

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: 124515

Date ISDS Prepared/Updated: 19-March-2018

I. Basic Project Data

Country:	Tanzania	Project ID:	P163732
Project Name:	Sustainable Rural Water Supply and Sanitation Program		
Task Team Leader(s):	Iain Menzies and Kristoffer Welsien		
Estimated Board Date:	31-May-2018		
Estimated Appraisal Date:	21-March-2018		
Lending Instrument	Program for Results (PforR) and Investment Project Financing (IPF)		
Managing Unit:	Water Global Practice		
Sector(s):	Water		
Theme(s):	Rural Water and Sanitation		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Project Financing Data (in US\$ Million)			
Total Project Cost:	690.00	Total Bank Financing:	300.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			325.00
International Bank for Reconstruction and Development			0.00
International Development Association (IDA)			300.00
Others (DfID)			65.00
Total Project Cost			690.00
Environmental Category:	C		
Is this a Repeater project?	No		
Is this a Transferred project?	No		

II. Project Development Objective

1. The PDO is to increase access to rural water supply and sanitation services in participating districts and strengthen the capacity of select sector institutions to sustain service delivery.

III. Project Description

2. The Program will support the Government in implementing the Water Supply Development Program II (WSDP II) and will support the targets under the program. The proposed PforR operation supports a subset of the WSDP II, consisting of rural water supply and sanitation services in 17 out of Tanzania's 26 regions. The 17 regions have been selected against the criteria of low access to water and sanitation as well as high poverty and high stunting rates. Kigoma region has been added to support the host community affected by the ongoing refugee situation. The Program will be implemented through the World Bank's Program-for-Result (PforR) instrument (US\$280 million) and include technical assistance support (US\$20 million), implemented through the Investment Project Financing (IPF) instrument.

3. The Program seeks to improve the sustainability of rural water supply through the following approach: i) incentivize Local Government Authorities (LGAs) to rehabilitate dilapidated water schemes and systematize the monitoring of service quality and functionality; ii) implement cost reflective tariffs, financing mechanisms and auditable Community Owned Water Supply Organization (COWSO) level banks accounts; iii), form contractual relationships with eligible local technical support mechanisms for maintenance and repair to fill village and LGA level capacity gaps; iv) establish a bi-annual district-level community of practice meeting for coordination, learning and knowledge sharing; and v) refine existing national guidelines and operational manuals to further promote sustainability and equity. These institutional activities will precede the rehabilitation works to a large degree.

4. The approach on sanitation and hygiene will focus on demand creation using the community led total sanitation (CLTS) approach to work towards universal coverage through the achievement of Community Wide Sanitation (CWS) villages. This will be supported by a national Behavior Change Communication (BCC) campaign coupled with significant investments in supply-side strengthening to move households up the sanitation ladder to improved sanitation, including a large-scale commitment from a major international toilet manufacturer that is starting to produce low-cost plastic sanitation products in Tanzania.

5. A key focus of the Program is to increase access to services, thus the Program will invest in rehabilitation, extension and new infrastructure for rural water supply, and in the development of sanitation and hygiene facilities in rural health centers and public schools.

6. **Climate Change Co-Benefits:** The Bank's Climate and Disaster Risk Screening assessment indicates a potential increase in extreme temperatures, severe storms and floods, as well as recurrent droughts in the future. The Program will contribute to global goods such as mitigation through CO2 emissions reductions achieved by replacing diesel pumping with solar water pumping. Climate change adaptation measures will include improved watershed management and switching rural villages from seasonal to permanent water sources.

Result Area 1: Sustainable access to improved water supply in rural areas (US\$75 million)

7. This result area will be implemented by the Ministry of Water and Irrigation (MoWI) and President's Office – Regional Administration and Local Government (PO-RALG) and support improvements in sustainable access to water supply services in the participating districts by:

- Increasing coverage of well designed, properly constructed and well-managed rural water supply services that meet community needs in the selected districts. This includes a restructuring of MoWI's quality assurance and quality control mechanisms.

