

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED
SAFEGUARDS DATA SHEET (PID/ISDS)
ADDITIONAL FINANCING**

Report No.: PIDISDSA20167

Date Prepared/Updated: 01-Dec-2016

I. BASIC INFORMATION

A. Basic Project Data

Country:	Tanzania	Project ID:	P159489
		Parent Project ID (if any):	P111153
Project Name:	TZ-Strategic Cities Project Add'l Financing II-SUF (P159489)		
Parent Project Name:	Tanzania Strategic Cities Project (P111153)		
Region:	AFRICA		
Estimated Appraisal Date:	16-Nov-2016	Estimated Board Date:	27-Feb-2017
Practice Area (Lead):	Social, Urban, Rural and Resilience Global Practice	Lending Instrument:	Investment Project Financing
Borrower(s):	Ministry of Finance		
Implementing Agency:	President's Office - Regional Administration and Local Government		
Financing (in USD Million)			
Financing Source			Amount
BORROWER/RECIPIENT			1.50
International Development Association (IDA)			130.00
Total Project Cost			131.50
Environmental Category:	B - Partial Assessment		
Appraisal Review Decision (from Decision Note):	The review did authorize the team to appraise and negotiate		
Other Decision:			
Is this a Repeater project?	No		

B. Introduction and Context

Country Context

Tanzania's urban population is growing rapidly and urban areas are critical to Tanzania's national economic growth. Tanzania's urban population share increased from 5.7 percent to 29.1 percent from 1967-2012 and is projected to exceed 50 percent by 2050. Its urban population is growing faster than any country in Asia or Latin America, and is the sixth fastest one amongst Sub-Saharan African countries. Tanzania cities produced more than half of the country's GDP, and accounted for around 56 percent of its economic growth from 1990 to 2004. They also account for the majority of the country's physical, financial, human, academic, and technological capital.

However, investments in urban infrastructure and services have not kept pace with the rapid urban growth and will hinder urbanization and economic growth. The country's infrastructure is some of the least developed in the world. The quality and coverage of services for roads, water, and sanitation in cities are poor. Of the urban population, access to piped water is at 60 percent in 2012, nearly 65 percent still relies on traditional pit latrines for sanitation and only about 45 percent have access to electricity. The density of road networks within urbanized areas of Tanzania is among the lowest measured in the world (with roads coverage in city core areas of Mwanza, Arusha, Mbeya and Dodoma all below 10%); and the majority of urban roads are unpaved and are in poor condition. Cities are sprawling and poorly connected, locking them into acute congestion problems and high costs of public infrastructure provision. Furthermore, inefficient urban planning and management compounds these challenges brought about by rapid urbanization.

Encouraging productive job growth will require addressing backlogs in infrastructure investment, improving urban planning and management systems and strengthening the business environment. Secondary cities account for a large share of the regional jobs and businesses. The majority of businesses and jobs in major cities and towns are concentrated in the service sector and based on regional trading and distribution for agricultural sector. The key conditions to enable better specialization and build up concentration of industries, and hence promote productive job growth in a longer term, are still lacking. Compounding the challenges in low levels of infrastructure and services, urban planning and management are highly inefficient in these cities. Secondary cities in Tanzania, with their relatively small population (mostly below or around 400,000, with the exception of Mwanza), have a short window of opportunity to catch up on proper planning to help guide future growth. Better planning will generate more certainties and better coordination across sectors and create more conducive business environments.

The five-year National Strategy for Growth and Poverty Reduction and the Tanzania Development Vision 2025 envisages more inclusive growth and poverty reduction, underpinned by the economy's transformation from a low-productivity agricultural economy to a semi-industrialized one. These documents also highlight the importance of harnessing the benefits of urbanization through increased investments in infrastructure and public goods, and empowering secondary cities.

