting for a significant share of total agricultural production in Kenya, Tanzania and Uganda. Despite this significant potential, poverty remains persistent around Lake Victoria. It is estimated that around 50 percent of the population living in the lake basin survive on less than US$1.25 per day. This compares unfavorably to overall poverty rates in Kenya, Tanzania and Uganda. The pervasiveness of poverty in the vicinity of the lake reflects a number of constraints, with transport connectivity one of the most critical ones.

Uganda is a landlocked country with an area of 236,040 square kilometers. With a population size of 34.1 million, the country has recorded high population growth rate of 3.2 percent per annum. In Uganda a succession of shocks, including the global economic crisis, a prolonged drought, a surge of election-related public spending in 2010, and recent governance issues have affected macroeconomic stability. Growth in GDP fell to 5.8 percent in 2013 (from an average of 6.3 percent per annum over the period 2007-12). The economy is projected to expand by 6 percent in 2014 due to increased public investment, higher agricultural output, and a more favorable manufacturing environment. Uganda reduced poverty from 56.4 percent to 19.5 percent over the past two decades which has still to translate into improvement in other welfare dimensions and the absolute number of poor people has increased due to population growth. In 2012, Uganda ranked 161 out of the 187 countries on the Human Development Index. The overall decline in poverty can be attributed to subtle diversification of economic activity away from over-reliance on the farm, to nonfarm household enterprises.

Uganda is the land “bridge” for the rest of the Great Lakes region, connecting a number of landlocked neighbors to the coastal countries. The East Africa Community (EAC) regional integration agenda is also partly driven by Uganda’s active economic and trade performance. Uganda’s trade with its neighbors has more than doubled from about 20 percent of GDP in 1990 to over 42 percent by June 2010. The volume of trade increased by the type of goods in transit, both by destination and sources of trade, particularly with South Sudan. The efficiency of the transit traffic performance in the major road corridors is critical for supporting and sustaining competitive international trade in the sub-region. This calls for addressing infrastructure bottlenecks and non-physical trade barriers that hamper smooth flow of traffic for people and goods.

Uganda’s Vision 2040 calls for a series of structural measures to accelerate economic growth. It has committed to building the stock of physical capital, notably through investments in infrastructure (including transport and energy). The transport sector is a high priority of the government. Investment in connectivity (including rehabilitation of major transport corridors) are seen as essential for economic development, agricultural productivity, and poverty reduction.

Sectoral and Institutional Context

Lake Victoria is the largest of all African lakes and the second widest in the world (length of 337 km and a width of 240 km). Its surface area is approximately 69,500 sq. km and is shared by Tanzania, Uganda and Kenya (49 percent, 45 percent and 6 percent respectively). It is situated in a wide depression between the east and west Great Rift Valley and has a heavily indented shoreline of

3,440 km length, with a shallow gentle gradient, making it extremely sensitive to moderate changes in level. Mean depth is 40 meters, with a maximum depth of 84 meters, and a volume of 2,750 km3. Geologically, the hills are mainly covered with weathered granite and fresh granite is exposed at hill tops, peninsulas and islands. It contains numerous islands, such as the Sese archipelago, a chain of 62 islands in the north-western section of the lake.

The shoreline's complex topography plays a role in the development of the road network around the lake. Historically, marine transport on the lake, together with the rail network, played the primary role in the transportation of cargo and passengers to and from the land-locked countries. In so doing, it formed an important component of an intermodal supply chain along the Central and Northern Corridors linking to Mombasa and Dar es Salaam ports. Kisumu (Kenya) was established as a shipbuilding and assembly center before the end of the First World War, with ferries and cargo ships travelling to Uganda. By the mid-Twentieth Century, the East African Railways and Harbours Corporation (EARHC) operated regular sailings from Kisumu to Port Bell in Uganda and Mwanza in Tanzania, using rail ferries that carried rail wagons loaded and unloaded directly from/to rail tracks in the three ports. Smaller ports Jinja (Uganda), Musoma, Bukoba and Kemondo Bay (Tanzania) were also served. The breakup of the EARHC in 1977 started the decline in transport services on the lake, leading to the gradual disintegration of the services inherited by the three railway companies. The development of the road network around the Lake further undermined the competitive position of transport services, on some routes.

