

**INTEGRATED SAFEGUARDS DATA SHEET
ADDITIONAL FINANCING**

Report No.: ISDSA1117

Date ISDS Prepared/Updated: 18-Mar-2015

Date ISDS Approved/Disclosed: 19-Mar-2015

I. BASIC INFORMATION

1. Basic Project Data

Country:	Tanzania	Project ID:	P151124
		Parent Project ID:	P096302
Project Name:	TZ Sustainable Management of Mineral Resources (P151124)		
Parent Project Name:	Sustainable Management of Mineral Resources (P096302)		
Task Team Leader(s):	Mamadou Barry		
Estimated Appraisal Date:	02-Feb-2015	Estimated Board Date:	23-Apr-2015
Managing Unit:	GEEDR	Lending Instrument:	Investment Project Financing
Sector(s):	Other Mining and Extractive Industries (74%), Public administration- Energy and mining (26%)		
Theme(s):	Other public sector governance (65%), Micro, Small and Medium Enterprise support (18%), Other Private Sector Development (11%), Administrative and civil service reform (4%), Participation and civic engagement (2%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	50.00	Total Bank Financing:	45.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			5.00
International Development Association (IDA)			45.00
Total			50.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

A. Original Project Development Objectives – Parent

To strengthen the Governments capacity to manage the mineral sector to improve the socioeconomic impacts of large and small-scale mining for Tanzania and Tanzanians and enhance private local and foreign investment.

B. Current Project Development Objectives – Parent

C. Proposed Project Development Objectives – Additional Financing (AF)

3. Project Description

The Additional Financing retains the original PDO, and scales up activities aimed at improving benefits for Tanzania and Tanzanians. The Additional Financing addresses challenges encountered in the original project, such as: difficulty in identifying suitable geological environment for artisanal miners, inadequate training and demonstration sites for small-scale miners, and lack of knowledge in value addition (faceting, carving and jewelry), marketing and financial access.

Component A: Improve the Benefits of the Mineral Sector for Tanzania by addressing Small-scale and Artisanal Mining, linkage of the mineral sector with local economies and development of human resource for the mineral sector. Activities under this component focus on capacity building, whether to government or small-scale miners as the beneficiaries.

Component A.1 Centers of Excellence

The establishment of Centers of Excellence in mining hot spots throughout the country serve as catalysts for the technical, financial, environmental and social transformation of ASM. Seven centers have been identified based on the importance of ASM operations, their potential to become viable and environmental sound growth poles for local small- and medium-scale mining enterprises, and the degree to which environmental and social risks could be managed. All areas are already delineated by the government, in the footprint of formal artisanal mines and government centers. No extension of land or social impacts are triggered as a result. This sub-component combines on-site training in existing Zonal Mine Offices (ZMO) with on-site demonstration activities in established mines owned by the government agency, STAMICO. The Demonstration sites will model environmentally-sound processing techniques, with emphasis on alternatives to mercury use. The ZMOs are in: Musoma, Songea, Mbeya, Geita, Mwanza, Kahama, Singita and Mpanda. Support through the Project to the ZMOs will include: (i) the extension of existing office facilities to create space for classrooms, conference rooms, information centers, workshops; (ii) the provision of demonstration materials; (iii) the preparation and dissemination of training manuals; and (iv) the training of trainers.

Demonstrating sites are in: Buhemba, Mbesa (Tunduru), Chunya (Itumbi), Rwamgasa, Keyrwa, Katente, Nachingweya, and Kaparamsenga. These demonstrating sites will benefit from the Project with upgrading of existing processing technology, as follows: mercury-free processing; mercury abatement treatments; and carbon separation for VAT leaching. The purpose of the demonstrating site is to provide small-scale miners, who benefit from training conducted in the ZMO, with hands-on experience in technology use.

Component A.2 Geological Ground Works

No further airborne survey work is to be conducted. Rather, the requested AF will support targeted

geological ground works in ASM areas that benefited from airborne surveys under the original Project. These are on government lands that are unoccupied. The purpose is to provide small-scale miners with geological information that will guide improved mine development on the existing Primary Mining Licenses. By further confirming geological prospectivity, the government can better assist Primary Mining License (PML) holders to develop model small-scale mines conforming to international best practice and national ASM regulations. The Geological Survey of Tanzania (GST) will work directly on sampling and testing in this target area, and will provide the PML holders with basic training on data interpretation. GST will perform works under this sub-component. Areas targeted correspond with the seven mining zones under Component A.1.

Component A.3 Small Grants to Small-Scale Miners

The requested AF scales up the current Small Grants Program under the Project, extending geographic eligibility to all seven zones mentioned in Component A.1. Small grant activities allow miners to upgrade technology on sites, to undergo training on specific mine skills, and to undertake organizational and business development training. A 30% quota for women beneficiaries in the Small Grants Program is retained, as was in the original Project. The management of the Small Grant Program will draw on the financial services of the Tanzania Investment Bank Ltd. who handles procurement and fiduciary aspects of the Small Grants Program under a contract with the Ministry of Energy and Minerals.

