

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: AB2588

Project Name	Central Transport Corridor Repeater Project
Region	AFRICA
Sector	General transportation sector (47%);Roads and highways (38%);Aviation (15%)
Project ID	P103633
Borrower(s)	REPUBLIC OF TANZANIA
Implementing Agency	
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Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> Partial Assessment)
Date PID Prepared	August 27, 2007
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Date of Board Approval	January 24, 2008

1. Country and Sector Background

1. State of the Transport Sector: Tanzania has made significant strides in its transport sector reform program in the last decade. A second generation Road Fund was established in 1999. In FY 05/06 it disbursed \$58m equivalent, to both the national and local government road agencies, which is about 40% of total maintenance requirement for Tanzania's road network. In 2000, Tanzania Roads Agency (TANROADS) was created to manage the 29,000 km of national roads. Since then, the condition of these roads has significantly improved from 30% in

poor condition in 2000 to the current 16%. A Surface and Marine Transport Regulatory Authority (SUMATRA) has also been created and commenced operations in 2005. In 2006, the former Ministries of Works and Transport were merged into a new Ministry of Infrastructure Development (MOID), with the prospect of improved sector oversight, strategic planning and monitoring capability.

2. Key issues that need to be addressed in the transport sector in the short to medium term are: (i) agreement on a sector investment program – GoT and Development Partners (DP) are currently working to arrive at such program; (ii) further reforms that are needed to improve service delivery in the road sector including the preparation and enactment of a suitable Roads Act and legislation to increase the autonomy of TANROADS; (iii) increased funding for road maintenance to achieve an acceptable level of service i.e. 100% coverage; (iv) adoption of a conducive Road Safety Policy and Strategy; (v) creation of adequate urban transport management capacity to deal with the rapidly increasing traffic congestion in DSM; (vi) increased private sector involvement in the financing and management of roads through PPP arrangements; and (vii) concluding of the concessioning of TRC.

3. Progress in the implementation of the Central Transport Corridor Project (CTCP) The CTCP credit of \$122m was approved by the Bank on April 29, 2004 and became effective on August 27, 2004. The project implementation is satisfactory and is expected to achieve the development objectives. While most of the components of CTCP have so far been timely implemented, delays have been encountered regarding the concessioning of TRC. This was originally planned to be achieved in June 2005. Currently, negotiations with the preferred bidder are on-going and it expected that these will be concluded in April 2007.

2. Objectives

4. The original project's development objectives were: (i) upgrading of strategic road links; (ii) enhancement of road management capacity; and (iii) improvement of the operations of Tanzanian railways. Through the Repeater Project the following adjustments are proposed: (i) upgrading of strategic road links; (ii) enhancement of the management of road maintenance; (iii) improvement of public transport and traffic management in Dar es Salaam City; and (iv) improvement of airports.

While the initial indicators set out for CTCP will be respected, it is proposed to define a joint GoT/DP sector performance assessment framework (SPAF) to be monitored by the newly formed Directorate of Policy and Planning of MoID. The SPAF would serve as the basis for the planned move towards a sector wide approach in the follow-on TSSP project. TA is planned under the current CTCP to assist with capacity enhancement at the Department of Policy and Planning of MoID.

3. Rationale for Bank Involvement

5. As explained above, Tanzania requires about US\$ 300 million equivalent per annum from Development Partners (DP). The number of DP in the sector has recently shrunk considerably with some of the DPs moving to general budget support (GBS) and others (particularly smaller

bi-lateral donors) having moved out of the sector. Currently the main DPs in the sector are: EC, DANIDA, NORAD, JICA/JBIC, MCC, ADB, and WB. Given the commitments of the other DP in the sector WB is required to contribute about US\$ 80 million per annum in the sector over the coming years.

An important source of value added by Bank support is its worldwide experience in the implementation of major transport sector programs. The Bank has also gained considerable experience in the region from its management of the Sub-Saharan African Transport Policy program (SSATP). Within the country, the Bank has experience from past and on-going projects in roads, rail, aviation and ports sub-sectors of transport.

4. Description

7. The proposed Repeater Project is in the amount of **\$100m**. Following is the description of the proposed sub-projects to be financed under the project:

- a) **Rehabilitation and upgrading of the Korogwe – Mkumbara - Same Road.** This important road section (172 km long) which is part of the Dar es Salaam - Arusha trunk road has reached its design life and requires rehabilitation, strengthening, and widening. Design and bidding documents have been prepared and prequalification of contractors is underway. Works are planned to commence in July 2007. The cost for works and supervision are estimated at **\$40m**.
- b) **Performance Based Road Management and Maintenance (PMMR) Contracts**
Tanzania proposes to adopt a PMMR concept for the management and maintenance of its road network and a project to pilot the program has been prepared with the help of a trust fund. Preparatory activities and bidding documents for the project that covers 1078 km of priority gravel trunk and regional roads in three regions have been completed. Procurement for the five year rehabilitation and maintenance contracts and supervision services is also complete and the contracts are expected to be signed in March 2007 to be financed initially under the current CTCP which will enable implementation to start while financing is secured. The cost for works and supervision services is in the amount of **\$25m**.
- c) **Rehabilitation of Zanzibar Airport Runway**
The rehabilitation and extension of the Zanzibar airport runway was to be financed under the IRPII credit and a contract was awarded in 2003. This contract had to be terminated in April 2004 due to poor performance. Subsequent attempts to procure a contract through selective bidding (with the previously prequalified bidders) failed and a decision was made to recommence the procurement process. The IRPII credit closed on December 31, 2006, and it was decided not to extend it further after 12 year. The balance of \$12.9m from the credit was cancelled. The cost estimate for the remaining and proposed additional civil works (taxiways and apron) and supervision of the project for rehabilitation and extension of the Zanzibar airport runway is **\$25m**.