Sectoral and institutional Context

The development of secondary cities can lead to more inclusive and pro-poor growth patterns. Secondary cities are the connective locus between rural and urban areas, and the poor find their way more easily to the nonfarm economy in secondary cities (than the primary cities). Such cities draw sustenance from the agricultural activity of rural areas, but their prosperity also spills over to

small villages and rural hinterlands through the generation of non-farm employment opportunities, consumption linkages, and remittances.

The Government of Tanzania (GoT) recognizes the potential of cities and aims to reduce poverty and improve service delivery through its Decentralization by Devolution (D by D) policy. This involves the decentralization of resources and responsibilities to the local level. Despite the extensive mandate given to LGAs for delivering and maintaining urban infrastructure and services, there remains a financing gap, of approximately US\$1 billion, to meet these mandates. Generally, LGAs lack adequate fiscal and institutional capacity to effectively respond to the urbanization challenges. Central government transfers as grants account for the largest portion of LGA funding ranging from 77 percent (Kinondoni MC) to 95 percent (Mtwara MC); however, the flow of funds from the government has not been regular or predictable. While local tax collection has improved in the TSCP cities, it is still inadequate to meet all the capital development and maintenance needs of the cities.

Against this background, the TSCP was prepared in 2008/09 to support the seven strategically important secondary cities: Tanga, Arusha, Mwanza, Kigoma, Dodoma, Mbeya and Mtwara, in addition to the Capital Development Authority (CDA) in Dodoma, the national capital. These LGAs are of strategic importance due to their urban population size, physical location, importance for regional trade and demographic weight. Mwanza, Arusha, Dodoma, Mbeya and Tanga comprise the most populous urban centers in the country, after Dar es Salaam. Kigoma also ranks high in the urban population ranking of the country (at 10th place in mainland Tanzania) in addition to being an important lake port in Western Tanzania, bordering Burundi, with a direct link to the seaport in Dar es Salaam. Lastly, Mtwara is the capital of the Mtwara region and is home to vast proven gas reserves with significant growth prospects. These LGAs have also recorded high population growth rates. Between 2002 and 2012, TSCP LGAs, on average, have witnessed a median population growth of 3.8 percent per annum, with Mwanza and Kigoma recording above 4 percent.

C. Proposed Development Objective(s)

Original Project Development Objective(s) - Parent

To improve the quality of and access to basic urban services in Participating LGAs.

Key Results

The Project has made satisfactory progress towards achieving the development objectives. The Implementation Status and Results Report (ISR) ratings for progress towards achievement of the PDO and Implementation Progress (IP) have consistently been \geq (Moderately Satisfactory) \geq (or above and is currently \geq (Satisfactory) \geq (. The original IDA credit (credit No. 47270) of USD \$163 million has been fully disbursed ahead of the target date. The disbursement under IDA AFI (credit No. 54600) is at \$20.88 million (46.13 percent of AF) and is expected to accelerate in the coming year. Current disbursements total US\$184.00 million (SDR122.37 million), or 86.4 percent of IDA funds.

D. Project Description

Given the transformative nature of the on-going investments in the project Local Government Authorities (LGAs), the proposed Second Additional Financing (AF2) would scale-up these critical infrastructure sub-projects to maximize the development impacts and sustainability of this

well-performing project. These include urban roads, streetlights, drainage, public parks, bus/lorry stands/terminals, market and additional sanitary landfills. The majority of these sub-projects proposed for AF2 scale-up were prepared and appraised under the parent/AFI operation but resources were not available at the time to finance them.

Under Component 2, the AF2 will consolidate foundational institutional strengthening activities and urban management systems; and further, develop forward-looking and strategic initiatives for project LGAs to formulate directions for future development and galvanize new undertakings. The AF2 will introduce innovations on several fronts: (i) rethink of a business-as-usual way in designing infrastructure (eg. incorporate risk-informed & climate-smart green solutions, adopt urban design and people-centric focus), (ii) push new boundaries in basic service delivery (foremost in the solid waste management sector through promoting community-based approach, enhancing social inclusion and exploring PPP models); and (iii) enhance integrated urban development approach (eg. through cross-sector collaborations to be piloted in Dodoma, and through coordination and integration of urban management systems with various sectors/ government agencies).

