

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC8536

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Tanzania	Project ID:	P150496
Project Name:	Dar es Salaam Maritime Gateway Project (P150496)		
Task Team Leader:	Richard Martin Humphreys		
Estimated Appraisal Date:	02-Oct-2015	Estimated Board Date:	17-Dec-2015
Managing Unit:	GTIDR	Lending Instrument:	Investment Project Financing
Sector(s):	Ports, waterways and shipping (80%), Railways (10%), Rural and Inter-Urban Roads and Highways (10%)		
Theme(s):	Trade facilitation and market access (80%), Regional integration (10%), State-owned enterprise restructuring and privatization (10%)		
Financing (In USD Million)			
Total Project Cost:	465.00	Total Bank Financing:	350.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			15.00
International Bank for Reconstruction and Development			350.00
UK British Department for International Development (DFID)			100.00
Total			465.00
Environmental Category:	A - Full Assessment		
Is this a Repeater project?	No		

B. Project Objectives

- (a) The Program Objective and Indicators

The Program Objective. The program objective of the Dar es Salaam Maritime Gateway Program

(DESMGP) is to improve the effectiveness and efficiency of the Port of Dar es Salaam and the access and egress of port traffic, for the benefit of all public and private stakeholders.

This Program Objective will be realized through a sequential improvement in spatial and operating efficiency, institutional capacity and reform, and infrastructure enhancements both in the port of Dar es Salaam, and its immediate hinterland. The proposed program will double the capacity of the port to 28 million ton by 2020 in the first phase and triple it to 34 million tons by 2025 in the second phase. The total cost of the proposed program (Phase 1 and 2) is envisaged to be US\$750 million, excluding the complementary private investment in the port.

The Program Level Indicators. Progress towards the attainment of the program objective will be assessed through the following program indicators:

- (i). Enhanced spatial and operational efficiency;
- (ii). Increased capacity in the port;
- (iii). Greater private sector participation in service provision; and
- (iv). Increased capacity in key access infrastructure.

The partners in the program. The proposed program is a partnership between the Government of Tanzania, the Tanzania Ports Authority, other public and private stakeholders, and a coalition of development partners including the Trademark East Africa (TMEA), the United Kingdom Department for International Development (DFID) and the World Bank (WB).

(b) The Project Development Objective (PDO)

The Project Development Objective for Phase 1 of the Dar es Salaam Maritime Gateway Program (DESMGP) is to improve the effectiveness and efficiency of the Port of Dar es Salaam through defined interventions to reduce the wait time for vessels accessing the port, facilitate the berthing of larger capacity vessels, support greater private sector participation, and improve the management of the port, for the benefit of all public and private stakeholders.

In the first phase, this PDO will be realized by the following three components, which directly reflect the identified priorities for the port sector in the BRN: (i) Component 1: Improving the Physical Infrastructure (Estimated cost US\$ 400 million). Component 2: Improving the Operational and Spatial Efficiency (Estimated cost US\$35 million). Component 3: Institutional Strengthening and Implementation Assistance (Estimated cost US\$30 million).

C. Project Description

The Dar es Salaam Maritime Gateway Program (DESMGP) has been developed as a two-phase, multi-donor, program to improve the effectiveness and efficiency of the Port of Dar es Salaam, for the benefit of port users, thereby facilitating the economic development of Tanzania and the landlocked countries of the East Africa region. The program involves two phases in the proposed series of operations, consistent with the objectives of the Government of Tanzania's BRN initiative, to address spatial, operational, and physical constraints in the port of Dar es Salaam, and its immediate hinterland. The proposed two phase approach reflects four main factors: (i) the different state of readiness of the priority investments, with many of the spatial and operational efficiency improvements, which are seen as a prerequisite to significant capacity enhancement, either under implementation now, or ready to be tendered (the strengthening of Berths 1-7, the dredging of the entrance channel and turning basin), whilst others either require the business case to be proved - Berths 13/14, Kisarawe - or the preparatory/feasibility/detailed design to be undertaken - (the Urban

