

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

Report No.: PIDA32379

Project Name	Dar es Salaam Maritime Gateway Project (P150496)
Region	AFRICA
Country	Tanzania
Sector(s)	Ports, waterways and shipping (95%), Railways (5%)
Theme(s)	Trade facilitation and market access (80%), Regional integration (10%), State-owned enterprise restructuring and privatization (10%)
Lending Instrument	Investment Project Financing
Project ID	P150496
Borrower(s)	THE UNITED REPUBLIC OF TANZANIA
Implementing Agency	Tanzania Ports Authority
Environmental Category	A-Full Assessment
Date PID Prepared/Updated	21-Apr-2016
Date PID Approved/Disclosed	29-Jun-2016
Estimated Date of Appraisal Completion	14-Apr-2016
Estimated Date of Board Approval	29-Sep-2016
Appraisal Review Decision (from Decision Note)	

I. Project Context

Country Context

1. Tanzania is a low-income country and one of the largest East African nations. The country is around 947 thousand square kilometers in size and home to over 52 million people. With a GDP of USD 48.06 billion (current prices), Tanzania is the second largest economy in the East African Community (EAC) and the twelfth largest in Africa, ranking below Kenya and above Uganda. It is one of the richest countries in terms of natural resources and biodiversity (minerals and precious metals, wildlife, land, water and so forth). Drawing on J. Nyerere ideology of "one nation, one language, one people," the country has achieved socio-political stability since its independence. In the wake of sound economic liberalization policies undertaken in the mid-1980s, Tanzania's economy generated strong growth, sustained over a decade, and high resilience to external shocks. The socio-political stability has triggered a continuous increase in foreign aid inflows to support the country's development, making Tanzania one of the largest beneficiaries of aid in Sub-Saharan Africa.

2. Tanzania has achieved strong economic growth, sustained over the past two decades, and

has made some progress in reducing poverty and increasing shared prosperity since 2007. The following sections examine the pattern of economic growth and job creation and show how responsive poverty reduction has been to economic growth. Between 2004 and 2014, Tanzania's annual compounded average GDP growth rate settled at 7.4 percent, putting Tanzania ahead of most of its African counterparts. While the figure in terms of per capita growth drops to 3.8 percent, the economic gains successfully benefitted the poorest share of the population. Before 2007, Tanzania's bottom 40 percent of the welfare distribution was equivalent to its group of poor. Today, one third of the bottom 40 percent is above the national poverty line – and therefore not considered as poor- and less than one fourth of them are extreme poor.

3. Despite this progress, the pace of poverty reduction is too low for Tanzania to meet the World Bank Group Twin Goals and many Tanzanians continue to be deprived of decent livelihoods. The gains are nuanced by the findings of around 12 million people remaining in poverty, and the limited access to opportunities for a large part of the population, especially in rural areas. There are also increasing disparities in living standards between the geographic regions, pointing to important challenges ahead to sustain gains on poverty and shared prosperity and improve the living standards of all Tanzanians. The goals for Tanzania are to reduce the share of the population living on less than \$1.90 a day to 4 percent or less by 2030, and to improve the living standards of the bottom 40 percent of the population. This would lift nearly 20 million Tanzanians out of poverty in the next 15 years. Comparatively, over the last five years, only 2.3 million people have been moved out of poverty. Tanzania is potentially off-target and the goals will not be achieved without accelerating economic growth and promoting inclusiveness.

4. The biggest challenge facing Tanzania's economy is that the relatively high economic growth has not been shared broadly, especially between urban and rural areas. Tanzania's growth has been driven by a small number of fast growing, capital-intensive sectors whose activities are predominantly located in cities and a small number of growth centers. By contrast, agriculture—the sector on which about 80 percent of households depend as their primary economic activity—has reported slower growth and weaker productivity gains. As a result, Tanzania has not been able to facilitate a significant reduction in poverty in rural areas where more than 80 percent of the country's poor reside. The urban-rural gap is becoming increasingly visible. In addition, these disparities are more likely to affect women since the distribution of men and women across economic sectors in Tanzania is uneven: While women play a substantial role in Tanzania's economy, they are more active in agriculture, which accounts for 82 percent of the labor force.

