

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

Report No.: AB6475

Project Name	Dar es Salaam Metropolitan Development Project
Region	AFRICA
Sector	Sub-national government administration (100%)
Project ID	P123134
Borrower(s)	UNITED REPUBLIC OF TANZANIA
Implementing Agency	<p><i>Prime Minister's Office – Regional Administration and Local Government (PMO-RALG)</i> Contact Person: Mr. Hussein A. Katanga, Permanent Secretary, PMO-RALG Telephone Number (255-22) 724-951 Email: ps@pmo.go.tz For: Dar es Salaam City Council (DCC) – Project Support Team Ilala Municipal Council (IMC) Kinondoni Municipal Council (KMC) Temeke Municipal Council (TMC)</p> <p><i>Ministry of Lands, Housing and Human Settlements Development (MLHSD)</i> Contact Person: Mr. Patrick Rutabanzibwa, Permanent Secretary, MLHSD Telephone Number (255-22) 211 3165 Email: km@ardhi.go.tz</p>
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
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1. Key development issues and rationale for Bank involvement

Dar es Salaam is Tanzania's largest and most important industrial and commercial centre with an estimated population of about 4 million in 2011 which is approximately ten percent of the country's total population and 50 percent of its urban population. With a population growth of 4.3 percent per year, Dar es Salaam has become the third fastest growing city in Africa and among the ten fastest growing cities in the world. Its population is expected to reach more than 5 million by 2020. Dar es Salaam accounts for 83 percent of the national government domestic revenues (70 percent of all taxes), collects 33 percent of all own-source revenues by LGAs in the country, and produces about 40 percent of the national GDP. About half of the country's manufacturing employment is located in the city, and it is home to a growing and active youth and women-dominated informal sector.

Administratively, Dar es Salaam is a Region of the country and is composed of a coordinating Dar es Salaam City Council (DCC) and three physically contiguous Municipal Councils, namely:

Kinondoni (KMC) to the north Ilala (IMC) in the center of the region, and Temeke (TMC) to the south. Together, the four entities are commonly referred to as the Dar es Salaam Local Authorities (DLAs).

In addition to a fast growing population, the DLAs face multiple critical challenges. Among others, these include fragmented governance structures, inadequate financial resources and their management, overdependence on transfers from government, a very constrained land and housing market due to widespread informality in land tenure while having to cope with a huge and growing backlog of basic urban infrastructure such as roads, drainage and solid waste management. This poses particularly difficult challenges in the context of possible negative impacts from climate change in this coastal city.

The land locked countries of Malawi, Zambia, Burundi, Rwanda and Uganda as well as large parts of eastern Democratic Republic of Congo depend on the port and markets of Dar es Salaam for their import and export needs. This makes the city of strategic importance not just for Tanzania but also for large parts of East Africa.

2. Proposed objective(s)

This project is being designed as an Adaptable Program Loan (APL). The proposed long-term development program objective is to enhance service delivery in Dar es Salaam through strengthening the institutional and urban management systems of the Dar es Salaam Local Authorities (DLAs).

The proposed specific objective of Phase I of the proposed Dar es Salaam Metropolitan Development Project (DMDP) is to strengthen the institutional and urban management systems of the Dar es Salaam Local Authorities (DLAs).

3. Preliminary description

The project may have four interrelated components supporting the project development objective: (i) institutional development for improved metropolitan and council management systems; (ii) urban infrastructure investments; (iii) land management systems; and (iv) support for project management. Brief preliminary descriptions of the components follow.

Component 1-- Institutional development for improved metropolitan and council management systems: The objective of this component is to: (a) support GoT (including concerned Ministries, Departments and Agencies) and the DLAs in their efforts to improve the governance system for the metropolitan area of Dar es Salaam, and the related allocation of functions and financial arrangements among the four DLAs; (b) support development and implementation of new and enhanced policies, systems and instruments for urban development and management; and (c) strengthen the related capacity of the DLAs to plan and deliver the public services for which they are responsible.

Component 2 -- Urban Infrastructure Investments: The objective of the component is to demonstrate advancements in such management functions as planning and prioritization of investments, project preparation (including feasibility analysis, safeguard assessments, technical specification, etc.), implementation management, and operations and maintenance processes, for the infrastructure sectors that the DLAs are responsible for. Infrastructure investments will be targeted towards: (a) investments of cross-cutting (metropolitan-wide) nature, for which coordination and collaboration among the DLAs is particularly required (DCC would be expected to be the implementing agency); and (b) municipal council investments for which the

respective municipality would be the implementing agency. Investments in infrastructure at the relevant metropolitan and individual MC level will become the catalysts for mainstreaming and institutionalizing the systems of governance between the DLAs as well as with other relevant Ministries, Departments and Agencies (MDAs) and the private sector.

Component 3 -- Land Management Systems: In line with the government's Decentralization by Devolution policy, the objective of this component is to: (a) support MLHHSD's transition to its main role as regulator and supervisor of land use planning as the capacity of the DLAs improve; and (b) enable the city-wide formalization and regularization of unplanned settlements through streamlined mechanisms and provision of appropriate documentation for regularization.

Component 4 -- Project Management: The objective of this component is to strengthen the capacity of the DLAs to implement the project. This is expected to include capacity building and financing of operational costs for the direct project management functions, including procurement, accounting, financial management, monitoring and evaluation (M&E), audit of project accounts, meetings and workshops, and impact assessments. The project will also support the DLAs to prepare project proposals for development partner or private sector finance, and to prepare the APL Phase II.

4. Safeguard policies that might apply

DMDP is being designed to be an Environment and Social Category B project. This is because it will follow and build on systems and implementing arrangements established under the ongoing Local Government Support Project and the subcomponent Community Infrastructure Improvement Project (CIUP) which is being implemented by the DLAs and which is also a category B project. The DLAs have been managing CIUP since 2004/05 and have demonstrated their capacity to plan and implement complex urban infrastructure subprojects involving resettlement as well as ensuring compliance with the project's environmental and social management arrangements. As with CIUP, under the proposed DMDP the DLAs will have to adhere to: (a) an Environmental and Social Management Framework (ESMF); (b) a Resettlement Policy Framework (RPF); and (c) alignment with national procurement requirements. As mentioned above, there is considerable experience and capacity to undertake these activities in the DLAs, and the proposed DMDP will provide additional and continued supportive and DLA-focused institutional strengthening inputs.

The ESMF and the RPF will be prepared and disclosed before appraisal. Preparation of the ESMF and RPF will involve extensive consultation with communities and other stakeholders likely to be impacted across the three municipalities under the project: Ilala, Kinondoni and Temeke. The DLAs have community development officials and institutional mechanisms in place at municipal, ward, sub-ward and neighborhood levels and which will be used to conduct consultations during preparation of and receive feedback on the proposed ESMF and RPF.

5. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	0
International Development Association (IDA)	75
Total	75

6. Contact point

Contact: Barjor E. Mehta
Title: Sr. Urban Spec.
Tel: +255 22 216 3250
Fax: +255 22 211 3039
Email: bmehta@worldbank.org
Location: Dar Es Salaam, Tanzania (IBRD)