Transport Masterplan, currently being prepared under the SATTFP-APL1 (P120370), and the key access infrastructure in the immediate hinterland). (ii) The proposed program, whilst consistent with the BRN, also seeks to facilitate the greater involvement of the private sector in service provision in the port. The public investment in the sub-structure on Berths 1-7 will be undertaken, conditional on the tendering of the improved Berths 5/7 to a new container terminal operator, and capacity building to improve the operational effectiveness of TPA as a service provider on the remaining berths. Phase 2 will follow a similar model, providing public investment for Berths 13/14, the new SPM and improved storage, and Kisarawe, consistent with concessioning to private sector operators. In this way, over a 10 year period, the proportion of the services within the port being provided by the private sector are expected to increase markedly, to a politically palatable timetable and more acceptable to stakeholders in the port. (iii) Thirdly, phasing in this manner, allows the provision of a financing package in each phase to be considered concessional (a proportion of 35% in each Phase will be grant). And finally (IV), the proposed Series of Projects allows the time and flexibility to meet the needs of the sub-sector, whilst supporting the introduction of a combination of necessary investments and institutional reform. Proceeding with a single unilateral operation at this time, would negate many of the benefits outlined above.

The proposed Development Objective for Phase 1 of the DESMGP is to improve the effectiveness and efficiency of the Port of Dar es Salaam, for the benefit of port users, thereby facilitating the economic development of Tanzania and the landlocked countries of the East Africa region. In the first phase, this will be realized by the following list of components, which directly reflect the priorities for the port sector in the BRN:

Component 1: Improving the Physical Infrastructure (Estimated cost US\$ 400 million). The first component comprises the essential civil works in the port, and preparations for the second phase:

- (i) The Improvement of the port infrastructure
 - a. Construction of a new berth for a new Ro-Ro terminal at Gerezani (tbc for Phase 1);
 - b. Increasing the capacity of the grain silo and installation of a conveyor system;
 - c. Undertaking entrance channel and port basin deepening and widening;
 - d. Strengthening of Berths 1-7;
 - e. Updating the business case for Berth 13-14 (for implementation in Phase 2); and
 - f. Preparing the business case for a second SPM and pipeline, together with increased storage (for implementation in Phase 2).

- (ii) The Improvement of the Immediate Access Infrastructure
 - a. The Nyerere Road – upgrading the existing road (15.1km) to dual 3-lane standard (the EU has interest in contributing to this project);
 - b. The Mandela (Port Access) Road – Upgrading to dual 3-lane standard (the EU has expressed interest in contributing to this project);
 - c. The Kilwa Road (10 km) – upgrading to dual 3-lane standard between the junctions with the Mandela road; and
 - d. Other key access roads as necessary.

Component 2: Improving the Operational and Spatial Efficiency (Estimated cost US\$ 35 million). The second component in the program comprises two sub-components to improve the spatial and operational efficiency of the port:

- (i) Improving Operational Efficiency:
 - a. Review and strengthen new Standard Operating Procedures;
 - b. Review and strengthen Key Performance Indicators and Tariffs;

- c. Institute, in consultation with stakeholders, 24*7 operations, together with incentives to encourage night-time use; and
- d. Introduction of a Port Community System agreed with stakeholders.
- (ii) Improving Spatial Efficiency:
 - a. Removal and reallocation of unused facilities (sheds 5-7, Sheds 2-3, Midport shed, Central workshop, TICTS office building);
 - b. Improving traffic flow by introducing one-way traffic and improvements to access gates; and
 - c. Improvements in rail linkages and platform (this is to be funded under the TIRP Project - however additional provision will be included here to fund anticipated increased costs).