5. Tanzania is yet to achieve sustainable socio-economic development and harness its potential for an accelerated growth. Despite some recent improvements, poverty is still prevalent in Tanzania and a large part of the population lacks access to basic services and opportunities. Regional disparities are widening, with Dar es Salaam growing at a much faster pace than the rest of the country. Beyond the increasing spatial inequalities, the country suffers from weak infrastructure – particularly in the power and transport sectors— which in turn affects production capacity and opportunities to connect businesses to markets. Job creation has been of low quality and productivity while private sector is still limited, reflecting the unconducive business environment. The absence of growth in the private sector in the post privatization period is due to compounded effects from weak market institutions and poor business environment which have kept transaction costs high and markets segmented. High transaction costs and segmented market give cost advantages to incumbent large firms, some of which are former SOEs. Those firms have been able to remain in the market with means to overcome high regulatory burdens and possible network

with the government regulators. Productivity growth is key to economic growth but also to diversification of the economy, which is still by and large dependent on a few commodities. The distribution of economic activity by type of employment is uneven too, showing important gender differences: Only 4 percent of employed women are in paid jobs, in the formal or informal sector, compared with 9.8 percent of men. Gender disparities are also evident in formal sector employment, with men accounting for 71 percent of workers.

6. Tanzania, like a number of other countries in the East Africa region, faces a number of problems. All of the countries in the region are geographically remote from both the more mature markets of Europe, America, and Japan, and the emerging markets of China, India, Indonesia and Brazil. They have high rates of unemployment (which could be absorbed by agriculture, manufacturing or the service sector if proper infrastructure was in place to attract such investment) and poverty, particularly among the low-skilled, a large informal sector, and an overreliance on the production of primary commodities. From a global perspective, the East Africa region represents a number of disparate and relatively small markets, whose aggregation is complicated by physical and institutional barriers, such as distance, the poor quality of the infrastructure, and continued intra-regional policy and regulatory discrepancies, despite a number of earlier initiatives. Improving connectivity, both internally and externally, remain key priorities.

7. In the region, limited connectivity, in the form of poor infrastructure and barriers to trade are often identified as critical constraints by firms. For the landlocked countries, high transport costs, reflecting the poor state of the physical infrastructure, and the trade facilitation barriers, are crucial. The Doing Business 2016 survey ranks Tanzania 180 out of 189 countries for trading borders, below the median for even the regional average for SSA. The 2014 Logistic Performance Index ranks Tanzania at 138 out of 160 countries surveyed. About 60 percent of the firms in Rwanda relied on imports for inputs and/or supplies. And they waited for 15 days for their imports to be cleared at customs (BEEP 2011). Firms may miss business opportunities because of unanticipated shipment delays. Firms may also have to bear extra inventory costs. In Burundi, the firms held on average 29 days of inventory of main inputs, which are unfavorably compared with non-landlocked neighboring countries (i.e., 17 and 18 days for Kenya and Tanzania, respectively).

8. Improving the regional transport network is essential for both competitiveness and improved regional and global economic integration. A number of studies have shown that the intensity of trade between two countries is largely determined by distances and transport costs between them. The cost of trade between China and Tanzania is more than 70 percent higher (in 2010) than between China and Brazil, despite the distance being less in the former case. Since approximately 90 percent of Tanzania's international transactions transit through the port of Dar es Salaam, and 35 percent of the total throughput of the port is intended for the landlocked countries of the interior, improving the efficiency of the key maritime gateway as a key element in the regional transport network. Recent research points to predictability as being, at times, even more important for logistic performance. The delivery of exports in Eastern Africa is twice as unpredictable as in an average emerging country, measured by standard deviation from mean clearance times. The cost of each additional day of delay is estimated to be as much as US\$200-400, adding to high transport costs/prices.