- Rehabilitating and repairing non-functional water points. The Program will highly incentivize rehabilitation and it is envisaged that the districts will at the onset prioritize the rehabilitation of dilapidated water infrastructure.
- Sustaining existing water points to ensure that they remain functional and provide appropriate service levels in terms of access distance and quantity of water provided. This result area will ensure that new sustainability measures, including female participation, are institutionalized at the design, construction and commencement stages for new water infrastructure and result area three will ensure that the same standards are applied to the existing functioning water schemes.

Result Area 2: Increased access to improved sanitation services in rural areas (US\$75 million).

8. Under this result area the Program will address the rural sanitation challenges using an integrated approach that incentivizes the achievement and sustaining of CWS villages which maximize the Program's health and stunting outcomes. In the villages targeted for CWS, open defecation is planned to be addressed through a combination of CLTS activities and the national BCC campaign - alongside supply-side, private sector strengthening activities. These efforts are also envisaged to move rural households up the sanitation ladder to improved sanitation and hygiene. In parallel, the Program will incentivize improvements in household hygiene practices and increase access to sanitation and hygiene in public schools including menstrual hygiene. This results area will be implemented by the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC), PO-RALG and The Ministry of Education, Science and Technology (MoEST).

9. As under WSDP-1 the LGAs will implement the National Sanitation Campaign (NSC) and the Program's technical support will encourage, support and strengthen the implementation of the planned CLTS and supply-side strengthening activities through capacity development for key activities including sanitation demand creation, progress monitoring and regular follow-ups. The Program will support and encourage local private sector suppliers and service providers in the marketing and installation of local products including plastic pans, user-friendly hand-washing stations and other appropriate products and services for low-cost upgrading of sanitation and hygiene facilities. Collaboration will be encouraged with local financial institutions to increase the affordability of sanitation and hygiene products to rural communities.

Result Area 3: Strengthen the capacity of sector institutions to sustain service delivery in rural areas (US\$130 million).

10. This result area will be implemented by MoWI, MoHCDGEC, PO-RALG and Vice-President's Office – Division of Environment (VPO-DoE). At the system level, Program activities will be strategically designed to enhance the capacity of the national, regional and local government to monitor, ensure quality, and improve and sustain water service delivery, and to strengthen environmental management supervision and mitigation of impacts.

11. The National Water Sector Development Strategy (2006) directed the responsibilities for the O&M of rural water schemes to be transferred to COWSOs, which are supposed to be established for each rural water scheme. However, as of September 2016, only around 20 percent of villages (2,880 out of approximately 16,000) have COWSOs. A first step to enhance the delivery models for rural water supply is promote the broader creation of COWSOs and to support their professionalization so that they can operate and maintain the services more efficiently, as well as delegate the O&M functions to a professional third party (a NGO, local private operator, etc.) under their oversight. A range of O&M models can be considered to improve service sustainability, including clustering and contracting out O&M services to private sector service providers or forming a water trust that can subsequently provide technical and managerial support to each COWSO.

12. LGAs will be incentivized to improve the operation and maintenance (O&M) of water supply by registering COWSOs for existing schemes, improving the financial sustainability of rural water supply, implementing simple water treatment systems and establishing backstopping support for COWSOs. The Program will prepare the sector to leverage private sector participation and investments that improve service levels and drive efficiency by among other things increasing the creditworthiness of rural water schemes. The accuracy and completeness of M&E data will be enhanced for both water and sanitation in order to enable the sector to track performance and inform planning.

13. The Program will support the establishment and operationalization of the GoT's new delivery model for the rural water sector, the Rural Water Agency (RUWA). In the districts supported by the Program, the RUWA will be incentivized to work with LGAs and COWSOs to facilitate establishment of a support mechanism for management, operation and maintenance of rural water supply schemes. The Program aims to influence the establishment and early operations of RUWA, embedding a core focus on service sustainability.