Component 3: Institutional Strengthening and Implementation Assistance (Estimated cost US\$30 million). The final component comprises three sub-components involving civil works on the corridor:

- (i) The Institutional Strengthening of TPA
 - a. Capacity building/training for TPA staff; and
 - b. Institutional strengthening to move towards the landlord model.
- (ii) Implementation Assistance
 - a. Technical Assistance, as required, to TPA Implementation Team to implement the program;
 - b. Technical Assistance to develop and support a PPP program in the port; and
 - c. Support to hire transaction advisors to assist in preparing and completing the concessions.

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

Dar es Salaam City is the major commercial city in Tanzania. It is located on the western coast of Indian Ocean, East Africa. Administratively, the port is located in Temeke District, Dar es Salaam Region. The port is located in the gulf separating the metropolitan area and Kigamboni wards on the east. The port is surrounded by the city centre on the north, consisting of business areas and offices and Tanzania Railway; on the west are residential areas (Keko and Kilwa Road areas) and small factory areas (especially garages and BP bulky oil storage areas). The south consists of Kurasini, Mtoni and Mbagala residential areas, public institutions, Bulky Oils Storage Tanks and the Mtoni Dumpsite (now closed). On the east there is Kigamboni residential area, defunct TIPER refinery plant, and very limited undeveloped plots. The city centre has a central sewer system that discharges sewage in the harbour mouth through the Sea Outfall. Many of the areas surrounding the harbour are unsewered and sewage handling is largely by septic tank system. Considering the sand nature of the soils the diffuse septic tanks and soak away systems discharges a stream of sewage into the harbour through the groundwater flow. Generally, the marine ecosystem in the Dar es Salaam harbour is highly exposed to many sources of pollution. The major pollution sources include port operations, harbour activities (maritime), urban drainage (streams, Rivers and pen channels), uncontrolled solid waste and liquid waste disposal in the city centre and urban periphery areas (directed in the storm water channels), the Kivukoni fish market, the Band beach swimming club, Kigamboni ferry operations, the Seaoutfall sewage pipe, leachate from Mtoni dumpsite, drainage from Kurasini bulk oil handling areas, underground seepage of liquid wastes from septic tanks etc. Conceptually the Dar es Salaam harbour is big pot receiving pollutants from within and without the port environment. The major concerns are drainage channels and natural water courses that bring in the harbour a variety of pollutants including sediments.

E. Borrowers Institutional Capacity for Safeguard Policies

The Tanzania Ports Authority (TPA) has sufficient capacity to manage the potential environmental and social impacts of the proposed project. This implementing agency has previously managed

investment projects financed by IDA and other development partners. As a Category A project, a comprehensive Environmental and Social Impact Assessment (ESIA) for the proposed investments will identify any additional capacity building needs that might be required. TPA is also establishing an Environmental Management System in all its ports to achieve international accreditation (ISO14001:2004) by the end of 2015. TPA is also establishing ship waste facilities by end of 2016, to meet the requirements of the MARPOL Convention.

A Scoping Study was prepared for the deepening and strengthening of Berths 1-7, the construction of the new RoRo berth at Gerezani Creek, and the deepening of the entrance channel and turning basin. The Report highlighted the following concerns: (i) the proposed location of the new RoRo terminal would require the infilling of a highly fragile ecosystem at Gerezani Creek, which naturally filters the polluted water. This requires careful assessment by an experience marine biologist during the ESIA; (ii) the need for careful consideration of the final disposal of dredged material, as reported, Dar es Salaam harbor is polluted with toxic metals and organic compounds (A detailed water and sediment quality study will be undertaken during the ESIA). (iii) Potential of increased sedimentation after capital dredging; (iv) Potential damage to marine biotopes at the harbor entrance will need careful study; (v) handling of ship wrecks; and (vi) Capacity of TPA to implement contingency planning in event of emergency.

