

Early Warning System

AFDB-P-Z1-DC0-046

Multinational - Tanzania-Burundi Standard Gauge Ralways SGR Phase II

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Quick Facts

Countries	Burundi, Tanzania
Specific Location	Tabora – Kigoma (Tanzania), Uvinza – Malagarasi (Tanzania), Malagarasi – Musongati (Burundi)
Financial Institutions	African Development Bank (AFDB)
Status	Approved
Bank Risk Rating	A
Voting Date	2023-12-08
Borrower	Government of Tanzania, Government of Burundi
Sectors	Agriculture and Forestry, Industry and Trade, Infrastructure, Mining, Transport
Investment Type(s)	Grant
Investment Amount (USD)	$ 99.96 million
Grant Amount (USD)	$ 99.96 million
Project Cost (USD)	$ 3,929.46 million

Project Description

As stated by the AfDB, this intervention concerns the Tanzania-Burundi Standard Gauge Ralways SGR Phase II. It is designed to enhance regional integration and reap the benefits of integrated markets and economies of scale resulting from joint development and operations, Tanzania, Burundi, and the Democratic Republic of Congo (DRC) are developing a phased Standard Gauge Railway (SGR) programme centred around the Port of Dares-Salaam and the Central Transport Corridor.
The project comprizes six (06) main components : (i) Design and Build of Lot 6: Tabora – Kigoma SGR (Tanzania); (ii) Design and Build of Lot 7: Uvinza – Malagarasi SGR section (Tanzania); (iii) Design and Build of the Malagarasi – Musongati SGR (Burundi); (iv) Capacity Building and Technical Assistance; (v) Support for the joint Project Coordination Team (PCT); (vi) Consultancies for strategic studies and sensitization; and (vii) Rap Implementation.
The project cost is estimated at USD 3,929.46 million, including 12.5% financial and 12.5% physical contingencies. Tanzania sections will cost USD 3,209.27 million, while the Burundi section will cost USD 720.19 million.

The development objective of the project is to improve transport connectivity along Central Corridor to enhance regional integration and trade and incentivize large-scale mining and farming and through access to high-capacity railway transport service.
The railway is built to carry mining, agricultural and general cargo passengers. Then, the project immediate beneficiaries will be the mine operators, farmers, and the general population, who will benefit from access to efficient transport services, and the governments of Burundi and Tanzania, who will benefit from the commercial exploitation of mineral wealth.

Early Warning System Project Analysis

-Disruption of roads and utilities
- GBV and insecurity
- Social conflicts
- Health and safety risks
- Habitat loss
- Child labour risk
- Interference with wildlife corridors (e.g., Ugalla Game Reserve, Ilunde & Masito forests)
- Waste generation
- Economic displacement; The impacts include the loss of 668.37 ha of agricultural land, the destruction of residential and commercial buildings, and the involuntary resettlement of people. Affected people also include a group of Batwa (Indigenous community) living on the Rugari-Gitamo hill near the Gitega Station perimeter. Local communities face risks of social conflicts with site personnel, increased exposure to MST/SIDA and gender-based violence (GBV), and traffic accidents

People Affected By This Project

Approx. 5,700 People Affected by Project (PAPs): 4,279 in Tabora–Kigoma and 1,434 in Uvinza–Kigadye, including women and vulnerable populations. Communities along the railway corridor are directly affected because the project requires large areas of land, leading to loss of houses, farms, and village land, which are the main resource base for livelihoods . This has resulted in involuntary resettlement and displacement of households, as well as disruption to income-generating activities tied to that land . Even where full displacement does not occur, studies show the railway can reorganise how communities live and use land, for example altering pastoralist movement patterns and access to grazing areas . In addition, the shift from road to rail transport has caused loss of jobs and economic disruption for people dependent on trucking and roadside economies, alongside broader changes in local markets and towns.

There is no clear evidence that the Tanzania–Burundi Standard Gauge Railway is officially designated as being on Indigenous Peoples' lands, as Tanzanian law does not formally recognise Indigenous status in the same way as international frameworks. However, the railway corridor passes through areas inhabited and used by pastoralist and rural communities such as the Maasai, whose livelihoods depend on customary land. Evidence from SGR-related studies shows impacts on grazing routes and land use, indicating that communities with Indigenous characteristics are likely affected, even if not formally recognised, raising concerns about land rights and consultation.

Investment Description

- African Development Bank (AFDB)

Private Actors Description

As stated on the companies' websites:

China Civil Engineering Construction Corporation (CCECC), formerly the Foreign Aid Bureau of the Ministry of Railways, was established in 1979 under the approval of the State Council of the People’s Republic of China and was incorporated into China Railway Construction Corporation (CRCC) in 2003 for strategic regrouping under the approval of the State-owned Assets Supervision and Administration Commission.

Formerly the Railway Engineering Corps, China Railway Construction Corporation Limited (CRCC) was solely established by China Railway Construction Corporation on November 5, 2007 in Beijing. Now we are a mega size construction enterprise under the administration of the State-owned Assets Supervision and Administration Commission of the State Council. We were listed in Shanghai (601186.SH) and Hong Kong (1186.HK) on March 10 and 13, 2008 respectively, with a registered capital of 13.58 billion yuan.

As one of the most powerful and largest general construction groups in the world, we were ranked 42nd among Fortune Global 500, 3rd among ENR's Top 250 Global Contractors and 12th among "China's Top 500 Enterprises" in 2021.

Dar is one of the world’s leading consultancies, providing design, planning, engineering, sustainability consulting, digital solutions and services, and project management for buildings, cities, transportation, civil infrastructure, water and the environment.

Tanzania Railways Corporation (TRC) is a state corporation established under The Railway Act No. 10 of 2017 with the core mandate of providing an efficient and effective rail transport service, manage and develop rail infrastructure and ensuring rail infrastructure safety and security in Tanzania Mainland.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Dar Al-Handasah	Contractor	Infrastructure
-	-	-	-	Tanzania Railways Corporation	Contractor	Transport
China Railway Construction Corp. Ltd.	Contractor	Transport	owns	China Civil Engineering Construction Corporation	Contractor	Infrastructure

Contact Information

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.afdb.org/en/disclosure-and-access-to-information/request-for-documents. Under the AfDBÕs Disclosure and Access to Information policy, if you feel the Bank has omitted to publish information or your request for information is unreasonably denied, you can file an appeal at https://www.afdb.org/en/disclosure-and-access-to-information/appeals-process

ACCOUNTABILITY MECHANISM OF AfDB

The Independent Review Mechanism (IRM), which is administered by the Compliance Review and Mediation Unit (CRMU), is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an African Development Bank (AfDB)-financed project. If you submit a complaint to the IRM, it may assist you by either seeking to address your problems by facilitating a dispute resolution dialogue between you and those implementing the project and/or investigating whether the AfDB complied with its policies to prevent environmental and social harms. You can submit a complaint electronically by emailing crmuinfo@afdb.org, b.kargougou@afdb.org, b.fall@afdb.org, and/or s.toure@afdb.org. You can learn more about the IRM and how to file a complaint at: https://www.afdb.org/en/independent-review-mechanism/

Bank Documents

- Appraisal report (English)
- Appraisal report (French)
- Environmental and Social Impact Assessment MALAGARAZI - MUSONGATI - GITEGA

Campaign Documents

- Impacts of Standard Gauge Railway Project on Tanzania Economy Amidst and After Completion
- Livelihood Restoration Plans of the Project Affected Persons: The Case of Standard Gauge Railway

Media

- Chinese JV Awarded Final Section of $2.2B Tanzania Rail Project
- Tanzania Plans New $5.6 Billion Rail to Iron Ore, Coal-Rich Area

Other Related Projects

- AFDB-P-Z1-DC0-041 Multinational - Tanzania / Burundi / DR Congo joint standard gauge railway project phase I