9. Improving the regional transport network, of which Dar es Salaam is the foundation stone, is important to meet the twin goals nationally and regionally. Improving cross-border physical connectivity can strengthen growth and reduce poverty by enlarging markets; promoting economic

diversification; and reducing transport, energy, and communications costs. All of these expand opportunities for the poor to participate in production and trade. Cross-border infrastructure such as transport, energy, and telecommunications are essential to move goods, services, people, and information across borders and can reduce high penalties currently imposed on Africa's competitiveness. Such linkages also expand market access; reduce economic distance; and facilitate trade, investment and labor mobility. The resulting intensification of cross-border economic activities can help to generate employment, particularly in labor-intensive sectors, thereby providing additional opportunities to the poor.

Sectoral and institutional Context

10. The port of Dar es Salaam serves as the 'anchor' connecting the landlocked countries of the interior via the Central and Dar Corridors to global markets. The former, the Central Corridor, which extends 2,170 km from Dar es Salaam and connects Uganda, Rwanda, Burundi, and DRC, and Central and Northern Tanzania. The latter, the Dar Corridor, forms part of the North-South Corridor (NSC), extending for about 1,900 km from the Port of Dar es Salaam in Tanzania to Kapiri Mposhi in Zambia, and connecting Tanzania, Malawi, Zambia and the Democratic Republic of Congo (DRC). The broader NSC extends some 3,900 km from Dar es Salaam in Tanzania to the Port of Durban in South Africa. Both corridor encompass, both road and rail networks, maritime and inland water ports, and are key strategic trade routes.

11. The total volume handled by the port of Dar es Salaam reached 15 million tons in 2015, up from 13.1 million tons in 2013, and 10.4 million tons in 2011. On average, over the last 5 years, port volumes have been growing by 9 percent per year, with liquid bulk and container volumes increasing even faster, bumping up against the operational capacity ceiling of the port. The latest forecasts suggest that the volumes through the port could increase to 38 million tons by 2030 in an unconstrained scenario. Transit trade through the port accounted for as much as 35 percent of total volume in 2015 or just over 5.1 million tons, with forecasts suggesting this could increase to 9.7 million tons by 2030. 14 percent of the trade of the six neighboring landlocked countries transits through the port, a segment that has been growing at 16.5 percent annually. The Dar es Salaam Maritime Gateway Project (DSMGP) has been designed to mitigate spatial, operational, and physical constraints in the port, whilst also supporting necessary institutional reform and greater private sector participation, providing a significant enhancement in capacity to meet this growing demand.

12. This growth is placing considerable strain on the port of Dar es Salaam. All the indicators of port performance and utilization, including inter alia waiting time for ships at anchorage, berth occupancy (49 percent for the dry bulk and general cargo berths and 65 percent at the container terminal in 2015, down slightly recently reflecting the softer market) and cargo dwell time compare poorly to the 'best' ports in the region: Container vessels were queuing for 10 days on average (up to a maximum of 25 days in some cases) to get a berth in the port, although this figure has fallen recently. The delay is exacerbated by the limitations in operational efficiency at the quay and lack of storage space, lengthening the time required to unload and load a container ship, and inadequate integration between the key actors. This also impacts on the waiting time for a berth for dry bulk vessels, which reached an average of 4.5 days in 2013, as the conventional berths are increasingly congested by container vessels. In 2014, transit containers recorded an average dwell time of 10.2 days while domestic containers recorded an average dwell time in port of 7.7 days, compared to, for example, 4 days in the port of Durban in South Africa.