The AF2 will support the same LGAs as in the parent and AFI project. The AF2 activities are anticipated to balance regional growth, increase access and quality of urban services, improve quality of life and local economic development, strengthen municipal finances and urban management and ultimately, support participating LGAs' urbanization and economic development agenda.

Component Name

Component 1 ➤(Core Urban Infrastructure and Services

Comments (optional)

This component supports improvements in core infrastructure and services in Participating LGAs. It comprises two sub-components that support: (a) investment in core urban infrastructure and services for subprojects prioritized by participating LGAs; and (b) technical assistance for construction supervision and support for the implementation and monitoring of safeguards instruments.

Component Name

Component 2 ➤(Institutional Strengthening

Comments (optional)

This component supports the strengthening of the fiscal and management capacity of LGAs and CDA in Dodoma for improved operations and maintenance (O&M) and infrastructure development; and also supports capacity improvements for PO-RALG. It will continue to focus on improving: (i) capacity for urban planning and urban management; (ii) own-source revenue collection; (iii) systems for asset management, operations and maintenance; and (iv) cost recovery and management of key urban services, including solid waste.

Component Name

Component 3 ➤(Implementation Support and Preparation of Future Urban Projects

Comments (optional)

This component: (i) provides capacity building for Participating LGAs and PO-RALG and

support for project implementation; and (ii) finances preparation activities for future urban projects and technical assistance to the urban sector.

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

The proposed AF2 will support the same Local Government Authorities (LGAs) as in the parent and AFI projects. The participating eight LGAs are Arusha, Tanga, Mwanza, Ilemela, Mbeya, Dodoma, Kigoma and Mtwara. In Dodoma, the project will support both the Dodoma Municipal Council and the CDA. It is to be noted that as a result of the change in the administrative boundaries of one of the LGAs in the original project (Mwanza City Council split into Mwanza City Council and Ilemela Municipal Council), Ilemela MC officially became an additional Project LGA during AFI.

All eight LGAs and the CDA have identified and prioritized investment subprojects covering the rehabilitation and expansion of core urban infrastructure, specifically: (i) urban roads and drainage, including associated structures such as drainage ditches, culverts/bridges, footpaths and street lighting; (ii) solid waste management including solid waste collection centers, equipment for transportation and disposal, and the improvement or development of disposal sites; (iii) community infrastructure upgrading (roads in residential areas); and (iv) local infrastructure such as bus and lorry stands, public parks and markets. While most of the construction activity will involve the upgrading or rehabilitation of existing infrastructure, there will be some new construction.

F. Environmental and Social Safeguards Specialists

- Helen Z. Shahriari (GSU05)
- Jane A. N. Kibbassa (GEN01)
- Mary C.K. Bitekerezo (GSU07)

II. Implementation

Institutional and Implementation Arrangements

Given that the parent project and AFI were undertaken in the same LGAs and have established a good foundation, the proposed AF2 would be implemented using the same institutional arrangements for both environmental and social risk management. Therefore, participating LGAs are responsible for implementing sub-projects at the local level, including all safeguards instruments implementation and reporting requirements, while the President’s Office’s Regional and Local Government (PO-RALG) is responsible for the overall management of the project, providing overall coordination and technical support to LGAs and CDA.

