



1. Project Data

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| Project ID P111155 | Project Name TZ-Zanzibar Urban Services Project | |
| Country Tanzania | Practice Area(Lead) Urban, Resilience and Land | |
| L/C/TF Number(s) IDA-48610,IDA-58430 | Closing Date (Original) 30-Jun-2016 | Total Project Cost (USD) 87,569,846.91 |
| Bank Approval Date 24-Feb-2011 | Closing Date (Actual) 31-May-2021 | |
| | IBRD/IDA (USD) | Grants (USD) |
| Original Commitment | 38,000,000.00 | 0.00 |
| Revised Commitment | 90,645,132.28 | 0.00 |
| Actual | 87,569,846.91 | 0.00 |

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2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (FA, p 5) and the Project Appraisal Document (PAD, paragraph 11) the Project Development Objective (PDO) was to ***improve access to urban services and conserve physical cultural heritage at one public location within Stone Town.***



Additional Financing (AF) in 2016 (see below) rephrased the PDO "improve access to urban services and conserve the physical cultural heritage in Zanzibar" removing the specificity of "one public location within Stone Town."

This review will assess the project performance against the following objectives:

- To improve access to urban services in Zanzibar; and
- To conserve physical cultural heritage in Zanzibar

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

29-Jun-2016

c. Will a split evaluation be undertaken?

No

d. Components

1. Institutional Strengthening and Infrastructure Development in the Zanzibar Municipal Council (US\$31.2 million at appraisal, AF added 44.3 million for a total of US\$75.5 million, and US\$74.36 million actual). This component was to finance improvements that would strengthen the institutional capacity of the Zanzibar Municipal Council (ZMC) in urban planning by preparing a structure plan and urban development policy. This component was also to support the Department of Survey and Urban Planning (later renamed the Department of Urban and Rural Planning or DURP). In addition, this component was to finance infrastructure investments, including storm water drainage, solid waste collection points and equipment, street lighting; and reconstruct and conserve the Mizingani seawall in the Stone Town World Heritage Site.

The AF scaled up activities to upgrade and redevelop the Ng'ambo area, just outside of Stone Town by financing the following activities: (i) basic infrastructure, new public green spaces, recreation areas, and cultural heritage preservation; (ii) additional drainage investments; (iii) resettlement costs associated with the storm water drainage works and sanitary landfill; (iv) additional waste management investments including the first sanitary landfill, and updating the Stone Town Conservation and Heritage Management Plan. AF also supported the institutional strengthening of the Zanzibar government and the municipal council to prepare a solid waste management strategy, an asset management information system, community engagement plan, implement the Local Government Revenue Collection and Information System (LGRSIS), and prepare feasibility studies for Public Private Partnership or PPP initiatives.

2. Support to Town Councils in Pemba (US\$3.8 million at appraisal, AF added US\$6.3 million, for a total of US\$10.1 million, US\$6.34 million actual). This component would finance hands-on training and technical assistance for staff of three Town Councils on Pemba Island - Chake Chake, Mkoani, and Wete. This component would finance two areas: the first in planning and budgeting, asset management, fiscal



management, IT, community engagement, and procure office furniture and equipment, and vehicles. The second area would finance small-scale investment projects with minimal environmental impacts such as pedestrian footpaths, small drainage works, office buildings, and local markets. AF expanded these activities to include street lighting.

3. Project Management (US\$3.0 million at appraisal, AF added US\$4.4 million, for a total of US\$7.4 million, US\$5.56 million actual). This component would finance project management, supervision of environmental and social safeguards, project monitoring, and reporting. The component would also finance other agencies to implement and coordinate their respective components. The AF was to finance the preparation for a follow-on urban operation in Zanzibar.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost: The total project cost was US\$93 million. This consisted of the original US\$38 million and AF of US\$55 million. The project disbursed US\$87.6 million, and registered foreign exchange losses of US\$5.4 million for a total disbursement of US\$91.7 million or a 98.6 percent disbursement rate (ICR, Table 1).

Financing: The International Development Association (IDA) fully financed both the original credit and the AF.

Borrower Contribution: None.

Dates and Restructuring: The project was approved on February 24, 2011, and made effective on July 11, 2011. The project was originally scheduled to close on June 30, 2016 but was extended three times during three restructurings for a total of 59 months. The project closed on May 31, 2021. There was one level 1 and 3 level 2 restructurings:

- On June 29, 2016, a Level 1 restructuring provided AF, revised the PDO, revised the Results Framework (introduced one new outcome indicator to measure the percentage of beneficiaries who feel that the project investments reflected their needs and an almost 70 percent increase in the target value of an outcome indicator - from 113,400 to 190,215 people in urban areas provided with access to solid waste management services). Components and costs were revised and new safeguard policies were triggered by the revised components. This restructuring extended the credit closing date by 36 months from June 30, 2016 to June 30, 2019 to accommodate the scaled up activities, expansion of geographical coverage, and increase in target beneficiaries.
- On May 15, 2018 (approved on October 15, 2018 per ICR, paragraph 18) a Level 2 restructuring extended the credit closing date by 12 months, from June 30, 2019 to June 30, 2020 to complete contracted works. At this restructuring, IDA financing was to be used for resettlement compensation. Results indicators and target end dates were adjusted to recognize the new credit closing date. An intermediate outcome indicator (households with access to infrastructure and services due to upgrading in the Ng'ambo area) was deleted. This activity was planned to be undertaken under the follow-on Boosting Inclusive Growth for Zanzibar (BIG-Z) Integrated Development Project approved on June 10, 2021 (ICR, paragraph 18).



- On May 5, 2020 a Level 2 restructuring extended the closing date by another six months, from June 30, 2020 to December 31, 2020 because of the impact of COVID-19.
- On April 13, 2021, a Level 2 restructuring to retroactively extend the closing date by another five months from December 31, 2020 to May 31, 2021 to allow the use of credit proceeds for items that were delivered after the December 31, 2020 closing date because of the impact of COVID-19.

Split Rating: A split rating of the outcome will not be undertaken. The text of the PDO was revised in the 2016 AF from "cultural heritage site in Stone Town World Heritage Site" to "cultural heritage site in Zanzibar." The AF scaled up the ambition of the project by adding activities to conserve cultural heritage at more than one site, updating Zanzibar's Heritage Master Plan with a greater emphasis on urban upgrading, and promoting public-private partnerships (PPP), and revenue mobilization to achieve economic development (ICR, paragraphs 10, 15, and 19). According to the guidelines, if the AF expanded the scope of the project, no split rating need be applied, and the entire project will be assessed on the revised outcome targets and outcomes.