The demand for lake transport has declined over the last 10 years reflected a combination of unreliable or broken rail connections to the maritime ports, and unreliable ferry operations across the lake itself. Cargo volumes on the lake were increasing until 2005, but then fell dramatically as a result of the drop in international traffic. In 2000 around 80 percent of TPA's Lake Victoria cargo was international trade with Uganda and Kenya, most of it transit traffic from Dar es Salaam to Uganda. By 2010 this had virtually disappeared, with international trade averaging only 10,000 tons p.a. between 2010-12, compared with 240,000 tons in 2001 and 375,000 tons in 2005. The loss of international traffic has been due to two inter-related factors: (i) A reduction in rail services between Mwanza and Dar es Salaam following the concessioning of Tanzania's TRC rail services to RITES in 2006, and the subsequent complete breakdown in the service; and (ii) a reduction in the number of rail ferries operating on Lake Victoria from five to one following an accident between two rail ferries in 2005, and the subsequent withdrawal of two others for safety reasons. As a result, Mwanza port handles about 15 percent (156,000 tons in 2012) of its peak demand of 10 years ago. Port Bell handled over 400,000 tons of cargo in 2004 but currently handles a range of 10,000 to 80,000 tons per annum, depending on the ad-hoc needs of a few clients. The traffics carried on the lake now include passengers and vehicles, cement, fertilizer and consumer goods, such as cottonseed, wheat flour, fish and coffee.

However, there is considerable potential : (i) the catchment area of the lake contains a growing population of nearly 35 million people; (ii) a number of towns and villages around the lake do not have good road access, and are currently being served by a poorly regulated private sector fleet; (iii) For some routes, the lake option will remain the most direct and efficient route, with a reliable service, with the average freight tariff on Lake Victoria about 7-8 U.S. cents per ton-km which is expected to fall further, and which is competitive with road transport on roads circling the lake for certain types of cargo; (iv) the rehabilitation of the railway infrastructure and the revitalization of railway services on the central railway line particularly offers the landlocked countries the potential of a secure, potentially cheaper, intermodal service from the maritime port; and (v) the

reintroduction of such a service provides an alternative option, in the event of disruption, for tra ffics currently using Mombasa from Uganda, DRC and Rwanda. The following paragraphs summarize the current conditions of the lakeports.

The Lake Ports - Uganda

Port Bell is located at the head of the Murchison Bay, south-east of Kampala. The port was constructed in the 1960's as a rail wagon terminal, though has limited facilities for berthing other types of vessels. The rail wagon terminal is constructed on artificial (reclaimed) land at the head of which is a pier some 65 meters long and 20 meters wide, which acts as a causeway to the rail wagon loading dock. The latter consists of a link-span and hoisting towers (designed to raise and lower the bridge depending on the freeboard of the ferry and differences in water levels), guide walls, and berthing dolphins for mooring the ferries in Mediterranean fashion for stern loading/offloading. The pier is a sheet piled wall construction with a reinforced concrete deck, the eastern part of which can be used for loading/offloading ships. Although this area is used mainly to berth a small floating dock. Port Bell has one mobile crane, and one forklift truck, both of which appeared to be dysfunctional. The access road is narrow and constrained, reflecting considerable encroachment and parked vehicles. The 9 km rail link is in poor condition, and has not been used for many years and is currently overgrown.

Jinja port was also constructed in the 1960's as a rail-wagon terminal, though also has some facilities for berthing other types of vessels. The rail-wagon terminal at Jinja is located 80 km east of Kampala on the north shore of the Nile River which flows out of the lake. The rail-wagon terminal is of similar construction to that at Port Bell, except that the concrete pier is some 40 meters long and 14 meters wide. The access to the port is difficult for both road and rail, and the former is both steep and unpaved. There is sufficient space in the port for storage and parking. There is no cargo handling equipment, but the linkspan is in fair condition.