14. The Program will significantly boost VPO-DoE's capacity to implement the Environmental Management Act (EMA, 2004). Existing capacity to implement the EMA, especially the main legal framework for enforcement of environmental management in Tanzania, is limited. There are significant gaps in the specific regulations and other secondary legislation required for its full implementation, low institutional capacity with few properly trained and equipped environmental inspectors, and lack of availability, monitoring and dissemination of environmental indicators and data. The Program will address these gaps by: preparing and gazetting new regulations and by-laws; training of new environmental inspectors; and designing and implementing a Centralized Environmental Database Management System for easier data access, decision making, coordination, monitoring and implementation of the EMA across government at the central and local government levels. The System will enable public participation, facilitate citizen engagement and increase accountability.

15. **Rationale for use of Investment Project Finance (IPF) for Technical and Program Management Support.** A key lesson that has emerged from global and national PforR experience is that the result-based approach is more effective and can be implemented more efficiently when complemented by substantial technical assistance to support client governments through the change process and strengthen systems, capabilities and procedures. Under the first phase of WSDP, GoT's procurement of technical assistance was often underfinanced, delayed and the scope curtailed and diluted. The Program will address the capacity constraints through an IPF instrument whereby Bank funds are used to pay for 'specific expenditures' to fund a set of selected, discrete assistance and capacity building activities which are complementary to those undertaken directly by the Government under the Program, and which will support the achievement of the Program's objectives. The IPF instrument allows GoT the flexibility and predictable financing to address existing capacity gaps and risks that may otherwise undermine the achievement of Program results. This is similar to the approach taken for the Tanzania Education Program for Results (P147486).

Strategic Technical Support (Investment Project Financing, US\$ 20 million, part of result area 3)

16. The Program will support a coordinated, coherent, and evidence-based approach to the critical activities needed to successfully implement the WSDP-2. Specifically, the operation will fund: (a) Program implementation support, including strengthening the institutional capacities of the WSDP Program Coordination Unit (PCU) - mainly through the recruitment of a Strategic Program Support Consultant (SPSC); (b) the verification of the program results, (c) the Water Institute, and; (d) other smaller support activities.

IV. Project location and salient physical characteristics relevant to the safeguard analysis

17. The Program will be rolled out in 17 out of Tanzania's 26 regions. The 17 regions¹ have been selected against the criteria of low access to water and sanitation as well as high poverty and high stunting rates. Kigoma region has been added to support the host communities affected by the ongoing refugee situation. The *IPF component* will fund coordinating, supervision and capacity building activities at the national level and in the 17 regions and their respective local government authorities. The East Africa region is challenged by climate change, Tanzania has a complex landscape with high spatial climate variability. The climatic conditions are predicted to continue worsening, with increasing temperature by 1-3°C in the next 50 years. The economy is increasingly affected by prolonged droughts, severe storms and floods, and rising temperature. The economic impact of recent extreme weather events totaled more than 1 percent of GDP.

Borrower's Institutional Capacity for Safeguards Policies

18. **The Environmental and Social Management System Assessment (ESSA) for the Sustainable Rural Water Supply and Sanitation Program in Tanzania has been undertaken by the Bank** to ensure consistency with the six core principles outlined in the World Bank's Operational Policy 9.00 - Program-for-Results Financing. The ESSA concluded that Tanzania, in general, has established a comprehensive set of environmental and social management systems to address the environment, health and safety, as well as social concerns related to the Program. The National Environmental Policy (1997) and the Environmental Management Act (2004), and their associated instruments and laws support environment and social management and the environmental and social impact assessment processes in Tanzania. Those are supplemented by a number of sectoral policies that consider the environmental and social impact assessment as one of the planning tools for facilitating and promoting sustainable development. These systems are well-aligned with the core principles and key planning elements as defined in the World Bank PforR Policy. However, the ESSA identified certain inadequacies and gaps pertaining to the actual implementation of these systems. The umbrella environmental law, Environmental Management Act (EMA) of 2004, still lacks important regulations to make it fully operational. Currently only 26 out of the recommended 90 regulations are in place, and the institutional capacity to enforce the existing regulations related to protection and management of the environment remains weak.