3. Relevance of Objectives

Rationale

The project objectives were to address the development problem posed by the inadequate urban service delivery in Zanzibar and a need to revitalize its heritage sites to continue to earn from tourists visiting those sites. The PDOs focused on the role of urban local governments and tourism in Zanzibar's economic development. The PDOs were pitched at a level that recognized the limited institutional capacity of the government, and a lack of coherent decentralization policy while restoring the United Nations Educational, Scientific and Cultural Organization (UNESCO) heritage sites that draw tourists. An integrated development approach linked building capacity while investing in infrastructure improvements and services in targeted urban areas surrounding heritage sites in the two islands of Zanzibar. However, only one of the two PDOs "to conserve physical cultural heritage in Zanzibar " was specific, although more at an output rather than an outcome. The first PDO - "to improve access to urban services", did not adequately characterize the expected outcomes of the project interventions (see Section 4 Efficacy below). The components clarified that urban services in the PDO referred to storm water drainage, solid waste, street lighting; and reconstructing the Mizingani seawall in the Zanzibar Municipal Council area and small scale infrastructure projects in the three Pemba towns.

Country Context: Zanzibar is a semi-autonomous island archipelago of the United Republic of Tanzania. Zanzibar consists of two islands, the larger, more densely populated Unguja to the south and the smaller, more rural Pemba to the north. The Zanzibar Municipal Council (ZMC) in Unguja and three smaller Town Councils in Pemba (Chake Chake, Wete, and Mkoani) comprise the four main urban areas with about 60 percent of the population. These urban areas, critical to the economy of the two islands, contribute the bulk of Zanzibar's gross domestic product (GDP). Tourism is an important economic activity on the islands. Tourist arrivals increased by 8 percent between 2005 and 2009 or 135,000 tourists in 2009 alone. Most, if not all, tourists visit or stay for a short period within the ZMC to visit the historic UNESCO World Heritage Site (WHS) of Stone Town area in the city center. In 2019, about 540,000 tourists arrived in Zanzibar, 88.7 percent of whom came for leisure. The average length of the stay was seven days, two of which were



reported as stays in Stone Town. Fifty percent of the tourists who visited Stone Town walked along the seawall and spent on average US\$5 per day.

Country Plans: Zanzibar developed a roadmap, called Strategy for Growth and Reduction of Poverty (*Mkakati wa Kukuza Uchumi na Kupunguza Umasikini Zanzibar, MKUZA*), to meet the objective of Zanzibar Vision 2020 to eradicate absolute poverty in the islands by 2020. The limited capacity of the local government to effectively deliver services was a key challenge to achieving this objective. The Zanzibar Public Service Reform Program (ZPSRP) focused on local government reforms in its five-year Medium-Term Strategy (2010 to 2015). However, while the government agreed that an effective decentralization and strengthening of local governments were essential, there was no clear decentralization policy or implementation plan. Updating the Stone Town Conservation and Heritage Management Plan and Zanzibar's Heritage Master Plan formed part of this project. The Stone Town Conservation and Heritage Management Plan and the Stone Town Safe and Sustainable Mobility Management Plan would inventory key heritage assets within Stone Town, lay out key issues, and recommend conservation and improvement interventions. The UNESCO Tanzania National Commission was reviewing these two documents at closing and will guide investments under the follow-on Boosting Inclusive Growth for Zanzibar: Integrated Development Project or BIG-Z.

World Bank Country Partnership Framework: The PDOs were aligned with the World Bank's Country Partnership Framework (CPF) for Tanzania 2018–2022. The CPF focused on infrastructure and urban sectors. At project close, the PDOs were highly relevant and contributed to using urbanization for economic growth and job creation. The CPF specified improving urban management, planning systems, service delivery, urban mobility, own source revenue (OSR) collection, and environmental management, all of which were supported by the project. The CPF has three focus areas: (1) enhance productivity and accelerate equitable and sustainable growth, (2) boost human capital and social inclusion, and (3) modernize and improve the efficiency of public institutions. The CPF was aligned with the priorities identified in Tanzania's Second Five-Year Development Plan and Zanzibar's Third Strategy for Growth and Reduction of Poverty. The CPF interventions will address the rural-urban divide and boost the factors that would enable poverty reduction such as access to infrastructure, social services and productive jobs. The CPF will innovate on the role of the private sector to maximize access to finance and generate jobs for Tanzania's development.

World Bank Prior Experience in the Country and in the Sector: The World Bank had limited involvement in the urban and local government sector in Zanzibar before ZUSP, though several development partners were supporting improvements in urban services. The ZUSP was the Bank's first standalone operation in Zanzibar.

Overall, the relevance of objective is rated Substantial. This was the first standalone operation of the Bank in Zanzibar and was pitched at an adequate level that covered a novel approach to preserving cultural heritage while improving access to urban services by improving local capacity. However, the PDO statement did not adequately reflect key project activities and the expected development outcomes. Minor shortcomings in the PDO formulation - in the first, "to improve access to urban services" - did not adequately characterize the expected outcomes of the project interventions; and in the second, the PDO was more output - rather than outcome-oriented, i.e., "to conserve physical cultural heritage." (see Section 4 Efficacy below).



Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To improve access to urban services in Zanzibar.

Rationale

Theory of Change: A theory of change (ToC) was not required at project appraisal. The Results Framework (PAD, Annex 1) provided the causal relationship between inputs, 7 outputs, and 2 expected outcomes. At closing, a ToC was prepared to replicate the causal linkages between those inputs and outputs established at appraisal.

The project included four types of **inputs**: (i) reconstruction and rehabilitation of the offices of Zanzibar Municipal Council and of three Pemba Town Councils with furniture and equipment; (ii) soft systems such as information and communication technology (ICT) development, the Zanzibar Spatial Data Infrastructure (ZAN-SDI), geographic information system (GIS)-based property tax revenue collection system, revenue enhancement plans, and e-governance; (iii) infrastructure such as the construction of storm water drains, sanitary landfill, transfer stations, streetlights along selected roads and procuring solid waste equipment; and (iv) feasibility studies to support Public-Private Partnership (PPP) initiatives.

The **outputs** were improved working environments for local governments to deliver urban services and improved infrastructure such as improved roads, public space, storm drains, solid waste structures, and installed streetlights. These outputs would reasonably lead to urban local governments with enhanced planning capacity to deliver improved services to its residents reflected in the improved access to basic services such as solid waste. The capacity building and infrastructure inputs were specific, measurable, time bound, and could reasonably be attributed to result in the expected outputs.