13. Dar es Salaam port also faces problems of maritime access. The entrance to Dar es Salaam Port from the sea is through a 2.8 km long, 140 m wide access channel. Entry to the port is restricted to vessels with a maximum length of 234 meters Length Overall (LOA). This allows Panamax sized vessels, which are generally between 204m and 268m LOA, to enter during high tide, but prevents the entry of post-Panamax vessels, with a length exceeding 295m LOA, or the full use of vessel capacity. However, even the Panamax vessels face restrictions, as the depth of the access channel is reported to be about -9.1m Chart Datum (CD) , below the norm of -13 m CD required to accommodate fully loaded vessels of Panamax size, i.e. 75,000 deadweight tons (DWT) and/or 4,000-5,000 Twenty Foot Equivalent Units (TEU). At present, the port is only able to accommodate ships of up to about 40,000 DWT and 2,000 TEU. These impediments are reflected in higher freight rates to Dar es Salaam, and are becoming more relevant with the worldwide movement towards larger container and bulk vessels to attain economies of scale. The DSMGP will facilitate the possibility of larger vessels using the port of Dar es Salaam.

14. Dar es Salaam port also faces severe problems in landside access. Road capacity on the key access and egress roads into and out of the port is currently inadequate to cope with the growing number of vehicles, a shortage that is exacerbated by poor gate and traffic management. As a first step, TradeMark East Africa (TMEA) are supporting the repaving and widening of the immediate access roads, the installation of new gates, and improved traffic flow within the port. On the main arteries, which are 2+2 carriageway roads, the heterogeneous traffic mix, the volume of port traffic, in conjunction with growing urban traffic, and limited traffic management is overwhelming the current road network. In addition, there is a lack of parking, leading to trucks stopping on the road-side, and there is no effective gate management system operated by TPA, further exacerbating congestion. The main bottlenecks are the Nyerere Road, Mandela Road, Bandari road, and Kilwa Road, and the delay in the development of the Southern Bypass. The upgrading of these links in parallel will be an important complement to the development of the port, and all are identified in the Big Results Now (BRN) program of the Government of Tanzania (GoT). Preparatory work is ongoing to support interventions on these corridors in a subsequent Bank financed project, under preparation now, with the objective of making a substantive contribution to congestion alleviation in Dar es Salaam. The 2008 Urban Transport Masterplan is being updated currently, with support from Japanese International Co-operation Agency (JICA).

15. Rail access is currently little better. The available rail infrastructure within the port consists of a rail link and rail loops of meter gauge (1,000mm) which connects to the Tanzania Railway Limited (TRL) operated Central Line, and a link and loops to the Tanzania-Zambia railway (TAZARA) network (gauge 1,067mm). Rail access to the port from the central line traverses the Malindi marshaling yard, which lies just outside the port area. From Malindi marshaling yard, two branch lines enter the port area: The first branch line routes towards the existing port manager's office (adjacent to berth no. 1) where it branches through a right-hand turn-out to run parallel with the quay and along the back of the transit sheds. The other branch line extends up to the container terminal, which is provided with two sidings, each of approximately 300 meters in length, which sometimes require trains to be broken to fit. There is no mainline looping system, reversing track or turn-back, and trains routing to the container terminal have to use the same line to enter and leave the port. These issues will be addressed through this project. The necessary preparatory work is being financed through the Tanzania Intermodal and Rail Development Project (TIRP) currently under implementation.