The Lake Ports - Tanzania

Mwanza port actually consists of two parts: Mwanza South and Mwanza North respectively. Mwanza South Port is the main port for all cargo specific operations in the southern (Tanzanian) portion of the lake, whilst Mwanza North port is the passenger terminus, located on the south eastern shore of Massenga Bay adjacent to Mwanza city. Mwanza South is located within a natural shallow bay on the eastern shore of Mwanza Gulf. It is protected from the open waters of the lake by Capri Point, a high rocky promontory. Port facilities are grouped in a wide area of land some 8.5 ha in size. Most of this area is either unused (the port has little paved hard-standing or storage space) or is occupied by railway lines where railcars can be parked in readiness for shunting onto ferries via the linkspan (constructed in 1964). The main quay (constructed in the late 1930's) is 250 meters long and consists of a sheet piled wall with a reinforced concrete deck. A rail line loops along the quay, with two spurs, one (disused) running along the cope edge and the other fronting the goods sheds. The southern end of the quay (adjacent to the link-span) is currently used to load/ discharge oil products to tankers/ships. The quay apron is unusually constructed on a two tier level with a difference of 0.7 meters in height over a length of 190 meters. The upper level fronting the cargo and transit sheds is some 7 meters in width and this reduces the effective working area on the quayside to some 5 meters in width, greatly hindering horizontal transfer operations. Recent block work modifications at the northern end of the quay have raised the apron to similar levels over a length of 60 meters. This area is currently used as a docking and maintenance wharf and provides

hard-standing storage and yard space. The port has a dry dock (2,100 tons lifting capacity) that can be used for ship repair and/or construction.

Mwanza North port is the passenger terminus, located immediately adjacent to Mwanza city. Despite the location direct road access has been closed off and road traffic accessing and egressing the port is forced to deviate on an unpaved road close to the Kamanga Ferry terminal, west of the port. Port facilities have been constructed on a promontory of artificial land (developed in the late 1930's) and consist of two berths: a main berth of 82 meters in length, and a secondary berth of some 50 meters in length. Both berths are again of a sheet piled wall design with a reinforced concrete deck. Part of the secondary berth and apron has been raised 0.6 meters in height. The port has a central passenger/cargo shed and is served by a rail spur that terminates on the main berth. The rail link connecting the port to the central station is out of service, and the right of way has been encroached. The close proximity of the outlet of the River Kenge, Mwanza's main river/ stormwater/sewerage outfall, artificially extended into the lake, has led to considerable siltation. There is also another small ferry terminal just to the south of the Mwanza north terminal, which maintains a link to the islands, and contributes to the local congestion.

Bukoba port serves as the gateway to the region west of Lake Victoria and is the second largest port after Mwanza. Bukoba is the capital of Kagera Region situated on the western shore of Lake Victoria. The port is located south of the city. It is served by a regular connection via Kemondo Bay to Mwanza, on Mondays, W ednesdays, and Fridays. The service is provided by MV Victoria, MSCL's largest cargo-passenger ship, which is capable of carrying 200 tons of cargo and 1,200 passengers. Bukoba Port has three berths built in 1945, which are still in use. The main one is Berth No. 1, where the MV Victoria is accommodated. Berths No. 2 and No. 3, in a U-shaped basin, serve smaller ships. The port has three cargo sheds and one passenger shed. The city is also served by ground transport to Kampala every day. Because of the well-developed road network on the western shore of Lake Victoria, bus transport operated by the private sector is competitive between Bukoba and Mwanza. The access road and port area are in need of rehabilitation.

The port of Musoma is located in Mara Bay, a large sheltered bay bound by hilly country that characterizes the eastern shore of Lake Victoria. The original port pier was constructed on leeward side of Musoma Point, a narrow peninsula that extends into the lake on the southern shore of the bay. The existing port, constructed between 1966 and 1968, is located south east of Musoma Point, on a small headland adjacent to the town. Port facilities, constructed on artificial land consist of a rail wagon terminal with a fixed link-span bridge, shore abutment, long and short guide walls. The opposite face of the long guide wall (SE) forms the passenger berth, which is 100 meters in length with an apron 4.5 meters in width. The cope height is 3 meters. Perpendicular to the landward end of the passenger berth is a general cargo berth of 55 meters length, a paved apron area of 9.5 meters width and a cope height of 2.1 meters. All wagon ferry guide walls, passenger and general cargo berths are of steel sheet pile wall construction with a reinforced concrete deck. Port land (covering some 3 ha.) is dominated by railway track required to load/offload and shunt rail wagons within the yard area. Due north west of the existing port site, adjacent to Musoma Point, there are two offshore mooring dolphins for berthing tank-ships for ship to shore petroleum transfers. There are no cargo handling facilities of any kind and throughput has steadily declined due to competition from road transport taking advantage of the paved road network linking Musoma to Kenya (via Tarime and Sirari) in the North, and Mwanza (via Bunda) in the South. The access road and port area are in need of rehabilitation.