The infrastructure outputs would lead to **outcomes** measured by a decrease in the number of households with flooded homes (although the ToC only mentioned number of households) and the number of beneficiaries with access to regular solid waste management collection. The original two of the three outcome indicators - number of households and the number of people benefiting from the project interventions - however, were more outputs than outcomes. There were no indicators to capture the impact of reduced flooding to productivity gains, or how improved access to solid waste services affected lives and livelihoods of beneficiaries, such as improved health due to improved sanitation, jobs or businesses created, increased incomes, although some of these were reported. There were no outcome indicators associated with enhanced planning capacity or improved service delivery or how the soft system inputs improved local resource mobilization and expenditure. The ToC included only one critical assumption - that the waste collection was sustained - to ensure that the objective was achieved but this assumption only covered the solid waste input of the objective. No other assumptions were provided to ensure the outcome of the other outputs.



The output indicator associated with the dropped activity - urban upgrading in Ng'ambo area (part of the UNESCO heritage site buffer zone) - was included in the follow-on project, Boosting Inclusive Growth for Zanzibar Integrated Development Project (BIG-Z), approved on June 10, 2021.

OUTPUTS:

The following outputs exceeded or achieved their targets:

- New street lights were installed along 39.55 km of selected roads which included 21.3 km of roads (target 11.2 km, target exceeded) in Unguja; and 18.25 km in Pemba (no target because this was added at restructuring and determined during implementation). The Pemba streetlights were part of the small investments identified and implemented by the three Town Councils in Pemba after the activities in the Ng'ambo area was dropped.
- 13 (target 4) feasibility studies for Public Private Partnerships (PPPs) were completed.
- Storm water drainage was completed. Its design included pedestrian bridges, vehicle crossings, bridges, ponds, footpaths, rehabilitated roads, and drainage outfalls. 20.7 km (target 21.8 km) of surface drains were completed in the ZMC area outside of Stone Town (ICR, page 43).
- ZMC's Change Management Strategic Plan was implemented, the Zanzibar Heritage Master Plan was updated, and the Zanzibar Local Government Revenue Collection and Information System (LGRSIS) was operational, all as planned. The project developed the first modern ZMC master plan known as the **Diagrammatic Indicative Structure Plan** for Zanzibar Municipality and its immediate periphery and **Urban Development Policy** for Zanzibar Town or ZanPlan to guide future urban development in this fast-growing urban region. The ZanPlan was officially adopted by the Cabinet in 2015 as the legally binding document to serve as a road map for priority urban development and investment projects in Zanzibar. In addition, the project also financed the development of the local area plan for a small yet rapidly growing village of Makunduchi to manage its future growth.
- The first sanitary landfill in Zanzibar was constructed in Kibele, with 425,000 cubic meter capacity, three cells, two transfer stations, and 42 collection points, started operation in October 2020. By May 2021, the sanitary landfill was receiving about 320 tons of waste per day (original design capacity of 180 tons per day) from the ZMC and other areas. A Livelihood Support Plan was prepared to support waste pickers in forming a community based organization (CBO), and for them to continue utilizing some facilities constructed at landfill such as using washroom facilities at landfills. A contractor's camp was furnished with changing rooms, office, medical room, kitchen, toilets, and 20 individual stalls for authorized pickers to store their materials and keep the landfill clean.
- The three Town Councils in Pemba implemented 14 small investments (targets determined during implementation). These included 24 footpaths in Mkoani and Chake Chake, 1.1 km of stormwater drainage in Mkoani, 3 office buildings, 1 rehabilitated abattoir in Chake Chake, and a rehabilitated community market and nearby bus stand in Wete. The completed market accommodated over 100 small vendors.
- The Korea World Partnership Facility Trust Fund co-financed the technical assistance (TA) programs. The TA for ICT-based systems and TA to improve municipal finances and e-governance developed a



GIS-based property tax revenue collection system, completed preliminary studies to establish ZAN-SDI and assisted the Zanzibar Mapping Initiative and Open Data for African Cities. The project provided hands-on and on-the-job training, and a technical deep-dive and peer-to-peer workshop in Seoul.

OUTCOMES: This PDO would be achieved by meeting targets for: 3 original and 1 AF-added outcome indicators:

- At least 3,633 households (3,645 households) were relieved from flooding and associated economic losses. Waterborne disease outbreaks and related illnesses were reduced (no data).
- Storm water drainage benefited residents with improved access and living environment. About 63 percent of respondents to a beneficiary satisfaction survey expressed their satisfaction with benefitting from the storm water drainage activities.
- 187,200 (baseline, 75,600, original target 190,215, target almost achieved) residents in the ZMC were provided with access to solid waste management services. The sanitary landfill also benefited tourists (no data) and business owners (no data). 66 percent of respondents to the beneficiary surveys expressed satisfaction with the solid waste management services, improved health, reduced waterborne diseases, reduced malaria cases, reduced pollutants, reduced medical costs. To sustain this outcome, the ICR reports (paragraph 27) that landfill managers, municipal solid waste management teams, operators of the collection and transport systems were trained but does not provide details. The Zanzibar Urban Municipal Council (ZUMC) updated relevant by-laws to improve the efficiency of solid waste management systems. Awareness-raising activities and stakeholder engagement were facilitated to deal with how solid waste can be managed from its generation through storage, collection, transportation, treatment, and disposal. The ZUMC reported clear and visible improvements in the efficiency of municipal collection, transportation, and disposal systems (no data). A memorandum of understanding was signed between the ZMC and waste pickers community-based organization (CBO) stipulating the responsibilities and obligations of the different parties, and a code of conduct for the CBO (ICR, paragraph 27).
- Sixty-two percent of respondents to the beneficiary survey confirmed they benefited from street lighting because they increased mobility, extended business operating times, increased recreational activities, improved road safety as a result of segregated walkways, and improved security in Unguja and Pemba (no data).
- The completion of the market with over 100 small vendor stall holders and a bus stop at Wete improved own source revenue (OSR) collection in Pemba (no data), and a conducive working environment for small business enterprises (no data). The bus stop encouraged the movement of people from the surrounding communities (no data) and stimulated socioeconomic activities of the residents (no data). The beneficiary survey found that 65 percent of respondents benefitted from the footpaths or walkways in Mkoani and Chake Chake as confirmed by the Bank Task Team in their March 11, 2022 email to IEG. They added that these footpaths included at-grade and ramps across the neighborhoods, and occasionally stairs or steps as needed to give access to schools and other social infrastructure in hilly terrain that was previously difficult to traverse especially during the rainy season.