16. The railway infrastructure on the Central corridor is being improved. Dar es Salaam port is connected by rail to Lake Tanganyika and Lake Victoria and serves Rwanda and Burundi via the Central line. The Central line extends from Dar es Salaam to Tabora (840km), with branches to Kigoma (411km) and Mwanza (379km). The railway network on the Central line is operated by TRL, while the assets are owned by Reli Asset Holding Company (RAHCO) who manage 2,700km of single track meter gauge line (1,000m). Additionally, the port is connected to the TAZARA line of 1.067m gauge, which serves Zambia, the Democratic Republic of the Congo (DRC) and Malawi. However, neither railway is operating either efficiently, or close to their respective design capacity: Freight carried by TRL has fallen 87 percent over the period 2002 to 2011, and now amounts to just 200,000 tons per annum, compared to a peak volume of 1.5 million tons in 2002. The GoT is now prioritizing the revitalization of both lines, and has invested in new locomotives and rolling stock for TRL. In the case of the Central line, the TIRP is supporting the rehabilitation of rail infrastructure between Dar es Salaam and Isaka, the rehabilitation of the Inland Container Depot (ICD) at Isaka, and the piloting of 'block' trains to carry containers between Dar port and the ICD on a regular non-stop service. The European Union (EU) and JICA have also expressed interest to provide support in parallel to revitalize the railway infrastructure on this section of the corridor. The GoT have committed to introduce an 'open access' regime to the infrastructure by July 2017. A feasibility study is also close to completion for the development of an Inland Container Depot (ICD) at Kisarawe, which would be linked to the port by rail and offers the potential for increasing horizontal integration.

17. Currently there is little integration between the modes, and the development of a modern logistical chain has not started. The modern era of international trade is one of increasingly complex interactions between people, firms, and organizations. Supply chains cross countries and regions. Trade has become a 24/7 business and good performance in trade requires connectivity along not only roads, rail and sea, but in telecommunications, financial markets and information-processing. Having inefficient or inadequate systems of transportation, logistics and trade-related infrastructure can severely impede a country's ability to compete on a global scale. Logistics plays a key role in the economy in that it supports the movement and flow of many economic transactions. It is an important activity with regard to the facilitation of the sale of practically all goods and services: If goods do not arrive on time, if they do not arrive in the correct place or condition or correct price, customers will not buy them. Currently, the different actors in the logistic chain in Tanzania and the region are essentially operating as independent links. Dar es Salaam port is considered to be a first generation port, merely acting as an interface location between land and sea transport for cargo, compared to more modern second, third, or even fourth generation ports, which reflect the growing move towards horizontal integration between shipping lines, terminal operators, and logistics providers. By contract, the level of integration between the different stakeholders within and outside the port currently is minimal: there is no functioning Port Community System, there is no systemic dialogue; there is no integration between the port and the railway system (TRL or Tazara), the improvement of which would both increase the efficiency of the port, and also reduce congestion outside the port; there is little integration with the inland container depots, or the road haulage companies. Trucks waiting to enter the port simply queue on a first come, first served basis. The DSMGP will be contributing to improvements in all these areas, which will be further developed in ongoing or subsequent operations. The proposed development of an ICD at Kisarawe also offers a potential opportunity to commence this process of horizontal integration.

18. There also remains considerable scope for improvements in operational and spatial efficiency within the port. One of the conclusions of the Africa Infrastructure Diagnostic was that

the majority of ports in the East Africa region are only just beginning to focus on issues such as cargo-handling performance, cost, and service quality. The report went on to note that the majority of ports, Dar es Salaam included, have not focused on meeting certain performance standards or delivering a given service within a given price range, but on the much more basic need of making some sort of service available day to day. The GoT's BRN program highlights a number of necessary actions to improve the spatial and operating efficiency of the port of Dar es Salaam. An ongoing TMEA program is assisting the Tanzania Ports Authority (TPA) to implement the priority actions. These include the following, inter alia:

- Port community system to integrate stakeholders systems;
- Reallocate space and improve port layout by demolition and relocation of sheds 2-7;
- Institute single flow of road traffic and single entry/exit points by improving access roads to gates 4, 5 and 8;
- Procuring scanners to be installed at gates 4 and 8 to improve security and flow of traffic at gates;
- Improve flow of traffic on public roads immediately outside the port by upgrading and widening the Bandari and Mivinjeni roads; and
- Improve port productivity by establishing new Standard Operating Procedures, to provide incentives for more efficient operations.