19. **The assessed weaknesses are related to lack of enforcement and compliance with existing laws, regulations and guidelines governing environmental and social management.** Although EMA provides for environmental management officers and environmental inspectors at district level, the required technical skills are still low. Efforts to hire or designate environmental inspectors have been launched recently by the Vice President's Office – Division of Environment, and so far about 520 staff out of the required 3,000 staff are in place. Since the Program will be implemented at LGA level, it is imperative to address these gaps to enhance the achievement of the Program objectives. In addition, there are inadequate attention to environmental, health and safety concerns, inadequate land voluntary donation procedures and weak land acquisition management and resettlement practices, weak provisions for gender and vulnerable groups inclusion, lack of environmental and social management data system, and weak coordination among the relevant agencies. The Program has made arrangements that addresses these shortcomings.

20. **A gender assessment has been conducted** with the purpose of exploring the opportunities for promoting gender mainstreaming and to promote gender equality in context of water utilization across

¹ Tabora, Katavi, Rukwa, Lindi, Geita, Shinyanga, Singida, Kagera, Mwanza, Manyara, Mtwara, Simiyu, Songwe, Iringa, Mara, Ruvuma and Kigoma.

the beneficiary community. There are significant gaps between women and men in labor force participation, employment, and unemployment rates. Despite a history of promoting gender equality, women are less likely to participate in the labor force than men and those who do participate experience higher unemployment rates than men. The Tanzania Demographic Health Survey (DHS) for 2010 shows that 19.1 percent of women aged 20-24 had no education at all, compared with 10.5 percent for men, and unemployment rate of females is higher (12.3 percent) compared to that of males (8.2 percent). To strengthen gender mainstreaming, the Program will work towards institutionalizing gender and creating an enabling environment for gender in management and in operations under the Program by the preparation and adoption of a Gender Action Plan.

21. **The ESSA found that overall the national regulatory framework and technical guidelines for environmental and social due diligence with respect to the Program are adequate.** However, some improvements are required, particularly to address the observed operational short-comings including the screening process, which needs to ensure that all types of investment projects are properly screened and that appropriate mitigation measures are put in place. Although the Environmental Impact Assessment (EIA) regulation requires full assessment of projects in water sector, the anticipated negative environmental and social effects of the Program are expected to be low. Proposed infrastructure under the Program will include: (i) construction and rehabilitation of rural schemes – drilling boreholes, shallow wells, gravity and hand pumped schemes; (ii) construction and rehabilitation of non-functional water points; (iii) installation of water distribution system; (iv) construction and upgrading sanitation and hygiene facilities in public schools and clinics and (v) installation of local product including plastic pans, and user-friendly hand washing stations. In view of the above, it would be necessary to develop guidelines to enhance the environmental and social screening process during the foundation year to appropriately mitigate likely impacts from the Program investments.

22. **Land acquisition and allocation for the Program.** The Program will not finance rural water supply infrastructure projects requiring large land take or resulting in resettlement. The need for land for construction of water supply infrastructure may be met by minor land acquisition, allocations by local governments and voluntary land donations. To guide this and fill the gaps identified in the existing laws, the Program will develop procedures for Voluntary Land Donations (VLD) and formats of agreements (between the program and land donors).

23. **Disadvantaged and vulnerable communities.** Due to the Program wide coverage of 17 regions, disadvantaged and/or vulnerable communities will likely be included in the Program. The needs and concerns of these communities will be met through the Program design, which will provide the means for inclusion and consultation with the communities. These measures will also ensure that they receive culturally compatible benefits and compensation through their informed participation.