- 64 households (baseline 3,645 persons, target 50 households, target exceeded) reported less flooding inside homes in the ZMC area.
- The project investments' benefitted 412,914 direct project beneficiaries (original target, 394,765), of which 52.02 percent were females (target 52 percent).
- The TA enhanced the capacity of governments entities such as land administration institutions and the Property Tax Implementation Unit. The TA activities resulted in: (i) setting up the GIS-based LGRCIS; (ii) structured a pilot program in Stone Town and the tourist village of Nungwi in the north of Unguja for property tax collection; and (iii) the BIG-Z follow-on project to implement the road map and strategy for e-governance using ZAN-SDI.

Overall efficacy of the project to achieve this objective is rated **Substantial** based on the additional data from beneficiary surveys and qualitative description of capacity outcomes.

Rating

Substantial

OBJECTIVE 2

Objective

To conserve physical cultural heritage in Zanzibar.

Rationale

Theory of Change: The Results Framework at appraisal provided the causal link between inputs, outputs, and outcomes. A ToC was prepared at closing replicating this causal link established at appraisal. The World Heritage core zone of Stone Town was dilapidated, with its historic center that included the seaside Mizingani Road that was in danger of collapse. This road was also a major transport route and the public face of the city's tourist district. Dark streets in the narrow lanes of Stone Town hindered tourist activity, and solid waste collection rates were low. Due to these factors, Stone Town was at risk of losing its UNESCO World Heritage Site status.

The inputs included the development of plans that addressed the requirements of UNESCO to retain its World Heritage Site status and the reconstruction of the Mizingani seawall and promenade in Stone Town. The inputs were specific, measurable, and time bound. The following outputs - the Conservation and Heritage Management Plan and the Safe and Sustainable Mobility Management Plan, and rehabilitated seaside Mizingani Road seawall and promenade - would result in Stone Town retaining its status as a UNESCO World Heritage site. However, this outcome is output-oriented and did not provide a development outcome from the inputs provided. Consequences of the inputs were acknowledged to that these would have had impacts on the tourism industry a majors employment source on the island. There were no indicators to reflect the impact of retaining the World Heritage Site status on tourism and employment. The ToC included a critical assumption that the improvements would not affect the Stone Town World heritage site. In sum, this ToC while valid, providing a causality chain that was logical, with components that were comprehensive, adequately scaled and properly sequenced, but lacked the development outcome on lives and livelihoods as a result of the interventions . Inputs and outputs would reasonably achieve the expected outcome, even those



that were not identified. The critical assumption was appropriate and was considered in making sure the cultural heritage aspect of the site was preserved (see Section 8 Assessment of Bank Performance at Supervision below).

OUTPUTS: The following outputs achieved its targets:

- 340 m seawall in Mizingani was rehabilitated (as targeted), including the sea front road, a newly widened landscaped pedestrian promenade, and underground utilities (water, sewer, and electric). Mizingani is a gateway to Stone Town and the upgrade of the seawall and Mizingani Road was according to the 1994 Conservation Plan.
- The project financed the development of two important planning and policy documents for the conservation and revitalization of Stone Town, to fulfill the requirement of UNESCO and would guide the future conservation and rehabilitation efforts within Stone Town. The two plans were: (i) the Stone Town Conservation and Heritage Management Plan and (ii) the Stone Town Safe and Sustainable Mobility Management Plan. These two plans inventoried the key heritage assets within Stone Town, laid out key issues, and made recommendations for conservation and improvement interventions. The UNESCO Tanzania National Commission were reviewing the two documents at closing and will guide the investments under the follow-on BIG-Z project approved on June 10, 2021.

OUTCOMES: The following outcome was achieved:

- Stone Town retained its UNESCO World Heritage City Status. The reconstructed Mizingani sea wall and promenade conserved the public seafront, protected significant historic structures in Stone Town, improved the aesthetics for tourism, enhanced safety and security of pedestrians, facilitated small-scale business opportunities along the seawall, and created a lively and vibrant public space for residents and visitors. However, there was no data to support these outcome beyond the retention of the World Heritage Status. There was no data to support, for example, new businesses created or retained, rise in new visitors; reduced incidence in crime such as loss of property to support increased safety, although the ICR reported some evidence such as an increase of revenues from tourism attributed to the reconstructed Mizingani seawall (Annex 4, Efficiency Analysis) and additional business generated,

Overall efficacy of the project to achieve this objective is rated Substantial because the sole outcome target was achieved in preserving the Stone Town historic seafront and its architecture. However, as noted in the ToC, this was not a development outcome. The ICR reported tourism and local development outcomes from the improvements to the historic town (ICR, Annex 4, Efficiency Analysis) and respondents to the beneficiary survey at completion provided some additional outcomes (ICR, paragraphs 28 and 29). It is plausible to expect that the activities would lead to development outcomes in the tourism sector.

Rating
Substantial



OVERALL EFFICACY

Rationale

Overall efficacy of the project to achieve its objectives is rated Substantial. The efficacy of the project to achieve the first objective is rated Substantial based on the additional data from beneficiary surveys. Three of the five outcome indicators fell slightly short in achieving their target values though. The efficacy of the project to achieve the second objective is rated Substantial after achieving its target indicator, which was rather output-oriented. Reported outcome elsewhere in the ICR provided additional information to support the substantial outcome under both PDOs and in the tourism sector were likely to be achieved in the future. Both PDOs were largely achieved.

Overall Efficacy Rating

Substantial

5. Efficiency

Economic and Financial Efficiency: At appraisal, the economic efficiency of the project used a cost benefit analysis, using a 12 percent discount rate for the three distinct components: (i) urban infrastructure; (ii) physical cultural heritage; and (iii) strengthening institutional and fiscal capacity in urban management. Benefits included (i) reduction in the number of households affected by flooding; (ii) establishment of modern street lighting; (iii) increase in the number of households accessing regular solid waste collection; and (iv) maintenance of cultural heritage and the status of Stone Town as World Heritage City (PAD paragraph 43). The Mizingani sea wall had a Net Present Value (NPV) of US\$15.03 million and an internal rate of return (IRR) of 47 percent. Storm water drain investments had an NPV of US\$20.64 million, and an IRR of 7 percent. Street lighting had an NPV of US\$1.3 million, and an IRR of 28 percent. Other benefits were not quantified such as those related to public health impacts from reduced flooding and solid waste disposal, strengthened ZMC and the three town councils on Pemba. Direct benefits were based on the following assumptions: value of historic buildings, replacement cost of infrastructure, replacement cost of the seawall, and value of adjacent buildings.

At AF, the cost benefit analysis used a 6 per cent social discount rate per the Bank's revised guidelines for: (i) urban sanitation, urban upgrading, and cultural heritage preservation; (ii) support for municipal finance through own source revenue under different revenue increases scenarios; (iii) small scale investments in Pemba using values for those implemented under the original project. Results showed that the proposed AF-financed interventions will positively impact Zanzibar's development because these activities will boost the local economy and improve the quality of life of its residents (Project Paper for AF, Section IV).