19. Tanzania commenced the reform of the maritime sector, with the passage of the Port Act No. 17 of 2004, and the establishment of the TPA. TPA's responsibilities include all sea ports on the mainland coast of Tanzania, as well as all the ports within Tanzania's inland waters [Lakes Victoria, Tanganyika and Nyasa]. Under the law, TPA was established as a Parastatal, operating under a Board of Directors, and the Ministry of Transport, with the mandate to act as the 'landlord' and, where necessary, the service provider in the ports under its control. Under the 'landlord' port management model, the Public Port Authority is, in broad terms, the owner, developer and maintainer of the port infrastructure, which is concessioned to private operators under a long term lease style contract. The actual cargo handling is executed by private companies that lease land from the Port Authority. In the many landlord ports in the world, marine services such as towage, pilotage and/or mooring and unmooring services are also concessioned to private operators. The reasons why many ports in the world are adopting the 'landlord' model are: (i) Cargo handling is a specialized activity and requires large investment; (ii) higher efficiency; (iii) lower costs; and (iv) the market is demanding increased horizontal integration between shipping lines, terminal operators, and logistics providers. The DSMGP will support the restructuring of TPA to reflect the changing role of the institution as greater private sector participation is introduced into the port of Dar es Salaam and the corporatization of functional business units, whilst respecting that TPA are likely to remain the service provider in the smaller maritime ports and lake ports for some time.

20. The DSMGP will accelerate the involvement of the private sector in service provision in Dar es Salaam port. Currently, the only private operator in Dar es Salaam port is Tanzania International Container Terminal Services (TICTS), which operates a dedicated container terminal on Berths 8-11. In May 2000, the TICTS consortium was assigned a 10-year concession to manage the existing container terminal on Berths 9-11. In September 2005, the GoT extended the concession period to 2025, and instructed TPA to also hand over Berth 8 and the Ubungo Inland Container Depot to TICTS. Approximately 30 percent of the throughput of the port by volume is handled by TICTS. Currently, TPA remains the service provider on berths 5-7, where it handles spillover container traffic, and the bulk, break-bulk, and Roll on-Roll off (RoRo) terminals (on berths 1-4), the Kurasini oil jetty and the Single Point Mooring (SPM) for petroleum products.

TPA is also responsible for the provision of harbor master services (such as vessel traffic management, arranged on a first-come first served principal), and marine services (such as pilotage, berthing and mooring/unmooring services). The DSMGP provides support to increase the degree of private operation of port services, through developing a new dedicated container terminal on three new Berths 12-14, which will be concessioned to a private operator which will invest in the superstructure. The project is also supporting the preparation of business cases to inform a GoT decision on further potential private sector operation of the bulk, break-bulk, and Roll on-Roll off (RoRo) terminal (Berths 1-4). The Global Infrastructure Facility (GIF) has expressed interest in assisting TPA to further private sector participation in the port. By the end of the project, between 70-80 percent of the increased throughput of the port will be handled by private operators.

21. The regulation of the port sector is the responsibility of SUMATRA. The Surface and Marine Transport Regulatory Authority (SUMATRA) is Government of the United Republic of Tanzania's multi-sector regulatory agency. It was established by Act no. 9 of 2001 and came into operation on the 20th August 2004. SUMATRA operates under the Ministry of Transport and has a duty of enhancing the welfare of Tanzania society by promoting effective competition and economic efficiency. Among other things, its functions include: (i) Establishing standards for regulated services; (ii) Establishing terms and conditions for supply of regulated services; (iii) Regulation of rates and charges; (iv) To make rules and issue, renew or cancel licences for regulated services; (v) To monitor the performance of regulated services. In the maritime transport sector, it is specifically responsible for: (i) the regulation of services of shipping agents, shipping lines, port operators, clearing and forwarding agents and cargo consolidators; (ii) the development of rules and standards to regulate port and shipping businesses; and (iii) ensuring compliance of good conduct and practice by port and shipping service providers. The DSMGP will be supporting a review of the scale and structure of tariffs in the port of Dar es Salaam, a review of the Standard Operating Procedures, and the Key Performance Indicators, to bring them into line with international best practice.