V. Environmental and Social Safeguards Specialists on the Team:

Jane Kibbassa (Senior Environmental Specialist), Mary Bitekerezoo (Senior Social Development Specialist) and Vasantt Jogoo (Senior Consultant).

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	The IPF/TA will only finance consultancy services and office equipment and will not trigger OP/BP 4.01.

Natural Habitats OP/BP 4.04	No	Program investments will neither impact nor convert critical natural habitats. This Core Principle will not be applicable to the Program and the PforR as activities will be limited in scope and their ecological footprints will be minimal.
Forests OP/BP 4.36	No	There are no planned investments in forests.
Pest Management OP 4.09	No	The Program will not involve the use, production, procurement, storage, handling or transportation of any pesticide.
Physical Cultural Resources OP/BP 4.11	No	It is not expected that the Program will necessitate relocation of physical cultural resources such as churches, mosques, religious and cultural sites.
Indigenous Peoples OP/BP 4.10	No	The IPF/TA will only finance consultancy services and office equipment and will not trigger OP/BP 4.10.
Involuntary Resettlement OP/BP 4.12	No	No involuntary resettlement is expected as a result of the Program investments.
Safety of Dams OP/BP 4.37	No	The Program will not affect or is dependent on the safety of any existing dam.
Projects on International Waterways OP/BP 7.50	Yes	OP 7.50 is triggered for the PforR. The Program qualifies for the exception from the riparian notification requirement under Paragraph 7(a) of OP 7.50.
Projects in Disputed Areas OP/BP 7.60	No	The Program is not implemented in disputed areas.

VI. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
The IPF TA component will only fund consultancy services and the acquisition of computers, laboratory equipment, and classroom furniture at the Water Institute. As such, no safeguards instruments are expected to be triggered under the IPF component, based on activities it will support.
2. Describe any potential indirect and/or long-term impacts due to anticipated future activities in the project area:
No safeguards instruments are expected to be triggered under the IPF component, consequently, no potential indirect and/or long-term impacts due to anticipated future activities are anticipated.
3. Describe any Program alternatives (if relevant) considered to help avoid or minimize adverse impacts:
No alternative options have been considered, because no safeguards policies are expected to be triggered under the IPF component.

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:
N/A
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people:
N/A.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	Not applicable
Date of submission to InfoShop	Not applicable
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	Not applicable
"In country" Disclosure	Not applicable
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	Not applicable
Date of submission to InfoShop	Not applicable
"In country" Disclosure:	Not applicable
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	Not applicable
Date of submission to InfoShop	Not applicable
"In country" Disclosure: Not applicable	
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:	
Not applicable	

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 []	No []	NA [X]
OP/BP 4.04 - Natural Habitats			
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes []	No []	NA [X]

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" type="checkbox"/>
OP/BP 4.11 - Physical Cultural Resources			
Does the EA include adequate measures related to cultural property?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" type="checkbox"/>
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" type="checkbox"/>
OP/BP 4.12 - Involuntary Resettlement			
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" type="checkbox"/>
Is physical displacement/relocation expected?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	NA <input type="checkbox"/>
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	NA <input type="checkbox"/>
OP 7.50 - Projects on International Waterways			
Have the other riparian's been notified of the project?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	NA <input type="checkbox"/>
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
Has the RVP approved such an exception?	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 type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" 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 type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" 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 type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" 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 type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input checked="" type="checkbox"/>

APPROVALS

Task Team Leader(s):	Name: Iain Menzies (Senior Water Supply and Sanitation Specialist and TTL) and Kristoffer Welsien (Water Supply and Sanitation Specialist and Co-TTL)	
<i>Cleared By:</i>		
Safeguards Advisor:	Name: Nathalie S. Munzberg, Regional Safeguards Adviser, OPSES	Date: February 16, 2018
<i>Approved By:</i>		
Practice Manager	Name: Catherine Tovey, GWA01	Date: March 21, 2018