- For urban sanitation, urban upgrading, and cultural heritage preservation, interventions would be viable when contributing to at least a 0.34 percent per year increase of tourism activities, which is below the historical trend. Assuming a 0.5 percent increase in tourism earnings from the sub-components, the IRR would be 12 percent. Sensitivity analysis showed that sub-components would remain viable when tourism growth is 0.6 percent per year even if investment cost doubles or project is delayed by up to 5 years.



- For support to municipal finance through own source revenue enhancement: OSR needed to increase by at least 7.5 percent per year to pay for the sub-component cost. The more realistic scenario was a 15 percent annual increase in OSR for the first three years. Sensitivity analysis showed that if investment costs increase by 100 percent or the project is delayed by four years, the required annual increase of revenues is 10 percent to make the investment viable.
- Small scale investments in Pemba. Benefits included (i) better mobility and accessibility for communities; (ii) improved safety in steep slopes; (iii) reduced accidents and associated time and cost burdens, using "with" and "without" interventions. Analysis showed that benefits were twice as much as the cost with an 18 percent IRR.
- The combined analysis showed that with the AF, tourism income would increase by 0.5 percent per year, OSR would increase 15 percent per year for the first 3 years, and 6.5 percent per year thereafter; and the AF would generate net benefits of US\$20 million over the life of the project and a 12 percent IRR.
- The urban sanitation sub-project as a revenue generating investment underwent financial analysis. Four scenarios were used to analyze which ones would cover O&M and investment costs, using "with" and "without" scenarios. The difference between the incremental revenues and incremental costs from both scenarios equaled net cash flow. At the AF appraisal, revenues from waste fees covered 45 percent of operations and maintenance (O&M) costs. The results of the four financial options were: (i) if waste fees were expanded, all households fully charged, O&M deficit would be reduced by 80 percent. This option required careful affordability and willingness to pay and revision of municipal by-laws; (ii) a landfill tipping fee of US\$10 per ton would cover the O&M deficit, while a landfill tipping fee of US\$30 per ton would cover both O&M and the investment costs; (iii) if a new levy or entry fee targeting tourists were introduced, each tourist would be charged US\$2.5 to recover O&M costs or US\$7.50 per tourist to recover both O&M and investment costs, (iv) if OSR increases were used as described above, these would only pay for the O&M deficit but not the investment costs.

At closing, the cost-benefit analysis used at AF was replicated using the same 6 percent social discount rate. Benefits included avoided damage costs and time savings for drainage interventions, increase of revenues from tourism for Mizingani seawall, increase of earnings for businesses that benefited from streetlights, and saving of travel time plus increase of revenue for small investments in Pemba. Actual benefits from the works went beyond the quantified benefits, such as increased safety in the project areas, improvement of outside spaces that allow residents to have passive recreation, safer vehicular movement, and increased business opportunities. The cost benefit analysis concluded that all four types of investments - storm water drainage, seawall, streetlights, and small investments of the councils in Pemba had IRRs higher than the 6 percent and ranged from 16 to 42 percent, averaging at 21 percent (ICR, Table 4).

Financial analysis of the Kibele sanitary landfill, now operating and receiving about 320 tons of waste per day show a nearly doubling of its original design capacity. At preparation, a tipping fee of at least US\$10 per ton was estimated to cover the landfill operation. However, the government has yet to plan and approve an applicable fee scale knowing that charges may discourage its use, A cost-effectiveness analysis showed that actual costs were similar to other landfill projects in the country and concluded that the landfill investment was cost-effective. The estimated benefits on improved sanitation services in Zanzibar include saved costs from reduced transmission of diseases, increased tourism receipts due to improved attractiveness to visitors.

Administrative and Operational Efficiency: The project was implemented over a 10 year period and was provided three extensions. The first, as part of the AF expansion and the subsequent ones due to several



factors. The storm water drainage works only started five years after effectiveness due to the following: (i) non-compliance with environmental, health, and safety measures, leading to work stoppage so that the contractor could take remedial actions; (ii) one of the six drainage systems was redesigned to minimize resettlement impacts and address severe flooding problems at the Mwanakwerekwe and Sebleni areas; and (iii) design required additional works, resettlement, and supervision costs. Implementation of the Resettlement Action Plan (RAP) was delayed but resolved after the project was restructured to allow the use of IDA funds for resettlement compensation. The installation of streetlights in the ZMC was delayed by 6 months due to the COVID-19 disruption of shipping of materials from abroad, A retroactive extension was granted to resolve delayed shipments. Some procurement delays also occurred during the AF phase because the PMT lacked capacity to prepare adequate Terms of References and to evaluate bids. After a two year delay, additional procurement specialists and technical experts strengthened PMT capacity (see Section 10, Other Issues, Procurement below). The seawall and drainage subprojects were also affected by increasing prices of concrete and lack of construction materials because of the scarcity of fine aggregates (sand) that required importation from the Tanzania mainland. The COVID-19 pandemic restricted travel of international consultants and delayed special equipment for solid waste management delivery. The project was restructured to extend the closing date by six months from June 30, 2020 to December 31, 2020 to complete delayed activities and an exceptional retroactive extension to May 31, 2021 to pay for two items that were delivered after December 2020.

Overall, the substantial economic efficiency of the project investments were sufficient to overcome the project's operational inefficiencies. Efficiency is rated **Substantial**.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

| | Rate Available? | Point value (%) | *Coverage/Scope (%) |
|--------------|-----------------|-----------------|--|
| Appraisal | | 0 | 0 <input type="checkbox"/> Not Applicable |
| ICR Estimate | ✓ | 21.00 | 0 <input type="checkbox"/> Not Applicable |

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The relevance of objective is rated Substantial. The overall efficacy of the project to achieve its objectives is rated Substantial. The defined outcome indicators under Objective 1 were substantially achieved and additional data was provided on the beneficiary surveys that captured a range of interventions. Under Objective 2, in addition to reporting on the sole indicator at the output level, development outcomes were noted elsewhere in the ICR (Annex 4, Efficiency Analysis) to indicate plausible impact. Efficiency is rated Substantial. Overall outcome is rated Satisfactory.



a. **Outcome Rating**
Satisfactory

7. Risk to Development Outcome

The following pose risks to development outcome:

- **Operational Risks:** The project feasibility studies for the infrastructure investments did not include operation and maintenance (O&M) strategies or asset management plans. These required adequate funding from the government for the urban drainage system and were instead prepared after the completion of the construction works. The O&M requirements were not included in assessing the viability of the proposed projects. Government commitment to finance the O&M plans were not secured. The Kibele landfill design considered its O&M needs and prepared an O&M plan. Funds were used to train the landfill operation team to make sure that there would be sufficient capacity to operate the landfill after its completion. However, the ZMC has not yet committed to adopt and implement this O&M plan. To mitigate this risk, a World Bank consultant visited in May 2021, found that the O&M plan was only partially followed, and recommended that the Government ensure environmental and economic sustainability of the landfill outcomes by: (i) streamlining institutional arrangements to integrate collaborative planning and strengthen stakeholder engagement (including informal workers) to promote ownership; (ii) adopting waste management O&M policy; (iii) operationalizing the Management Information System (MIS) to monitor quantity at the two transfer stations and the landfill; (iv) collecting waste tipping fees in Kibele landfill; (v) developing a strong monitoring and enforcement framework to address illegal dumping and buffer zone encroachment; and (vi) reviewing various pricing options in the follow-on BIG-Z project. The operational risk is assessed as substantial.
- **Technical Risks:** Some technical design flaws and defects were observed in the completed investments. These included residual flooding in some households along the completed storm water drainage systems at Kilimani and Mwantenga in the ZMC. There were some defects observed on the renovated office buildings of Chake Chake and Mkoani Pemba Town Councils including leakages and cracks in the roof. The daily amount of waste collected and received at the Kibele landfill is double the amount used in designing the landfill. To mitigate these risks, the project developed an action plan in January 2021 that would be addressed during the Defects Liability Period (DLP). A May 2021 follow up visit by a Bank team consultant reported adequate implementation of the action plan. The technical risk is assessed as modest.
- **Capacity Risks:** Turnover of key staff in the implementing agencies may constrain sustainable operation of some investments. For example, the Director of the Civil Engineering Department of the ZMC who served as the focal person for all project-financed infrastructure investments in the ZMC was removed in December 2020 just before the project closed. Looking for a capable replacement with technical knowledge and institutional memory would be difficult and would affect the quality of technical advice on the sustainability of the infrastructure assets. This shortcoming may be mitigated by the follow-on BIG-Z project. The capacity risk is assessed as modest.



8. Assessment of Bank Performance

a. Quality-at-Entry

This was the first Bank standalone operation in Zanzibar and the island's first major urban infrastructure project. Design responded to Zanzibar's priorities related to heritage, service delivery, and institutional capacity in both Unguja and Pemba's urban areas. Design anchored capacity enhancement with delivering infrastructure services to Zanzibar's urban areas with particular attention to retaining the status of a cultural heritage site in Stone Town. Tourism and visits to the World Heritage site formed a major source of Zanzibar's economic activity. Recognizing that Zanzibar had little experience with World Bank projects and had minimal capacity at the central and municipal levels, the project arranged for the Project Management Team (PMT) to be placed under the Ministry of Finance and Planning (MOFP) rather than a sector agency or local government because the MOFP had some degree of staffing and oversight systems in place. The PMT would coordinate with six other government institutions (Zanzibar Municipal Council, the three Pemba Town Councils, the Stone Town Conservation and Development Authority or STCDA, and the Department of Urban and Rural Planning or DOURP) who would second technical people as subcomponent coordinators, provide technical inputs and supervision during implementation, and participate in monitoring of project activities. This Project Coordination Committee (PCC) would provide a regular forum to coordinate cross agency and sectoral issues. Designs and safeguards documents were completed for all works.

The drainage subcomponent was appraised on preliminary designs and reviewed at implementation (see below). Design was informed by the ongoing drainage and solid waste plans and investments financed by the German KfW. In the case of Mizingani seawall, the Aga Khan Foundation had already rehabilitated a segment of the seawall and prepared a second phase. However, assessing the implementation risk associated with a new entity dealing with its first Bank-financed, multi-sectoral project (heritage, marine engineering, sanitation, drainage, electrical engineering, and others), with complex technical and safeguards issues such as construction in areas with sensitive heritage assets and dense informal settlements may have been underestimated (see below). The PMT was small (six staff), lacked practical engineering expertise, and together with other implementing agencies would have benefitted from more technical support and staff.

Overall, the Bank performance at entry is rated Moderately Satisfactory because of the shortcomings in in the results framework and assessing the implementation risk of the project arising from a low capacity starting point (see Section 4 Efficacy above, and Section 9 M&E below).

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The Bank supervision team conducted 20 supervision missions accompanied by a team of multidisciplinary experts over the course of a 10 year implementation period, the original 5 years, and another 5 under the



AF. Additional technical specialists were dispatched for hands-on support on the technical, fiduciary, and safeguards aspects of project. The Bank team reported intensive capacity building efforts to address the challenges faced by the weak institutional arrangements due to the limited capacity of ministries and agencies, the PMT without authority over the other ministries and agencies to overcome delays, and lack of in-house technical experts to support the other agencies in reviewing designs, or supervising works and consultancies. The Bank team used the AF to resolve these challenges. Technical experts and advisors were hired to support the PMT and appoint focal persons for each participating ministry/agency. Cross agency coordination improved. The institutional capacity and inter-agency coordination, initially weak due to staff turnover, gradually improved with resources provided under the AF. Candor in reporting was evident in proposing corrective measures that would be incorporated in the redesign of investments to ensure fiduciary and safeguards compliance. The Bank team assisted in ensuring adequate transition arrangements after closing by facilitating the financing of project preparation of the follow-on project, the BIG Z project.

Procurement delays were encountered (see Section 10, Other Issues, Procurement below) because of the uneven quality of design consultants and contractors. The task team addressed challenges and worked with the government to restructure the project three times, including the AF. Strategic investments provided by the AF scaled up impacts. The following design changes improved project outcomes: (i) upgrading the original heritage structure of the Wete market would have demolished much of the original building but the Bank team and the PMT modified the design to preserve aspects of the original architecture; (ii) the gap in the upgraded section of the Mizingani seawall and promenade required pedestrians to walk in the traffic-clogged main road upon exiting the ferry so the Bank team and the PMT extended the seawall design to improve the pedestrians access. The contractor's camp was also redesigned to a small park opposite the seawall to protect a historic banyan tree; and (iii) The ZMC demolished and compensated one house to provide access to a collection point in a dense settlement that collection vehicles could not access and where residents disposed their waste in the drain channel. Interventions in community engagement around solid waste management were piloted in the same dense area.

Overall, the Bank performance of supervision is rated Satisfactory. The project was implemented over 10 years from the original loan period and through the AF period with three extensions due to procurement and construction delays and the COVID-19 pandemic disrupting progress.