The Lake Ports - Kenya

The port of Kisumu is located in the north-eastern corner of Lake Victoria, on the southern shore of a small sheltered bay, fronting Kenya's third largest city. Port facilities are grouped in a wide area of land some 20 hectares in size, with reasonable although unpaved access. Most of this area is occupied by dockyard facilities and rail sidings, the latter run to the main-quay or the rail-wagon terminal located at its western end. The wharf is 900 meters long, of which about 500meters is currently operable. It is a pile supported structure with an 18 inch thick facing wall, added when the water level rose. The main jetty is some 260 meters in length with an apron about 12 meters wide, and in need of rehabilitation. A single warehouse of 80 meters by 16 meters is provided on the main quay, behind which is a paved open storage are of approximately 3,000 m2. The rail wagon terminal is constructed on artificial (reclaimed) land almost perpendicular to the main quay. It consists of a link-span, hoisting towers, guide walls and inner and outer mooring dolphins (connected by a suspended walkway).

There is a working dry dock of 100 meters by 30 meters, with a working draft of 6 meters. The facility includes two slipways, one of which is derelict and overgrown. This and the linkspan are 'considered assets' of Rift Valley Railways (RVR). Although, GoK are currently passing responsibility for the port from Kenya Railway Corporation (KRC) to Kenya Port Authority (KPA). Siltation has led to a reduction in the amount of available wharf space to about 120 meters, and the entire port area of 3 sq. km. needs dredging to a depth of 6 meters. There is also a problem with water hyacinth, which frequently hinders vessel movement in and out of the port. The Bank team was informed that the port is currently handling 7,000 tons of cargo per month, mainly edible oils transported in 20 liter containers. There is no cargo handling equipment and all cargo is moved manually. Given the lack of functioning rail connection between Nakuru and Kisumu (217 km), the potential would appear to lie with cargo to/from the other lake ports, and passenger traffic. The GoK have commissioned transaction advisors to prepare a business case for a potential concession for the port. It is expected that public investment will be necessary to facilitate the concession.

Marine Services on Lake Victoria

Historically, Marine Service Company Limited (MSCL) - formally the marine division of Tanzania Railways Corporation, and the Uganda and Kenya Railway Corporations, together carried the majority of shipping on the lake. Their rail-wagon ferries (with a combined cargo deadweight tonnage of 4,400 tons) had a monopoly on the carriage of rail cargo between the three East African States. However given the decline in capacity on the central railway, the majority of cargo between the lake ports is now transported by private vessels. MSCL still operates the passenger ferry services operating from Mwanza to other points in Tanzania. However, consistent rules for the safe design, construction and operation of vessels need to be developed and respected in all riparian countries. Equally, the project will support the liberalization of current restrictions on cabotage for vessels of any riparian nation.

Safety on Lake Victoria

There are no reliable nautical charts currently available on Lake Victoria (available charts date to 1929), and no functional aids to navigation (although the LVBC have recently procured some with support from the World Bank), and there is little or no effective dissemination of information in respect of safe navigation, weather, and environmental protection. In addition, while all registered

ships on Lake Victoria are provided with radios, none of the lake ports has any maritime assistance services of any kind. This means that there is no general weather synopsis, storm or other navigational warnings given to ships departing from any of the lake ports. Neither i s the lake endowed with landfall lights, beacons, buoys, leading lines or other facilities that delineate headlands, ship routes, known dangers (including wrecks) or the fairways and approaches to ports. The LVBC is planning to establish a Maritime Rescue Coordination Centre in Mwanza North, funded by the African Development Bank (AfDB). The plots have been already acquired. In addition, the LVBC is finalizing the concept for a maritime communication system, which is also to be funded by AfDB. These are welcome developments, but a 'drop in the lake' in terms of what is required.