22. The port has also faced a number of governance challenges in recent years. As a result of inefficiencies and governance issues in the port, one recent study estimated that the aggregate welfare loss of the inefficiencies at US\$ 2.4 billion, or 25 percent of the total volume of merchandising imported into Tanzania in 2012. More recently, the authorities have discovered the release of a significant number of containers and vehicles without payment of wharfage or custom duties, primarily from the Inland Container Depots. These events reduce revenues both for the Tanzanian state and the port, which handles a lower volume of merchandise than would be the case if the port were managed efficiently. The inefficiency and governance issues in the port also affects neighboring landlocked countries in a similar way, increasing transit costs and reducing trade. The new Government has responded forcefully and replaced both the Board of Directors, and the former Director General, and a number of arrests have been made. A new DG is been identified, along with a Board, and the Ministry of Works, Transport and Communications (MoWTC) is proposing to strengthen further the technical capacity of TPA. TPA are introducing a new Integrated Electronic payment System (IePS), replacing a cash based system, which will allow for the electronic collection of all port charges via multiple delivery channels including Mobile, ATM, POS and Web. The proposed technical assistance to the TPA in the DSMGP will assist in this process. In addition, the Bank team are supporting TPA to improve strategic communications – internally and externally, to contribute to improved governance.

23. A recent assessment also revealed that Tanzania and the port of Dar es Salaam are exposed

to various threats of transnational trafficking. The United Nations Office on Drugs and Crime (UNODC) completed an assessment of the exposure of Tanzania and the port of Dar es Salaam to transnational trafficking in late 2014. The report revealed that whilst the port of Dar es Salaam was compliant with the International Ship and Port Facility Security Code (ISPS), it remained exposed to the risk of trafficking of illegal drugs, illegal wildlife trade, illegal logging and wood products, and counterfeit goods. In a similar vein, another recent report examining the movement of illegal ivory and rhino horn found considerable evidence that Tanzanian ports played a key role in the movement of these illicit consignments over the period 2000-2013, primarily via containers through the ports of Dar es Salaam and Zanzibar. An ongoing TMEA program is assisting TPA to procure additional scanners for the port, to be operated by TRA. In addition, the DSMGP will support improvements to governance in the port, and support the implementation of the Container Control Program (CCP), being implemented by UNODC and the World Customs Organization (WCO).

II. Proposed Development Objectives

The Project Development Objective is to improve the effectiveness and efficiency of the Port of Dar es Salaam, and support greater private sector participation, for the benefit of public and private stakeholders.

III. Project Description

Component Name

Component 1: Improving the physical infrastructure

Comments (optional)

- (i) Deepening and strengthening of existing Berths 1 to 7, to between 13 to 15 m below CD;
- (ii) Construction of a new multipurpose berth at Gerezani Creek;
- (iii) Restoring the capacity of the grain silo, and supporting the installation of a conveyor system, and high speed bulk grab;
- (iv) Deepening and widening the entrance channel and turning basin in the port to the end of Berth 14, to between 13 to 15 m below CD;
- (v) Improving the rail linkages and platform in the port;
- (vi) Construction of the substructure and access for new dedicated container terminal at new Berths 12-14;
- (vii) Deepening and strengthening of existing Berths 8-11, to between 13 to 15 m below CD; and
- (viii) Dismantling of the Kurasini oil jetty and relocation of the oil pipelines.