d) Phase 1 of the Implementation of Dar es Salaam Bus Rapid Transit (DART) Project and Improvement of Traffic Management for Dar es Salaam City

Preparatory studies for on the establishment of a bus rapid transit system in DSM city have been carried out, financed by the Bank (economic appraisal, design and bid documentation for bus lanes) and ITDP (Financial modeling of bus financing and operations). Tender documents for the civil works including bus lanes, stations and terminals are expected to be ready by the end March 2007 while the financial model will be ready for review in Mid March 2007. It is planned to award the works contracts in the last quarter of 2007 calendar year. To optimize traffic movement within the CBD as a result of the entry of DART and to improve efficient at various major junctions in DSM, it is proposed to carry out a traffic analysis leading to redesign traffic flow in the CBD and minor improvement to the layout and traffic signaling at the junctions. The estimated cost for the two is **\$80m**. The purchase and operation of the buses is expected to be financed by the private sector.

5. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	65
International Development Association (IDA)	100
International Finance Corporation – Syndicated Loan - Private	35
Total	200

6. Implementation

8. Implementation of the four components will be executed as follows:

Component	Main Implementing Agency	Other support role
Rehabilitation of Korogwe-Mkumbara-Same road	TANROADS	
Pilot PMMR project	TANROADS	
Rehabilitation of Zanzibar Airport Runway	Project Implementation Unit (PIU)	The MOCT Zanzibar will provide administrative support
Implementation of Dar es Salaam Bus Rapid Transit		
BRT Operations	DART Agency	SUMATRA
Civil works	TANROADS	DART Agency

7. Sustainability

9. Critical for the sustainability of the sub-projects of this project will be the sustainable institutional set up in the sector. As explained earlier, much has been achieved in the sector but more reforms, as outlined before, are necessary to ensure the sustainability of this project. Crucially these outstanding reforms are: (i) the focusing of the MoID onto its sector oversight function, including its necessary strengthening to do so effectively; (ii) the transformation of TANROADS into a truly autonomous and effective organization, by the provision of a Board of Directors, the competitive selection of key staff and the provision of an appropriate market oriented salary structure; (iii) the setting up of the DART agency provided with a confirmed Chief Executive, competitively selected staff, and the provision of an appropriate market oriented salary structure; and (iv) the implementation of the reforms in the transport sector in Zanzibar as proposed in the transport master plan, including the focusing of MoCT on policy setting and sector oversight, the creation of appropriate executive and regulatory agencies (the proposed ZANROADS and ZANTRANSPORT) and the implementation of PPPs in the airport and ports sector.

8. Lessons Learned from Past Operations in the Country/Sector

13. Though good progress has been made in the implementation of the CTCP project, a number of constraints have been observed. Amongst these include slow implementation of incremental Reforms, It is important to tie further support to reforms in the transport sector because if this is not done institutional performance is affected and as noted in the case of Zanzibar this can have substantial negative effect on the implementation of projects. Secondly, to follow up on reforms to ensure they translate to improved results on the ground and better working conditions to attract and retain competent people

14. Another lesson learnt is the need to be more rigorous in the choice of consultants and contractors. Though the process may slow down the choice and award, verification of information provided during the bidding process will in most cases save on project implementation time and costs.

9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP 4.01)	X	[]
Natural Habitats (OP/BP 4.04)	[]	X
Pest Management (OP 4.09)	[]	X
Physical Cultural Resources (OP/BP 4.11)	[]	X
Involuntary Resettlement (OP/BP 4.12)	X	[]
Indigenous Peoples (OP/BP 4.10)	[]	X

Forests (OP/BP 4.36)	[]	X
Safety of Dams (OP/BP 4.37)		X
Projects in Disputed Areas (OP/BP 7.60)*	[]	X
Projects on International Waterways (OP/BP 7.50)	[]	X

10. List of Factual Technical Documents

1	National transport Policy 2003	
2	Transport Sector Investment Programme (TSIP)	Draft Final Report
3	National Roads Safety master plan 2004	
4	PER Report 2001/02/03/04/05	
5	Feasibility study and Detailed Design for Rapid Bus Transit (BRT)	
6	Feasibility Study and Detailed Design for Korogwe – Same Road	
7	Feasibility study and detailed design for Zanzibar Airport	
8	National Transport Master Plan 2002	
9	Environmental Guidelines for Transportation program 2001	
10	Tracking of Road Fund Study 2002	
11	Zanzibar Transport Master Plan 2007	Draft Report. PDF
12	DART Resettlements Policy Framework (RPF)	DART RPF. Pdf in IRIS
13	DART Resettlement Action Plan Phase 1(A)	Final Report in IRIS
14	DART Environmental and Social Impact Assessment (ESIA)	Final report in IRIS
15	Korogwe – Same Environmental and Social Impact Assessment (ESIA)	Final Report in IRIS
16	Zanzibar Airport Environmental Assessment	Final Report in IRIS
17	Sector Environmental Assessment for Transport Sector Investment Programme	Final report in IRIS

11. Contact point

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* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

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