The Rehabilitation of the Rail Infrastructure.

The rehabilitation of the Central Line between Dar es Salaam and Isaka (970 km) is planned under the Tanzania Intermodal and Rail Development Project (IDA Credit 54140), with additional support from Japanese International Cooperation Agency (JICA) and the European Investment Bank (EIB). The rehabilitation of the connection between Isaka and Mwanza (239km) is considered to be essential to provide a reliable rail connection between Mwanza and Dar es Salaam to promote migration of freight and passenger traffic from road to rail, opening up the second multimodal corridor to a maritime port for the landlocked countries, but also to stimulate the development of marine traffic between Mwanza and the lake ports in Uganda and Kenya. This section of the rail infrastructure, reflecting the regional benefits of the investment, is proposed for inclusion in the Tanzanian SOP in the LVTP.

The Rehabilitation of Key Feeder Roads.

In lakeside districts of Uganda, rural accessibility is estimated at only 21 to 27 percent. The majority of the rural residents do not have good access to the road network. Thus, prioritization is a must. Given the fact that many people around the lake depend on agriculture and fishery, the Project will focus on feeder roads connecting key fishery and agricultural growth poles to the established road network, and therefore, to markets. Investment will reduce transport costs to markets and provide better economic opportunities, stimulating local growth, generating more jobs and mitigating poverty. Around the lake, there are over 2,000 landing sites, of which 113 sites are equipped with jetties and pontoon. Priority can be put to relatively large fishery poles in terms of production. Fishery production is expected to increase with proximity to processing facilities, which are normally located at major cities. Improved feeder roads are also expected to stimulate agricultural production. In the short run, farmers and fishers will benefit better output prices at markets. Improved feeder roads will bring about direct social benefits as well. Within a distance of 2km from a landing site, 995 primary schools existed in 2012, which increased by 4 percent from 957 in 2010. The number of landing sites with health clinics increased by 10.5 percent from 551 in 2010 to 609 in 2012. Over the medium to long run, more economic developments could be realized. With better feeder roads, more advanced inputs, such as fertilizer and improved seeds, may become available at lower gate prices, which will encourage farmers to switch commodities from domestic food crops to valuable cash or export crops, where agro-climatic suitability allows. As the lake region grows, input or other relevant businesses may be developed at locality.

Relationship to CAS

The Lake Victoria Transport Program supports the Bank’s twin goals of reducing extreme poverty

and enhancing shared prosperity, as it facilitates economic growth, trade facilitation and access to jobs, in the hinterland of Lake Victoria. The revitalization of inland water transport on Lake Victoria in a sustainable manner will help to reduce transport costs and improve access, both for the communities living around the Lake, and for Uganda and the other Landlocked Developing Countries (LLDC) of the region and the key maritime gateways. The provision of the second access to the sea for many of these countries will not only lead to lower costs, but also improve the resilience of the transport system. In addition, inland water transport is a safer and more environmentally benign mode, depending on the volume carried, and the nature and length of trip.

The program is aligned with the current Bank's Country Assistance Strategy (CAS) for Uganda covering fiscal year 2011 to 2015 which has a strategic objective of enhancing public infrastructure and promoting inclusive and sustainable growth. The project would contribute to the achievement of three of the four strategic objectives of the Uganda CAS (2011-2015) which seeks to promote inclusive and sustainable economic growth: (i) improved conditions for private sector growth; (ii) improved interconnectivity for regional integration; (iii) increased productivity and commercialization of agriculture. Transport is one of the priorities of the CAS and is considered to be one of the determining factors for growth, interconnectivity, trade and regional integration. The importance of transformational regional projects in infrastructure was underlined, when these priorities were confirmed in the CAS Progress Report of July 2013.

The proposed LVTP and SOP1 in Uganda are also consistent with the Regional Integration Assistance Strategy (RIAS) for sub-Saharan Africa. The RIAS focuses on the creation of open, unified, regional economic spaces, as a means of creating an enabling environment to foster a competitive and efficient private sector in Africa. The proposed program and the SOP1 project in Uganda directly support three pillars of this strategy: (a) development of regional infrastructure to improve cross-border interconnectivity, by developing an integrated, efficient, cost-effective and adequate transport system for economic growth and trade facilitation; (b) institutional cooperation and economic integration, by focusing on strengthening the corridor management and monitoring institution; and (c) coordinated interventions to provide regional public goods.

The LVTP and SOP1 in Uganda are also supported by the recommendations of the Africa Infrastructure Country Diagnostic (AICD) and the World Bank's Africa Strategy. The AICD highlights that Africa's infrastructure networks increasingly lag behind those of other developing countries and are characterized by missing regional links and limited access. It notes that regional integration can contribute significantly to reducing infrastructure costs, by allowing countries to capture scale economies and manage regional public goods effectively. The Africa Strategy advocates regional integration and regional solutions. It notes that many of Africa's challenges can best be addressed through cooperation and integration at the regional level. Such an approach offers the prospect of larger scale and lower unit costs in the provision of key infrastructure; more efficient risk-sharing mechanisms; bigger and more competitive markets; and enhanced regulatory coherence, effectiveness, and credibility.

II. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)

The program development objective for the Lake Victoria Transport Program has been identified as the following: to facilitate the sustainable movement of goods and people across Lake Victoria, whilst strengthening the institutional framework for navigation and maritime safety.

The project development objective for SOP1 in Uganda has been identified as the following: to facilitate the sustainable movement of goods and people across Lake Victoria, whilst strengthening the institutional framework for navigation and maritime safety in Uganda.

Key Results (From PCN)

Progress towards the attainment of the Project Development Objective for SOP1 in Uganda will be assessed through the following outcome and output indicators (which are considered provisional at this stage):

PDO Level Results Indicators

- Reduced time for vessels to load/unload in project ports (hrs);
- Reduced dwell time for cargo in project ports (hrs);
- Improved safety on the lake (form tbc);
- Reduced travel time on project rail links (Minutes) ;
- Reduced travel time on project roads (Minutes);
- Vehicle/Vessel generalized cost savings (US$);
- Number of direct project beneficiaries (number); and
- Number of direct female beneficiaries (number).

III. Preliminary Description

Concept Description

The proposed Lake Victoria Transport Program represents the first project(s) to be prepared under the Integrated Corridor Development Initiative (the Intermodal Strategy) in the EAC countries, endorsed at the 3rd EAC Heads of State Retreat held in Nairobi, November 29-30, 2014.

The proposed Lake Victoria Transport Program will involve a Series of Projects (SOP), one per country, each using a blend of national IDA credit funds and regional IDA credit funds on a one-third to two-third split, depending on the eligibility of the components. The first SOP will also involve the provision of an IDA grant to both of the regional bodies to facilitate the management of the program, and the harmonization of the institutional framework. The total LVTP program is envisaged to amount to some US$620 million, excluding the IDA grant, split between the four countries in the following manner: (i) Uganda US$75 million; (ii) Tanzania US$75 million for the lake infrastructure, and US$270 million for the railway; (iii) Kenya US$50 million; and Rwanda US $150 million for a key regional access road.

The discrete projects are to be prepared in parallel, with SOP1 in Uganda is scheduled for the first phase of the program, reflecting the advanced state of preparation in that country, but also the lengthy process to reach effectiveness. The remaining projects in Kenya, Tanzania, and Rwanda are intended to follow closely in sequence, readiness the determining factor in which is submitted first for approval to the Board of Executive Directors of the World Bank for their consideration.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	×		
Natural Habitats OP/BP 4.04	×		

Forests OP/BP 4.36			x
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11			x
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50	x		
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	80.00	Total Bank Financing:	80.00
Financing Gap:	0.00		

Financing Source	**Amount**
BORROWER/RECIPIENT	0.00
International Development Association (IDA)	75.00
IDA Grant	5.00
Total	80.00

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