With quality at entry rated Moderately Satisfactory and supervision rated Satisfactory, the overall quality of Bank performance is rated Moderately Satisfactory.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization



a. M&E Design

The two objectives were simply stated although the first one - to improve access to urban services was not specific enough to attribute the project interventions to the project outcomes. Not all indicators encompassed the expected outcomes of the project activities. Missing were indicators that would signify the impact of the project interventions in the lives and livelihoods of the residents of the urban areas and the outcomes associated with the improved physical environs of the local governments and the impact of the technical assistance to how these local governments delivered services. A Theory of Change was not required at appraisal but the Results Framework (PAD, Annex 1) showed the causal relationship of how the inputs would lead to outputs. The original Results Framework included four outcome indicators to achieve the two PDOs - three under the first objective and one for the second objective. The outcome indicator for the second objective was more of an output, rather than an outcome. There were no development outcome indicators associated with the tourist industry affected by the interventions under this second objective. Eight intermediate results (output) indicators under the original design — six under the Institutional Strengthening and Infrastructure Development in the ZMC Area component and two under the component for support to the Town Councils on Pemba Island were not sufficient to capture the contributions of the two components and its outputs to the PDO level outcomes. However, only one of the two PDOs "to conserve physical cultural heritage in Zanzibar " was specific. The first PDO - "to improve access to urban services." did not adequately characterize the expected outcomes of the project interventions. The components clarified that urban services in the PDO referred to storm water drainage, solid waste, street lighting; and reconstructing the Mizingani seawall in the Zanzibar Municipal Council area and small scale infrastructure projects in the three Pemba towns. Baseline data for the selected project indicators were collected at the beginning of the project and later traced during the midline and project completion evaluations. The acknowledged missing output indicators could not be included during project restructuring because the baseline data for the selected indicators had already been collected at the beginning of the project (ICR, paragraph 58).

b. M&E Implementation

M&E was implemented by a specialist consultant contracted from 2014 to 2019 followed by an Assistant Project Coordinator until project close. Baseline data for the selected project indicators were collected at the beginning of the project in 2011, a midline evaluation in 2019, and a final evaluation in December 2020 (ICR, Annex 5). In addition to Results Framework indicators, the PMT used portfolio monitoring and contract management tracking systems to monitor physical and financial progress, resolve bottleneck issues, and track procurement and contract management performance. Weaknesses in the M&E framework were addressed during restructuring by: (i) adding a new outcome indicator, (ii) dropping three intermediate results indicators, (iii) adding five new intermediate results indicators, and (iv) rephrasing an original output indicator. A key weakness in M&E implementation was the lack of capacity or resources of partner institutions — ZMC Department of Solid Waste and Drainage, ZMC Engineering Department, STCDA, DOURP, and Pemba Town Councils. The PMT supplemented this gap, with targeted World Bank technical support and training to ensure the M&E system was functional and data collected. Beneficiaries were involved in community campaigns and shehia or ward meetings to share information and encourage good practice on proper use of the drainage facilities and waste collection points. Sign boards, fliers, and radio programs were used to increase awareness among the residents. A midline beneficiary survey in 2019 showed a significant positive change of behavior on waste disposal (ICR, paragraph 55).



c. M&E Utilization

The M&E monitoring reports were shared among implementing partner agencies in special forums. Two beneficiary satisfaction surveys were undertaken one at the midterm review and another at project completion in December 2020. The results of the midterm review, conducted in 2013, was used to justify the AF, extend the project closing date, reallocate funds, scale up activities, expand project scope. M&E was used to comply with safeguards policies, and allow for preparing corrective measures such as action plans, fund reallocation, and extensions of the closing date. The consolidated M&E data at project completion informed project outcomes and impact on beneficiaries as well as lessons for institutional arrangements in the follow-on project (BIG-Z).

Overall, the quality of M&E design is rated Substantial, though with clear shortcomings. There were shortcomings evident in the broken linkages between the project interventions and the measurement of the outcomes. Not all the indicators were captured - e.g., enhanced capacity, impact from reduced floods (which is not the same as access), and development outcomes in lives and livelihoods of residents and visitors to the culturally preserved historic Stone Town. While these issues prevented a more granular insight into what impacts followed from the project investments, the various surveys filled some of the information gaps. Thus, the overall rating is Substantial.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

Environmental and Social Safeguards: At appraisal, the project was classified as Category "A" based on the potential environmental and social risks and impacts of the original activities. The project triggered three safeguards - Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11), and Involuntary Resettlement (OP/BP 4.12). Environmental and Social Impact Assessments (ESIAs), Environmental and Social Management Plans (ESMPs), and an Abbreviated Resettlement Action Plan (ARAP) were prepared. These documents recommended measures to mitigate the environmental and social impacts for the Mizingani seawall and the storm water drainage activities under the original project. Safeguard risks and cost implications were underestimated at preparation. First, the project financed waste collection points and vehicles, but assumed a 5 year use of the existing dumpsite. However, community opposition unrelated to the project closed the dumpsite during implementation. ZMC began open dumping of waste in Ng'ambo settlements causing an environmental and public health crisis. Second, the drainage subproject prepared an Abbreviated Resettlement Action Plan (ARAP) but underestimated the RAP costs and the number of project affected persons (PAPs). These escalated after a design review. The additional compensation costs coupled with insufficient financial resources of the government delayed the implementation of the drainage civil works. The project was restructured to provide for the use of IDA funds for compensation. and the AF included financing for the construction of a new landfill and related



improvements to the waste management system. The Stone Town Conservation and Development Authority and other authorities handled three chance archaeological finds effectively.

AF triggered three additional safeguards policies related to the scaled-up solid waste management investments: Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36), and Pest Management (OP/BP 4.09), due to the location of the sanitary landfill in the buffer zone of a protected forest area and potential risks to public health and the environment posed by invasive species and pests. An Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF) were prepared to guide the preparation of site, and investment-specific safeguard instruments (ESIAs, ESMPs, and RAPs) and management of the environmental and social risks and impacts during the implementation. The project prepared necessary ESMPs through a consultative process which was regularly monitored. At AF, because the government lacked funds and land was unavailable for land-for-land-swaps, IDA credit was used to meet increased resettlement costs due to the updated drainage located in very dense urban areas. This resulted in a strong ownership of the RAP process by the local authorities. The government set up a three-committee structure for RAP implementation with an independent RAP monitor that led to a stringent oversight of the RAP process. AF funds were also used for rural land acquisition as part of a buffer zone for the Kibele landfill. The two added activities affected 605 persons and received adequate compensation with some delays. A supplementary RAP was prepared for the Kibele landfill buffer zone and affected an additional 167 persons, who were all fully compensated except for three persons who were not reachable despite all attempts to contact them. After the project closed, the government was notified of its obligation to pay these three PAPs in the future.