III. Safeguard Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	Road rehabilitation and landfill construction works may cause temporary impacts including dust and noise pollution, contamination of soils and water sources, generation of solid waste and injuries,

		<p>accidents. Some of the infrastructure, particularly landfills are likely to generate post construction impacts such as potential pollution of water sources due to leachate leakage, unpleasant smell and fire accidents during operational phase.</p> <p>The project has prepared an Environmental and Social Management Framework (ESMF) to guide assessment and mitigation of potential impacts. Depending on the scope, sensitivity and nature of the subprojects, assessment of potential environmental and social impacts could entail preparation of a full Environmental and Social Impact Assessment (ESIA), or simply an Environmental and Social Management Plan (ESMP) during project implementation.</p>
Natural Habitats OP/BP 4.04	No	
Forests OP/BP 4.36	No	
Pest Management OP 4.09	No	
Physical Cultural Resources OP/BP 4.11	Yes	Physical Cultural Resources (PCR) may be encountered during the construction stage. The ESIA's will address impacts on PCR and incorporate mitigation measures in the ESMPs. Guidance on addressing chance finds for individual investment during project will be included in the construction contracts.
Indigenous Peoples OP/BP 4.10	No	
Involuntary Resettlement OP/BP 4.12	Yes	The proposed infrastructure may have land acquisition implications linked to the roads rehabilitation and landfill construction. The project has prepared an RPF.
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

IV. 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>The AF2 will involve similar activities as the current project which, include upgrading / rehabilitation of a number of urban roads and drainage and associated structures such as drainage ditches, culverts/bridges, footpaths and streetlight and local infrastructure such as bus and lorry</p>

stands aimed to improve movement of people, goods and services in the urban areas. The project also supports development of infrastructure to improve solid waste management including solid waste collection points, equipment for transportation and disposal, and the improvement of a disposal site into a sanitary landfill, as well as and development of a new sanitary landfill.

Environmental Impacts

The parent project's Environmental and Social Impact Assessments (ESIAs) highlight the positive impact of the project's investments, which are expected to create more opportunities for tourism, business and trade, which in turn will lead to job creation and enhanced livelihood opportunities.

The most significant environmental and social risks identified during the construction phase are impacts typical of construction works in urban areas, namely nuisances due to dust, noise and vibration, interruption of public utilities that require relocation from work sites (electricity, water, telecommunications), occupational and community health and safety, flooding from poor drainage, soil erosion due to vegetation removal, and an increased waste. Longer term post construction impacts such as, contamination of water sources, odor, soil erosion around cells and increased risk of surface and subsurface fire are likely to arise from operation of landfills.

The ESIAs developed under the parent project found that impacts can be mitigated through (i) the application of good engineering and construction management practices, (ii) close supervision and monitoring of contractors' performance, and (iii) close consultation with, and monitoring by, local communities. For example, monitoring of potential impacts, including pollution of water sources will be carried out regularly during operational phase. Each landfill has been designed with lining which prevents leachate reaching the ground water, construction of leachate ponds, and drainage system. A water quality monitoring well will also be installed and regularly examined to detect potential pollution of underground water sources. Technical assistance will also be provided to support the closing of the existing dumpsite in Tanga, including technical advice to the closure design and safeguard audits. Subproject-specific ESMPs will be prepared for each bidding package, which include both general and site-specific mitigation measures for the mobilization, construction and operation phases.

Involuntary Resettlement

The project has a number of proposed infrastructure with land acquisition implications, most likely associated with landfills to be supported under the project (possibly two sanitary landfills in Neema, Tanga and Buhongwa in Mwanza subject to appropriate assessments). While most of the road works will remain within the current Right-Of-Ways, and hence pose little land acquisition impact, some land taking may take place at locations where road widening may be required to provide wider carriageways, install roadside drains, and provide pedestrian walkways. Minor land acquisition may also be required for drainage works, for example to enlarge existing drainage channels. While detailed designs are yet to be ready, infrastructure designs will explore solutions and consider elements to avoid, minimize or mitigate the impacts resulting from land acquisition. However where land acquisition is not avoidable, the RPF provides guidance on the preparation of site specific RAPs. The RAPs for the landfills should include measures to address the needs of all the project affected people including waste pickers. Further, the project will address pending issues that include delayed compensation of PAPs for landfills buffer zones, preparation of RAP completion reports for site specific RAPs, etc.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The long-term impacts of the project activities are expected to be positive and result in improvements to environmental quality in the participating cities including relieving of traffic congestion and air quality, better solid waste disposal, job creation and increased incomes, improved drainage resulting in reduced health risks and infrastructure sustainability, and improved access to community facilities.

Activities proposed under the AF2 do not pose any negative indirect and or long term impacts.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Not relevant as there are no known potential indirect and/or long term 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.

The safeguard monitoring and implementation arrangement will be similar to the current set-up under the parent and AFI project. The implementing agency, PORALG, has an overall quality assurance and project monitoring role and has been executing the project, including safeguards coordination. Each LGA has a dedicated core project implementation unit, including focal points for environment and social specialists. A Construction Supervision Consultant (CSC) is engaged for each LGA and is responsible for day-to-day monitoring of construction activities, and reporting to the LGAs and PO-RALG on a quarterly basis.

Specific measures taken by the borrower to address safeguard policy issues include the following: 11 ESIA's and 8 RAP's have been prepared, consulted upon and disclosed under the parent project. Under AFI, the project has prepared an Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) and 7 ESIA's and 7 RAP's. The proposed AF2 is envisaged to support similar investments or upscale activities financed under the parent and AFI. The ESMF and RPF for the AFI have been updated to guide preparation of similar sub-projects as proposed in AF2.

Since under the proposed AF2, there are some minor additions to the existing sub-projects and new sub-projects (all of which do not have complete technical designs ready and/or their scope unknown), the framework approach has been adopted for the proposed AF2 activities:

- The ESMF and RPF for the project as a whole have been updated and disclosed on 30 November 2016;
- LGAs will budget for all land acquisition and its associated resettlement and compensation measures costs.

Overall safeguard monitoring and implementation have been improving over time and overall safeguard rating is currently moderately satisfactory. ESMPs are in place and implementation of mitigation measures is carried out as part of project implementation plans. The key issue with social risk management arose from inadequate financial resources and capacity which resulted in delayed compensation and relocation of PAPs.

Capacity for environmental and social risk management is improving with two new staff at PORALG, even though not yet at the desired levels considering the projects coverage and other related tasks within the same office. The project will continue to enhance the skills of existing staff

<p>especially at LGA/C level through training and on-the-job guidance. In addition, targeted training for front line staff and regular supervision and guidance from PO-RALG to the LGAs will be undertaken. Environmental and social risk management issues will continue to be a priority for AF2 in order to enhance execution and monitoring at all levels of the project.</p>
<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>
<p>Key stakeholders include the beneficiary urban communities and LGAs participating in the projects. In accordance to the requirements of ESMF and RPF, consultations on these instruments were undertaken which describe both the processes and issues raised. The key stakeholders including the communities will continue to be consulted during site specific subproject implementation.</p>

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	17-Nov-2016
Date of submission to InfoShop	30-Nov-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	17-Nov-2016
Date of submission to InfoShop	30-Nov-2016
"In country" Disclosure	
<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 [] No [×] NA []
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [] No [] NA [×]

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [] No [] NA [×]
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [×] No [] NA []
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [×] No [] NA []
Is physical displacement/relocation expected?	Yes [×] No [] TBD []
200 Provided estimated number of people to be affected	
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes [×] No [] TBD []
50 Provided estimated number of people to be affected	
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [×] No [] NA []
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 [×] No [] NA []
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [×] No [] NA []
Have costs related to safeguard policy measures been included in the project cost?	Yes [×] No [] NA []
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [×] No [] NA []
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [×] No [] NA []

V. Contact point

World Bank

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Borrower/Client/Recipient

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VII. Approval

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<i>Approved By</i>		
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Practice Manager/ Manager:	Name: Bernice K. Van Bronkhorst (PMGR)	Date: 01-Dec-2016
Country Director:	Name: Preeti Arora (CD)	Date: 01-Dec-2016