Component Name

Component 2: Institutional Strengthening and Implementation Assistance

Comments (optional)

- (i) The Institutional Strengthening of TPA
 - TA to support the restructuring of TPA to reflect the changing role of the institution as greater private sector participation is introduced into the DSM Port and the corporatization of functional business units, whilst respecting that TPA are likely to remain the service provider in the smaller maritime ports and lake ports for some time; and
 - Capacity building/training for TPA staff to take on their new responsibilities, giving the above restructuring, and the implementation of the E&S Strengthening Plan (ESSP)
- (ii) Implementation Assistance
 - Supervision of construction and dredging works;
 - TA to facilitate project implementation (TPA PIT), update the National Port Master-plan, improve gate management;

- Auditor;
- Add. Proj. Prep. Act.

IV. Financing (*in USD Million*)

Total Project Cost:	690.00	Total Bank Financing:	600.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
Borrower			60.00
International Bank for Reconstruction and Development			600.00
UK British Department for International Development (DFID)			30.00
Total			690.00

V. Implementation

The project will be implemented by a dedicated Project Implementation Team (PIT) of full-time employees of TPA, supported by TPA management and the Board of Directors of TPA. The PIT will comprise a senior project manager/director, a financial management specialist, a procurement specialist, environmental safeguard specialist, a senior port engineer, a transport economist, a financial analyst, and necessary support staff.

Whilst TPA has some earlier experience in implementing World Bank financed projects, it was some time ago. TPA does have more recent experience in projects financed by other development partners. However, existing capacities within TPA are likely to be challenged by the number of activities required by a project of this scale. Accordingly, the PIT are being supported by additional expertise in the form of procurement support in the form of individual consultants, and technical support from a firm of maritime engineering consultants, which commenced its assignment on October 20, 2015. Both are being provided with financial support from TMEA. The project will also assist TPA in strengthening links to local educational establishments, and provide training opportunities for recent graduates.

The responsibilities of TPA during the implementation of the DSMGP will include, inter alia: (a) the management of the designated accounts; (b) financial management and reporting on the overall project; (c) ensuring the execution of the audit of the project; (d) preparation of quarterly financial and bi-annual progress reports; (e) the management of the environmental and social safeguards; (f) undertaking all procurement and contract management activities for all components; and (g) ensuring that the minimum Debt Service Coverage Ratio is maintained throughout the life of the loan. The TPA PIT will be accountable to the Director General (DG) of TPA, and ultimately the Board of TPA. TPA will also report to a project steering committee, administered by the Ministry of Works, Transport and Communications (MoWTC), with representation from the different stakeholders.

In respect of safeguards, the Environmental Management Section (EMS) within TPA has prepared an Environmental and Social Strengthening Plan (ESSP), in order to improve the capacity of TPA to manage environmental and social issues in the ports. The main objective of the ESSP is to achieve long-term environmental, social, and economic benefits through resource conservation, waste reduction, and pollution prevention. The ESSP include some activities related to training,

equipment, and some initiatives to comply with international standards to be a green port and to obtain the ISO 14.001 Certificate. The project will support the implementation of the ESSP.

VI. 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	
Forests OP/BP 4.36		x
Pest Management OP 4.09		x
Physical Cultural Resources OP/BP 4.11	x	
Indigenous Peoples OP/BP 4.10		x
Involuntary Resettlement OP/BP 4.12		x
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

World Bank

Contact: Richard Martin Humphreys
 Title: Lead Transport Economist
 Tel: 458-2951
 Email: rhumphreys@worldbank.org

Borrower/Client/Recipient

Name: THE UNITED REPUBLIC OF TANZANIA
 Contact: Ngosha Magonya
 Title: Commissioner External Finance
 Tel: 255222138944
 Email: ykatela@yahoo.com

Implementing Agencies

Name: Tanzania Ports Authority
 Contact: Alois Matei
 Title: Acting Director General
 Tel: (255-22) 211-6250
 Email: dg@tanzaniaports.com

VIII. For more information contact:

The InfoShop
 The World Bank
 1818 H Street, NW
 Washington, D.C. 20433
 Telephone: (202) 458-4500
 Fax: (202) 522-1500
 Web: <http://www.worldbank.org/infoshop>