Component A.4 Value Addition

The main beneficiary of this sub-component is the Tanzania Gemological Center (TGC). The aim is to support the transformation of TGC into a regional hub for training and marketing of gemstones. The activities supported include: (i) training and support to enable Tanzanians to work independently in value added activities and become investors in this sector; (ii) piloting initiatives for “fair trade” in ASM products; (iii) financing some costs related to the Tanzania International Gem Show which draws together gemstone traders and international buyers to showcase Tanzanian products for export into the world's gem markets; and (iv) assisting to TGC to build strategic partnership for capacity building and marketing with world-class gem training and marketing centers in Asia and America.

Component A.5 Integrating Mining Community Development Priorities into Local Government Planning

The main beneficiary is local government in the seven districts covered by the Additional Financing. The objective is to scale up of the linkages program between mining and the local economy through the following activities: : (a) assessing budgetary structures and mainstreaming mining into strategic planning at the District level; (b) developing policies and procedures for local government provision of social services Artisanal and Small-scale Mining areas; (c) developing and delivering of alternative livelihood skills training; and (d) assessment of local content opportunities and preparation of local procurement strategies aimed at enabling entrepreneurs to provide goods and services to large and medium scale mines.

Component B: Strengthen Governance and Transparency in the Mineral Sector. Activities under this component focus on improving government policies and systems with respect to transparency.

Sub-Component B.1: Addressing regulatory gaps

Several institutions will benefit from this sub-component aimed at addressing regulatory gaps and strengthen the legal framework. The Ministry of Energy and Minerals will complete a number of outstanding regulatory gaps, namely: (i) its mine closure policy and Environmental Protection Plan

for ASM; (ii) data integration using the platform of the new online licensing system, (iii) strengthening the mine inspection procedures; (iv) preparing the implementation regulations on explosives, and (v) preparing the implementation of the regulations on value addition.

Sub-Component B.2: Improving transparency

This Sub-component reinforces ongoing extractive sector transparency initiatives aimed at improving sector governance. The following activities will be supported: (i) the Tanzania Mineral Audit Agency (TMAA) and Tanzania Revenue Authority (TRA) will work to integrate ASM operations into the tax revenue collection model; (ii) The Tanzanian EITI National Committee will conduct a value chain audit/beneficial ownership on ASM in order to mainstream ASM into the revenue reporting procedures of the EITI process; (iii) further extractive sector data integration to incorporate overlay of ASM, EITI, TRA, TMAA da ta all in one portal using the flexi-cadaster system as platform; (iv) national survey of ASM and its classification to inform the government ASM support strategy; (v) establishment of a mine inspection tracking and management system.

Component C: Stimulate Mineral Sector Investment. No new activities are anticipated under this Component.

The Government of Tanzania will provide US\$5 million of parallel co-financing, under components B (US\$1.5 million) and D (US\$1.5 million), and provide a contingency of US\$2 million.

Grievance Redress: Communities and individuals who believe that they are adversely affected by specific country policies supported as prior actions or tranche release conditions under a World Bank Development Policy Operation may submit complaints to the responsible country authorities, appropriate local/national grievance redress mechanisms, or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns.

Affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond.

For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>

For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The Additional Financing focuses on seven of the ten mining zones previously delineated by the government. Activities are focused in these areas but with further distinction made between the following:

The Zonal Mine Officers which will carry out training to small-scale miners and benefit from minor

upgradation of buildings are in: Musoma, Songea, Mbeya, Geita, Mwanza, Kahama, Mtwara and Mpanda.

The Demonstrating sites where new appropriate and mercury free technology are to be implanted and tested are in: Buhemba, Mbesa (Tunduru), Chunya (Itumbi), Rwamgasa, Keyrwa, Katente, Nyachengewa and Kaparamsenga.

Given that these locations are found in the existing footprint of artisanal mines and government lands, there is no further acquisition of lands or social impacts anticipated.

5. Environmental and Social Safeguards Specialists

Ruma Tavorath (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project aims to improve environmental and social aspects of ASM through improved technologies, training and better monitoring through the formal licensing system. While the project does not invest in increasing the scale and scope of mining, there could be environmental and social impacts derived from activities related to civil works, establishment of mineral processing demo centers and activities of small-scale mine operators. The Project has developed an Environmental and Social Management Framework (ESMF) which details the processes and mechanisms to ensure that all potential environmental impacts are identified, assessed and mitigated appropriately. ESMPs, as and when necessary, will be prepared, consulted upon and disclosed prior to any civil works commencing.
Natural Habitats OP/BP 4.04	No	The project activities are not expected to impact any natural habitats. However, the ESMF defines necessary action to be taken if any of the activities to be funded under the sub-grants have any potential impacts on natural habitats.
Forests OP/BP 4.36	No	The project activities are not expected to additionally impact forest land than already being done under the license and permits. However, the ESMF defines necessary action to be taken if any of the activities to be funded under the sub-grants have larger impacts on forests and forested land and the mining license includes requirements for revegetation after closure of small mines.
Pest Management OP 4.09	No	It is not envisaged to procure or use any pesticides under the project.
Physical Cultural Resources OP/BP 4.11	No	The project is not expected to impact on physical cultural resources. However, chance finds procedures are described in the ESMF.
Indigenous Peoples OP/	No	According to the ESMF there are no known IPs in the 7