The main social impacts were identified as (i) potential impact on TPA work force if there is any retrenchment; (ii) Potential HIV/AIDS infections may increase in the project area given the influx of people during construction; and (iii) there maybe a need for modest levels of expropriation along the Kilwa road, but all widening will be on the existing alignment and within the existing right of way which has not been encroached by settlers/businesses. The MoID has prepared Road Sector Compensation and Resettlement Guidelines of February 2009, which were vetted by the Bank and found to be in line with the requirements of OP4.12. This guidelines in addition to the findings of the ESIA will inform the preparation of future RAPs (for phase I and II) when land is required or assets or livelihood. As part of their contract, construction companies will establish HIV/AIDS education and sensitization plan and implement it in collaboration with the district health officers.

The ESIA study will be prepared in parallel to the feasibility study for the dredging and the detailed design of the investments, and will include analysis of alternatives, in order to select the best option from the technical, economical, environmental and social point of view.

F. Environmental and Social Safeguards Specialists on the Team

Helen Z. Shahriari (GURDR)

Marco Antonio Zambrano Chavez (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	According with the type and magnitude of work, and the potential environment negative impacts, the Project was classified by the Bank as Category A. An Environmental Scoping Study (ESS) was prepared for the deepening and strengthening of Berths 1-7, the construction of the new RoRo berth at Gerezani Creek, and the

		deepening of the entrance channel and turning basin. The Report highlighted the following concerns: (i) the proposed location of the new RoRo terminal would require the infilling of a highly fragile ecosystem at Gerezani Creek, which naturally filters the polluted water; (ii) the need for careful consideration of the disposal of dredged material, as reported, Dar es Salaam harbor is polluted with toxic metals and organic compounds. (iii) Potential of increased sedimentation after capital dredging; (iv) Potential damage to marine biotopes at the harbor entrance will need careful study; (v) handling of wreckages; and (vi) Capacity of TPA to implement contingency planning in event of emergency. The ToR for the ESIA was prepared with and reviewed by the Environmental Specialist on the Bank Team.
Natural Habitats OP/BP 4.04	Yes	This policy is triggered because, as mention before, the ESR highlighted some potential affectation of fragile ecosystem (Gerezani Creek), and marine biotopes (harbor entrance). The ESIA will address the impacts on natural habitats and include mitigation measures.
Forests OP/BP 4.36	No	There are no forests in the project area.
Pest Management OP 4.09	No	The project does not involve pest management.
Physical Cultural Resources OP/ BP 4.11	Yes	This policy is triggered because the deepening of the entrance channel and turning basin, and the improvement to the access transport links, may potentially affect cultural or physical resources. The ESIA/ESMP for the project will include "chance finds" procedures and mitigation measures, drawing from the ESMF of the SATTFP.
Indigenous Peoples OP/BP 4.10	No	N/A
Involuntary Resettlement OP/BP 4.12	Yes	The execution of works potentially will affect some land or people located in the project influence area. In addition, the strengthening of berths 1-7 may lead to the loss of income earning opportunities for the day workers employed as stevedores in the port currently. This policy is triggered in order to assure the compliance of the national law and the Bank's Safeguard Policy in both cases. The ESIA will

		inform the project about the socio economic impact as well as the extent of the land acquisition for the access roads and other works that may require land. Accordingly, a RAP will be prepared for this phase of the project by the appraisal. In addition to the Resettlement Guidelines will also be used for the preparation of the RAP under phase one and II.
Safety of Dams OP/BP 4.37	No	The project does not involve dams.
Projects on International Waterways OP/BP 7.50	No	The project is not taking place in or on international waterways.
Projects in Disputed Areas OP/BP 7.60	No	N/A

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 31-Jan-2015

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

The comprehensive Environmental and Social Impact Assessment is expected to be launched by August 2014, and completed by the end of 2014. A RAP may also be prepared before appraisal.

IV. APPROVALS

Task Team Leader:	Name: Richard Martin Humphreys	
Approved By:		
Regional Safeguards Coordinator:	Name: Alexandra C. Bezeredi (RSA)	Date: 12-Jul-2014
Sector Manager:	Name: Supee Teravaninthorn (SM)	Date: 12-Sep-2014

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.