The project reported five fatalities and three severe worksite accidents: (i) on April 3, 2016, a trespasser breached a security fence to the drainage work site, fell, and drowned; (ii) on November 8, 2019, two workers died after soil collapse; and (iii) on March 22, 2020, two motorcycle passengers crashed into a dump truck working near the Mwanakwerekwe Pond. After each incident, the PMT collected facts from all witnesses, reported back to the Bank, and discussed and agreed on corrective measures to be taken. Overall safeguards management, occupational health, and site safety were reported to have improved after these measures were taken.

b. Fiduciary Compliance

Financial Management: According to the ICR (paragraph 70), financial management was satisfactory throughout the project implementation. Staff consisted of qualified and experienced persons, with previous training in World Bank procedures. The project implemented a Financial Management and Accounting manual procedure, including internal audit. Reporting requirements were met.

Procurement: Early procurement experienced some delays but improved over time. The procurement experience with the original package was satisfactory but delays were experienced after the 2018 restructuring due to weaknesses in conducting and concluding quality and timely evaluations and increasing lack of capacity both from design consultants, and within the project management team as volume of work increased. Procurement challenges, reflected in poor bid evaluations, inadequate technical specifications and terms of reference, and responding to Bank comments were resolved after nearly two years. Procurement was rated satisfactory at project close after the capacity of the project management team was strengthened and additional staff recruited.



c. Unintended impacts (Positive or Negative)

d. Other

11. Ratings

| Ratings | ICR | IEG | Reason for Disagreements/Comment |
|------------------|--------------|-------------------------|---|
| Outcome | Satisfactory | Satisfactory | |
| Bank Performance | Satisfactory | Moderately Satisfactory | Bank performance at entry was Moderately Satisfactory (see Section 8a). |
| Quality of M&E | Substantial | Substantial | |
| Quality of ICR | --- | Substantial | |

12. Lessons

The ICR listed five lessons based on the operations and are slightly edited here for consideration by other teams who may designing similar projects in the future:

- Effective institutional arrangements may require engaging key line ministries at a high-level steering committee.** Early implementing capacity weaknesses were strengthened by additional capacity building through training. In this project, the implementing agency was under the Ministry of Finance and Planning (MOFP) and reported directly to its Principal Secretary. Representatives from key line ministries and municipal councils were appointed including the Zanzibar Urban Municipal Council, three Pemba Town Councils, Stone Town Conservation and Development Authority, and the Department of Urban and Rural Planning. These appointments meant proactive engagement and established ownership by relevant sectors/agencies. Technical expertise from the different Ministries, Departments and Agencies (MDAs) and other key stakeholders gave a platform to address technical challenges, provided oversight, and regular guidance. The Project Coordination Committee (PCC) was established at the beginning of the project and was functional throughout implementation. The PCC conducted regular site visits, monitored quality, and decided on changes to achieve the PDO. Involving representatives from these agencies was proven to be very useful for decision making, capacity building, and ownership of the project.
- Challenges to complying with environmental and social safeguards are best met with timely responses.** In this project, the drainage works were located in densely populated urban areas. Occupational and public safety risks were high. Involuntary resettlement was



unavoidable. Complex working environments and weak safeguards monitoring by the project team early on led to work sites safety issues that were later resolved with effective preventive and corrective actions. For example, the seawall was no more than 10 meters from the Sultan's Palace, an iconic heritage building of Zanzibar. Vibration at the work site could damage the building. The contractor's use of small hand drills instead of large drilling machines to prevent any potential damages was strictly enforced. STCDA and other authorities handled three chance archaeological finds effectively.

- **Credit proceeds may be used to meet unforeseen increasing resettlement costs.** In this project, IDA proceeds was allowed to be used to meet rising resettlement costs because appraisal estimates were not informed by detailed design or feasibility studies. The lack of government funding to finance the compensation for project affected persons, was met by using proceeds of the credit, not normally used in Bank-financed projects. Supervision was strengthened with extra oversight and institutional arrangements for RAP implementation. Detailed designs and feasibility studies at project preparation may best inform RAP costs. Experience in the region suggests that when detailed RAP costs are established during project preparation, it is often possible to reduce costs through design reviews during implementation.
- **Effective stakeholder engagement processes may help address O&M needs of infrastructure assets.** In this project, an O&M plan was prepared and discussed together with all stakeholders including the ZUMC, MOFP, and community representatives before the landfill was constructed to properly and sustainably operate the Kibele landfill.
- **Adopting an urban design may help create and avoid encroachment of public space.** In this project, an urban design approach was adopted to prevent the encroachment of and informal uses of public rights-of-way. After the drainage system investment was completed, an urban design approach with public space enhancement was proposed and implemented. In the Mizingani seawall project, after the contractors camp took over an area previously used for unorganized street parking, the space was secured and transformed to serve as a small public park around a historic tree, linked to the seawall, and prevented the return and encroachment of an informal car park.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR was concise, provided a coherent picture of how the project was conducted and followed the guidelines, except for exceeding the number of suggested pages (30 instead of 15). The report was internally consistent and reasonably justified its ratings based on evidence referred to throughout the report although in some cases, data was missing to support the claimed outcomes. This was particularly the case in achieving the first objective. There were appropriate references to the outcomes of the project interventions but without the



specific data that would have strengthened these claims. The quality of evidence provided through the M&E system was sufficient to provide a strong analysis of outcome except the lack of data mentioned earlier. The annexes, particularly Annex 4, provided detailed analysis to strengthen the efficiencies of the project. The report was results-oriented, highlighted qualitative results. Lessons were based on analysis of the evidence, such as the use of a multi-sectoral Project Coordination Committee to represent the needs of various sectors when working in a weak institutional capacity. However, there was no evidence to support the lesson that preserving cultural heritage complemented urban infrastructure improvements to enhance development outcomes. A shortcoming in the ICR is the lack of substantive discussion of the development outcomes from the activities surrounding the preservation of cultural heritage in Stone Town although some aspects were discussed elsewhere (Annex 4 and surveys) A minor shortcoming is in Annex 3 where project cost by component is incompletely presented. The actual project costs figures in Annex 3 were different from the ones presented in Table 1 on page 10. The Bank Task Team in their March 11, 2022 email to IEG clarified that Annex 3 figures referred to financing by component or the total amount of the credit and were the same as column 4 of Table 1. Actual spending or actual disbursements were presented in column 5 of Table 1.

a. Quality of ICR Rating
Substantial