BP 4.10		sites selected under the AF. In addition, the activities under the AF are confined to the existing mines and there will not be any new mines funded under this project. The interventions are primarily for improve artisan mining in the existing locations. If during the project implementation, it becomes clear that there are groups that meet the policy criteria, World Bank and the Government of Tanzania will address the issue and submit a Tier-1 Restructuring to the Executive Directors for their approval.
Involuntary Resettlement OP/BP 4.12	Yes	Involuntary resettlements are not anticipated under the Project's Additional Financing. The limited civil work for the expansion of the zonal offices will be done within the existing footprint of the zonal centers. The targeted geological ground works in ASM areas are on government lands that are unoccupied. However should the possibility of resettlement arise during implementation and as a result of the Project's activities, the Client has prepared a Resettlement Policy Framework, which will be the basis for any site specific Resettlement Action Plan (RAP) if needed.
Safety of Dams OP/BP 4.37	No	N/A
Projects on International Waterways OP/BP 7.50	No	N/A
Projects in Disputed Areas OP/BP 7.60	No	N/A

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p> <p>While the project consists of technical assistance activities and does not involve direct investment in mining activities, there could be environmental and social impacts derived from some activities related to minor civil works, processing units and the small grants assistance component. The key environmental issues are related to discharge of tailings and contaminated effluents, emission of air pollutants, improper handling of chemicals and mined materials (ore and waste rocks), improper handling of Mercury in gold processing and health and safety concerns. Such impacts can have long-term and irreversible consequences if not well managed.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p> <p>Mining activities by their very nature typically have environmental footprints in terms of land degradation, pollution of soil, water and air and occupational health impacts if proper measures are not taken. Mercury pollution from ASGM activities can bioaccumulate and biomagnify and cause longer term environmental and health impacts. The project activities focused on mercury-free technologies or better mercury management will mitigate these risks.</p>

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
<p>The project has prepared an ESMF which provides due diligence measures and mechanisms to ensure that all potential environmental and social impacts are well identified and addressed. Recommendations from the Strategic Environmental and Social Assessment (SESA), produced under the parent project, have been taken into consideration when designing activities under the AF, including awareness and skills raising training, and monitoring and enforcement. The Project's ESMF has been updated and revised to include mechanisms to ensure that all potential environmental impacts are identified, assessed and mitigated appropriately. Furthermore the ESMF includes: (i) stringent requirements completion and submission of Environmental Protection Plans, Environmental and Social Impact Assessments and Plans; (ii) guidelines for civil works and templates for ESMPs; (iii) measures which project will implement for mercury management and occupational health and safety; (iv) coordination institutional mechanism with other departments for enforcement and monitoring; and (v) a budget for implementation. The revised ESMF was prepared in line with consultations with stakeholders at the national and local levels including government ministries/agencies, mining companies, other private sector actors, artisanal miners, NGOs and communities affected by mining operations. For civil works and small grants, the ESMF details stringent requirements in terms of planning, definition of potential impacts and mitigation measures and a monitoring program.</p> <p>The Project has also updated the Resettlement Policy Framework (RPF), though does not anticipate any land acquisition will be or impact on livelihood will occur as a result of the AF. The original Project had developed an RPF to mitigate potential negative impacts from the geological airborne survey work to be conducted near protected forest areas. Given that the targets areas are in existing artisanal mine footprint areas, Resettlement Action Plans (RAPs) were not developed. Should the geographic locations of the Additional Financing expand after the Project has commenced implementation, the World Bank will require the government to first carry out social and environmental assessments in the new proposed areas to determine whether resettlement policies and procedures are triggered. If that is the case, the RPF will apply alongside the development of specific RAPs for new sites.</p>
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
<p>The ESMF was disclosed in country and consulted with a wide range of stakeholders, including Ministries of finance, Local government, Land, Vice Presidency – Environment, Deputy Attorney General and, Geological Survey of Tanzania. At the site-specific level, the Environmental Management Committee (EMC) at the local government level, the Environmental Management Officers (EMO) of the LGRAs and the communities of miners will discuss the environmental and social screening and plans.</p>

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	10-Mar-2015
Date of submission to InfoShop	13-Mar-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////

"In country" Disclosure	
Tanzania	13-Mar-2015
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	19-Feb-2015
Date of submission to InfoShop	13-Mar-2015
"In country" Disclosure	
Tanzania	13-Mar-2015
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.	
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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III. APPROVALS

Task Team Leader(s):	Name: Mamadou Barry	
<i>Approved By</i>		
Safeguards Advisor:	Name:	Date:
Practice Manager/ Manager:	Name:	Date: