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# Project Information Document (PID)

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**BASIC INFORMATION**

**A. Basic Project Data**

Country Tanzania	Project ID P164920	Project Name Tanzania Roads to Inclusion and Socioeconomic Opportunities (RISE) Program Project	Parent Project ID (if any)
Region AFRICA EAST	Estimated Appraisal Date 05-Feb-2021	Estimated Board Date 28-Apr-2021	Practice Area (Lead) Transport
Financing Instrument Investment Project Financing	Borrower(s) United Republic of Tanzania	Implementing Agency Tanzania Rural and Urban Roads Agency (TARURA), Tanzania National Roads Agency (TANROADS)	

Proposed Development Objective(s)

To improve rural road access and provide employment opportunities for population in selected rural areas and build capacity in the sustainable management of rural roads incorporating community engagement approaches

Components

- Rural Road Development and Maintenance
- Institutional Strengthening and Human Capital Development
- Community Engagement, Inclusion and Protection
- Contingency Emergency Response

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	350.00
<b>Total Financing</b>	350.00
<b>of which IBRD/IDA</b>	300.00
<b>Financing Gap</b>	0.00

**DETAILS**



**World Bank Group Financing**

International Development Association (IDA)	300.00
IDA Credit	300.00

**Non-World Bank Group Financing**

Counterpart Funding	50.00
Borrower/Recipient	50.00

Environmental and Social Risk Classification

Substantial

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. Introduction and Context**

Country Context

1. **Tanzania is a geographically large, diverse and strategically important lower middle-income country (LMIC) on the Indian Ocean.** Out of 54 African countries, Tanzania is the 5<sup>th</sup> largest in terms of population, the 9<sup>th</sup> largest in terms of the size of economy (e.g. by Gross Domestic Product – GDP - in US\$), and the 13<sup>th</sup> largest in terms of geographical area. Solid income growth over two decades, averaging 6.5 percent per year, has led the country to reach LMIC status in July 2020.

2. **The graduation from low income status reflects sustained macroeconomic and political stability as well as the country’s rich natural resources endowment and strategic geographic position.** Macroeconomic stability has been crucial to Tanzania’s growth: inflation rates have been low – below 5 percent since 2018 – and sustainable fiscal and current-account deficits have been financed by a combination of domestic and external sources. Over the past two decades, investment has been a key driver of economic growth: the rise in overall investment translated into a sustained accumulation of capital stock and has consistently accounted for roughly two-thirds of real GDP growth. About three quarters of total investment was from private sources. However, this ratio has shifted in recent years with waning extractives foreign direct investment and a more challenging business environment.

3. **COVID-19 has negatively impacted Tanzania’s macroeconomic performance although it is one of the few economies in the region that avoided recession in 2020.** Real GDP growth is estimated to have decelerated from 5.8 percent in 2019 to 2.0 percent in 2020, with per capita real GDP growth turning negative for the first time in over 25 years. The global economic slowdown adversely affected export-oriented industries, especially tourism and traditional exports, and has caused a drop in foreign



investment. The exception is gold mining which has benefitted from rising prices since the onset of the pandemic. Although the government did not impose stringent mobility restrictions, the pandemic initially spurred precautionary behaviors that hindered domestic economic activity. Fiscal revenues decreased in the face of declines in production, consumption, and imports. Moreover, the pandemic has compounded preexisting challenges in the financial sector; nonperforming loans have risen and the growth of credit to the private sector has decelerated.

4. **Tanzania's vulnerability to an uncontained spread is high, and risks are tilted to the downside.** Under a severe outbreak, Tanzania's health care system would become heavily strained, and social distancing would paralyze most of manufacturing and services. The Government of Tanzania (GoT) had taken critical steps to mitigate the COVID-19 outbreak at the beginning of the pandemic in March 2020 including enhancing its preparedness and containment capacity through measures to strengthen detection and surveillance at airports, border crossings, and other points of entry, and was training health care staff on case management, risk communication, and community engagement. The GoT implemented critical measures aimed at containing the spread of the COVID-19 and encouraged people to avoid unnecessary movements, practice hand hygiene and social distancing; and identified several public and private hospitals that would serve as isolation centers for people infected with COVID-19. However, after the initial surge of spread in April/May 2020 the GoT stopped COVID-19 case reporting since April 28, 2020 so the health burden of the disease is unknown. Inadequate transparency prevents a thorough assessment of either the domestic spread of the virus or the effectiveness of the government's containment efforts. In February 2021, the Minister of Health urged the general public to take precautionary measures against the spread of infectious diseases including COVID-19, and urged wearing of masks, avoiding overcrowding in hospitals, and continued education of the population by health professionals.

5. **Poverty remains persistent in Tanzania.** The national poverty headcount declined from 34.4 percent of population in 2007 to 28.2 percent in 2012 and further to 26.4 percent in 2018. Despite Tanzania's impressive GDP growth between 2012 and 2018 poverty reduction slowed, and growth has become less inclusive. Cumulative growth of 45.5 percent in 6 years has been translated into only 1.8 percentage points decline in the national poverty rate, implying a poverty to growth elasticity of -0.26, one of the lowest in the world. Inequality has also risen during this period. The international poverty headcount (\$1.90/day at 2011 PPP) remained high and unchanged during this period, at 49 percent. High population growth, slow and uneven job creation, low levels of education and lack of access to opportunities have hindered the inclusiveness of economic growth. With a Human Capital Index of 39 in 2020, Tanzania is ranked among the bottom 25 countries, at 152 out of 174.

6. **Successful transition to middle income status will require sustaining high growth while offering a more inclusive set of economic opportunities to improve living standards for the majority of Tanzanians.** National aspirations laid out in the Tanzania Development Vision (TDV) 2025 are to transition to a middle-income country with a high level of human capital development, characterized by improvements in the quality of livelihood of the people. Tanzania has made improvements in life expectancy, infant mortality, primary and secondary school enrollment rates, gender equality, and access to health, electricity, water, and sanitation. However, there is still a large agenda ahead to sustaining growth over the medium term; improving the inclusiveness of growth to reduce poverty; and strengthening upward economic mobility and economic security for the population. Growth in Tanzania has been led by sectors that employ a small share of the labor force. Insufficient job creation and low



productivity, combined with a large infrastructure gap are factors that prevent growth gains, translate into poverty reduction, especially for those employed in the agriculture sector. Improvements in productivity of agriculture sector and its value chains, increasing access to markets and services, could boost commercial agriculture, and strengthen the sector's ability to raise living standards.

7. **In 2011–18, agriculture, which accounts for about a quarter of the GDP and on which the majority of the poor depend, grew much more slowly than the rest of the economy, averaging 4.4 percent a year or 1.4 percent per capita.** With 75.5 percent of the poor dependent on agriculture for their livelihoods, agricultural growth is crucial for poverty reduction. In 2018 GDP per capita in agriculture was 10 percent higher than in 2011; meanwhile, in industry it shot up 55 percent and in services by 26 percent. However, only 7 percent of the poor work in industry and 17.5 percent in services. Although Tanzania has 44 million ha of arable land, only 16.5 million ha are under production, and it is dominated by smallholder farmers (holding 88 percent of the land). In 2018, the GoT launched the Second Agricultural Sector Development Program (ASDP II). ASDP II, with the objective of transforming the agricultural sector, aims to transform subsistence smallholder farmers into sustainable commercial farmers by enhancing and activating sector drivers and forging sustainable market links, including infrastructure, for competitive surplus commercialization and the strengthening of value chains.

8. **Regardless of rapid urbanization, approximately 70 percent of the population of Tanzania still lives in rural areas, where poverty is deeper when compared with the population in urban areas.** While rural areas have reduced the incidence of poverty faster than urban areas, going from 33.4 percent to 31.3 percent for 2012–2018, it is estimated that 80 percent of the poor and extreme poor live in the rural areas. Out of the 11.3 million rural poor, 3.5 million live in extreme poverty, a contrast with the 745,000 urban extreme poor of the 2.6 million urban poor. Furthermore, population keeps growing fast, adding approximately 1.5 million people annually, which poses pressure on the economy, natural resources, transport infrastructure, urban planning, and job creation.

9. **Tanzania's cost of adaptation to current climate impacts is estimated at approximately US\$500 million annually and, by 2030, could increase to US\$1 billion a year if no action is taken.**<sup>1</sup> Individual annual events have economic costs in excess of 1 percent of GDP. Recognizing its vulnerability to climate impacts, the GoT adopted the National Climate Change Strategy in 2013, a plan that identifies climate change risks for 18 sectors and 12 cross-cutting areas, and it proposes over 200 strategic interventions to mitigate risks. However, the implementation of climate-resilient approaches and its integration in projects has been insufficient. Currently, there is a lack of action plans to address climate change for most sectors, including transport infrastructure, and the country is already experiencing the problems related to inaction. For example, the floods of 2011 destroyed six bridges and several roads in Morogoro Region and in 2014, the heavy rains displaced over 10,000 people and damaged infrastructure in the same area.

10. **The Tanzania social context in rural settings is less favorable to women.** It is estimated that the losses in human capital wealth that can be attributed to gender inequality in Tanzania are up to US\$111 billion.<sup>2</sup> Agriculture employs 56 percent of the total women labor force (76 percent in rural areas), but approximately 64 percent of them do not receive any kind of payment. Even if the division of agricultural tasks is almost equal between women and men, they use different technologies to carry out their

<sup>1</sup> Faust, Amy, and Ann Jeannette Glauber. 2014. "Financing Climate Resilient Growth in Tanzania: Environment and Natural Resources Global Practice Policy Note (English)." Washington, DC: World Bank Group.

<sup>2</sup> World Bank. 2019. "Tanzania Economic Update. Human Capital: The Real Wealth of Nation."



activities; for instance, women still transport cobs from the field to the house head-loaded, while men use wheel barrels or motorbikes.<sup>3</sup> Furthermore, data show the prevalence of different forms of violence against women in Tanzania: the National Demographic and Health Survey (DHS) reveals concerning statistics regarding women experiencing physical violence with greater incidence in rural areas where almost 42 percent of women ages 15–49 have experienced physical violence, compared to 35.5 percent in urban areas. While Tanzania has legislation that addresses sexual harassment (SH) in the workplace, there are no laws on domestic violence.<sup>4</sup>

**11. A faster path for economic growth will be largely dependent on the swift actions and policies decided in the short and medium term.** Efforts linked to job creation and support to rural population with access to health and educational services and enhancement of the sectoral conditions for agriculture to improve food security will be critical. Labor-intensive interventions, such as those in the construction and maintenance of roads will smooth or complement incomes for the population in the rural areas. Resilient road infrastructure and transport services becomes essential to ensure continuation of lifeline mobility and connectivity and avoid disruptions in trade, especially in agricultural value chains that are core to ensure food security of the country, and to ensure access to essential services.

#### Sectoral and Institutional Context

**12. Road accessibility is one of the necessary conditions for inclusion and socioeconomic opportunities.** Safe and all-season road accessibility is a critical ingredient to advance the human capital agenda. Roads support inclusion and socio-economic opportunities by connecting all members of the community to social, education, health and financial services, labor markets, and economic opportunities. Farmers in rural areas and regional value chains benefit from the development of rural infrastructure, because road access is critical to access markets and distribution centers and to acquire agriculture inputs. Not having safe and weather-resistant roads undermines communities' prosperity and further exacerbates poverty in Tanzanian communities.

**13. The GoT, in the ASDP II, identified poor rural infrastructure among the key constraints to productive agriculture.** The Program acknowledges that low productivity of land and labor hinder the potential of the sector, and that inadequate rural infrastructure places an obstacle to the efficient access to inputs, the marketing of outputs, the expansion of markets and the provision of support services (that lead to increased producer prices and farmer incomes). Moreover, ASDP II, while a national program, is designed based on the lessons learnt from ASDP I, and highlights the importance of working in cluster areas and with a phased implementation approach for highly complex projects to ensure resources are invested effectively to create impact, benefit from economies of scale and generate the needed capacity gradually to achieve agricultural transformation.

**14. Many of the agriculturally rich areas in Tanzania remain physically inaccessible year-round.** This is often due to the missing or unreliable road links. This negatively affects the extraction of full agriculture potentials in these areas. As most of the rural poor rely on agriculture, improving road access in rural areas can bring economic and social gains. Also, high transport and other transfer costs caused by rural roads in poor condition are a severe constraint on the competitiveness of Tanzania's agricultural exports. Investing

<sup>3</sup> Fox L. Wiggins S., Ludi E., Mdee A. 2018. "The Lives of Rural Women and Girls. What does an Inclusive Rural Transformation that Empowers Women Look Like?" London: ODI, page 132.

<sup>4</sup> Systematic Country Diagnostic (SCD)/National DHS, 2010.



in public goods such as rural roads is essential to create an environment that enables private sector-driven agriculture, including smallholder farms, to flourish.

**15. Road accessibility pre-determines the options a community has to access to services and opportunities, hence roads must be designed and managed considering all the diverse voices in the community.** Understanding the mobility needs that the communities have and addressing the risks that roads may entail is therefore of utmost importance. Listening to the needs to include the voices and perspectives of all groups in the community, including differentiated perspectives for men and women, vulnerable groups such as children, the elderly and people with disabilities, and all economic and social stakeholders that ultimately rely on the road asset. Recent studies demonstrate that, if road projects incorporate community engagement and gender-balanced approaches, it leads to social inclusion and incorporation of rural population, especially women, to the political and social decision making while reducing sexual exploitation and abuse (SEA).<sup>5</sup>

**16. Despite the importance of roads for rural communities, Tanzania is still significantly underserved when it comes to roads.** Approximately 13 percent of regional and 42 percent of district roads are in poor condition.<sup>6</sup> Estimates suggest that between 20,000 and 30,000 km of the classified tertiary (district) road network (total 56,000 km) is not passable by normal motorized vehicles during the rainy season. Out of these, only 15,000 km are passable only by four-wheel drive vehicles.<sup>7</sup> Besides, the rural access index (RAI) for Tanzania, an indicator that measures the proportion of rural people who have access to an all-season road within a distance of 2 km, is 24.6 percent.<sup>8</sup> This means that approximately 33 million rural people lack access to all-season roads.

**17. Maintenance of the network is a major challenge for Tanzania's government and its communities.** There is a substantial gap between the demand and the supply of maintenance funds. The available funds provided by the Road Fund Board (RFB)<sup>9</sup> (responsible agency for the maintenance funding) only support 72 percent and 36 percent of the routine and periodic maintenance demands respectively. For FY18/19 the district road network received only 25.1 percent of the budget needed for maintenance. Given the financial constraints for maintenance funding, improved road asset management planning and engineering practices will be needed both at the national level with regards to the policy and planning framework, and at the districts level. Furthermore, maintenance budget limitations and planning, in the context of climate change vulnerabilities (even more acute in the case of unpaved regional and district network segments), are significantly hindering Tanzania's capacity to provide all-season road access to its rural communities.

**18. Tanzania is among the countries with the highest road traffic fatality rates, with 33.4 deaths per 100,000 people, which has a significant impact on its GDP.** In 2013, there were more than 4,000 reported

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<sup>5</sup> World Bank. 2015. *Roads to Agency: Effects of Enhancing Women's Participation in Rural Roads Projects on Women's Agency - a Comparative Assessment of Rural Transport Projects in Argentina, Nicaragua, and Peru (English)*.

<sup>6</sup> Information source: TANROADS and TARURA (2019).

<sup>7</sup> Source: Draft National Transport Policy 2017.

<sup>8</sup> Transport and ICT. 2016. *Measuring Rural Access: Using New Technologies*. Washington DC: World Bank, License: Creative Commons Attribution CC BY 3.0.

<sup>10</sup> World Bank. 2017. *Impact on Development: The Macro-economic and Welfare Benefits of Reducing Road Traffic Injuries in Low- and Middle-income Countries*.



road traffic deaths across the country. A 2017 World Bank study<sup>10</sup> estimates that Tanzania could have increased its GDP by 5.7 percent just by halving 2014-2018 road traffic injuries.

19. **Although the road sector is responsible for the creation of many jobs in Tanzania, the participation of women is sub-optimal.** While total employment in the construction sector doubled for men between 2006 to 2014 (from 2.1 percent to 4 percent), for women it remained the same (0.1 percent).<sup>11</sup> Through the Women Participation Unit (WPU), the Ministry of Works and Transport (MoWT) has undertaken many initiatives to enhance the level of representation, participation and skills development for women in road works. However, there are still particular challenges to enhance women's participation in the road sector and women still face more barriers in terms of quality and segregation of jobs.

20. **The size of the road network is approximately 145,200 km.** The network comprises about 36,200 km of trunk and regional roads and approximately 109,000 km of district roads. The trunk and regional road networks are managed by the semiautonomous Tanzania National Roads Agency (TANROADS), under the MoWT. The district road network is managed by the recently established (July 2017) Tanzania Rural and Urban Roads Agency (TARURA), under the President's Office for Regional and Local Governments (PO-RALG).

21. **TARURA is a nascent organization with a demanding vision requiring strong institutional and technical capacity to perform its functions.** The agency has limited institutionalized mechanisms and arrangements to delineate and fully operationalize its mandate and capacity to exercise efficient management of the district road network. TARURA faces bottlenecks often specific to such newly-created entities in performing its functions, including regulatory and institutional framework gaps and challenges, lack of streamlined business processes, well-established human resources (HR) management system and technological innovation. There are immediate and significant institutional strengthening requirements for TARURA at all levels. Moreover, of the total network managed by TARURA, 82 percent is considered rural, and currently there are no national policies or strategies that target the rural roads sector with a tailored approach for its inherent characteristics and challenges. This provides a historic opportunity to support TARURA<sup>12</sup> in the development of a National Rural Roads Plan in collaboration with TANROADS, and its gradual strengthening through a Midterm Organization Development Plan; improvement of its regulatory and institutional framework; and development of necessary tools (for example, policies, strategies, guidelines, modernized business processes, and so on). These will help TARURA in the sustainable development and management of district roads and leverage social inclusion from the outset.

22. **The GoT 2003 National Transport Policy targets developing safe, reliable, effective, efficient, and fully integrated transport infrastructure and operations.** The policy recognizes the importance of rural transport for effective transport systems. The Roads Act (2007) provides guidelines for the management of roads, classification and execution of roadworks, and protection of the road assets. Tanzania's road network is classified into national roads (trunk and regional) and district roads (collector, feeder, and community). The MoWT is responsible for setting transport sector policies, including roads,

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<sup>10</sup> World Bank. 2017. *Impact on Development: The Macro-economic and Welfare Benefits of Reducing Road Traffic Injuries in Low- and Middle-income Countries*.

<sup>11</sup> Fox, L. Gender. 2016. *Economic Transformation and Women's Economic Empowerment in Tanzania*. London: ODI, page 5.

<sup>13</sup> As of June 2019, TANROADS Paper for 13<sup>th</sup> Joint Transport Sector Review (JTSR 2019).



and it monitors the primary network (trunk) and secondary network (regional). The PO-RALG is responsible for monitoring tertiary road and supervising its management.

23. **The trunk network has benefited from recurrent and capital investments by GoT and development partners (DPs). However, the regional and district networks, which are critical for rural communities, are historically underfunded.** Of the 12,176 km<sup>13</sup> trunk road network 71 percent is paved. Of them approximately 90 percent is either in good or fair condition. Comparable figures for regional roads (total network size - 24,082 km) are 5.8 percent and 87 percent respectively. The district network, despite its size, receives only an estimated 15–17 percent of the national funding allocation to the road sector. While a focus on trunk network development over the last few decades has been critical for Tanzania's economic prosperity and its regional integration, the completion of the necessary investment in the trunk network allows to refocus investments and policies on the secondary (regional) and tertiary (district) networks and to deepen the agenda for road sector infrastructure sustainability.

24. **For Tanzania to reduce its rural poverty, a greater emphasis on rural accessibility is overdue.** Since the trunk network is now mostly paved after decades of investment, the GoT is now looking into an invigorated agenda to improve all-season rural road accessibility to support its majority of (rural) population. TARURA and TANROADS, through the sustainable and inclusive management of their respective district and regional road networks, are therefore critical stakeholders for this agenda. Because of the rural road network extension and social complexity, the GoT requires a phased approach to the rural road sector that creates synergies with other sectors in a cluster area to generate impact on the livelihoods of the rural population. Furthermore, in the context of the post-COVID-19 economic slowdown, lifeline mobility and connectivity for rural communities to access health and educational services, and economic opportunities, and for the agriculture sector to enhance domestic food security, coupled with stimulus employment generation programs such as those that can be rapidly advanced with labor-intensive spot improvements and routine maintenance, will be germane for accelerated economic recovery.

25. **TARURA, as a new institution, in coordination with TANROADS, can lead this agenda with a social inclusion focus that, in addition to providing modernized road asset management practices, will engage, include and protect its communities from the outset.** As such, the GoT, with the collaboration of the World Bank and other DPs including the UKAid (now Foreign, Commonwealth and Development Office, FCDO), is proposing the **Roads to Inclusion and Socio-economic Opportunities (RISE) Program Project**, which will improve rural road access and provide employment opportunities for population in selected rural areas, and build capacity in the sustainable management of rural roads incorporating community engagement approaches.

### C. Proposed Development Objective(s)

26. The **Project Development Objective (PDO)** is to improve rural road access and provide employment opportunities for population in selected rural areas and build capacity in the sustainable management of rural roads incorporating community engagement approaches.

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<sup>13</sup> As of June 2019, TANROADS Paper for 13<sup>th</sup> Joint Transport Sector Review (JTSR 2019).



Key Results

27. The proposed key results indicators are the following:
- (a) Increase the share of rural population within 5km access to good condition roads (percentage);
  - (b) Civil works jobs created (person-year);
  - (c) Increase the share of rural roads in good and fair condition in Program areas (percentage);
  - (d) “People-centered” design approach for rural road development (Yes/No).

**D. Project Description**

28. **The RISE Program will address some of the urgent challenges in the rural road subsector in Tanzania.** During its six years of implementation, it is expected that the RISE will set the foundation for the management of rural roads in Tanzania in the medium term from the policy, planning and implementation capacity perspectives and create a model for a national program. The RISE Program will assist in creating a philosophy of road asset management that will focus on the safe, inclusive and all-season access for rural communities to reach their social, education, health and financial services, and help link rural communities to markets and economic opportunities. Furthermore, the RISE Program will incorporate community engagement and gender-responsive approaches that will leverage social inclusion while reducing road safety risks, social risks such as SEA and SH in the workplace, and incorporate mechanisms to address contagious diseases, such as the COVID-19 outbreak, within its scope.

29. **The RISE Program is proposed as a combination of mutually reinforcing investments and institutional strengthening activities in areas of rural road asset management.** Furthermore, RISE will support the design of innovative practices including community engagement, inclusion and protection, road safety, mainstreaming of digital technologies and climate resiliency that are expected to be institutionalized in TARURA and TANROADS and influence broader road sector policies. Also, the RISE Program could become the first large source of rural employment supporting the GoT in the efforts of post COVID-19 global crisis economic recovery.

30. The Program includes the following Components:

**Component 1: Rural Road Development and Maintenance (US\$332 million; IDA-US\$282 million; GOT – US\$ 50 million<sup>14</sup>)**

31. **This component would comprise four mutually reinforcing infrastructure subcomponents to physically improve rural road access and generate rural employment, as well as a fifth subcomponent covering project management, monitoring and evaluation related activities.** The geographical coverage of Component 1 follows carefully planned targeting to maximize development outcomes, generate economies of scale and benefits to Tanzania’s agriculture sector by creating replicable models. Overall,

<sup>14</sup> GoT will cover resettlement expenses in accordance to the Resettlement Policy Framework and each sub-project’s specific Resettlement Action Plan, when applicable. Initial total combined estimated resettlement costs for Subcomponents 1a and 1b are US\$8 million. Any additional cost will be covered by the GoT. GoT has allocated US\$50 million as counterpart funding for the Program covering all payments to maintenance teams under Subcomponent 1c (letter sent to the Bank on April 6, 2020).



the RISE Program will have an impact across the Country, which will benefit from improved, modernized and resilient rural road network management and community engagement practices. However, due to resource constraints, combined with the need to reach a critical mass of network connectivity to achieve tangible impacts on rural accessibility<sup>15</sup>, the RISE upgrading activities will be advanced in six rural districts<sup>16</sup> across four regions: Geita, Tanga, Lindi and Iringa. These areas were selected by TARURA and TANROADS in coordination with the Ministry of Agriculture with the aim to prioritize districts that have high agricultural potential and that support the implementation of the ASDP- II. These clustered development investments maximize the potential of agricultural value chains and will be supplemented with a sustainable model for routine maintenance and bottleneck improvement activities in rural districts of 25 regions.

- (a) **Subcomponent 1a: Regional Roads Upgrades (US\$110 million).** The subcomponent will support upgrading or rehabilitation of regional roads in six districts across four regions: Handeni District Council (DC) in Tanga, Mbogwe DC in Geita, Ruangwa DC in Lindi, and Iringa DC, Mufindi DC and Kilolo DC in Iringa, supporting all-season access. These roads will be improved to a bitumen paved standard as justified from economic, social, and environmental viewpoints. The subcomponent will include pre-investment studies for future regional road investments. This subcomponent will be implemented by TANROADS.
- (b) **Subcomponent 1b: District Roads Upgrades (US\$131 million).** This subcomponent will support upgrading or rehabilitation of rural district roads to support all-season access. These roads will be improved to a paved standard using cost-effective surfacing technologies (e.g. Otta-Seal), as justified from economic, social, and environmental viewpoints. Roads for upgrading will be selected from the rural road network of six districts across four regions: Handeni DC in Tanga, Mbogwe DC in Geita, Ruangwa DC in Lindi, and Iringa DC, Mufindi DC and Kilolo DC in Iringa. The subcomponent will include pre-investment studies for future rural district road investments across the country. This subcomponent will be implemented by TARURA.
- (c) **Subcomponent 1c: District Roads Bottleneck Improvements (US\$27.5 million).** This subcomponent will support road bottleneck improvements (e.g. spot improvements, resiliency improvements, minor rehabilitation/upgrades etc.) of rural district roads (up to 4,500 km). The geographical coverage for the bottleneck improvement interventions will be rural districts in all Tanzanian regions except for Dar es Salaam. The subcomponent will include pre-investment studies for bottleneck improvements. This subcomponent will be implemented by TARURA.
- (d) **Subcomponent 1d: Community-based Routine Maintenance (US\$56 million<sup>17</sup>).** The subcomponent will support routine maintenance activities (23,000 km by Program completion) across rural districts in all Tanzanian regions except for Dar es Salaam<sup>18</sup>. Local communities will be involved in the routine road maintenance activities through different models for CBRM. Any

<sup>15</sup> And following the lessons learned from other programs, including ASDP I, on the importance of clustering investments.

<sup>16</sup> Districts are: Handeni DC (Tanga), Mbogwe DC (Geita), Ruangwa DC (Lindi) and Iringa DC, Mufindi DC and Kilolo DC (Iringa).

<sup>17</sup> Subcomponent 1d: Rural Road Maintenance budget is IDA US\$6 million and GOT US\$50 million. All physical works activities are expected to be delivered with local counterpart funding and will not be advanced following World Bank procurement or financial management standards.

<sup>18</sup> The RISE had worked with TARURA in advancing a pilot in the Mvomero district, Morogoro Region.



road that will be upgraded through Subcomponent 1b will be maintained with CBRM to support sustainability of the assets. This subcomponent will be implemented by TARURA<sup>19, 20</sup>.

- (e) **Subcomponent 1e: Project Management, Monitoring and Evaluation (US\$7.5 million).** This subcomponent will support strengthening of TARURA's and TANROADS' institutional capacity for successful coordination and implementation of the program.

**Component 2: Institutional Strengthening and Human Capital Development (US\$15 million; IDA-US\$15 million; GOT – US\$ 0 million)**

32. The component will support building capacity in the sustainable management of rural roads in Tanzania. The component will primarily focus on TARURA but will also include selected support to other institutions including TANROADS, MoWT, and PO-RALG. The component will have four subcomponents:

- (a) **Subcomponent 2a: Rural Road Sector Policy Framework Strengthening (US\$1.5 million).** This subcomponent will assist the GoT with the review, development and updating of policies and strategies relevant to the sustainable management of the rural road subsector. The subcomponent will also provide support to selected institutional strengthening activities in PO-RALG and the MoWT, and it will support the design of a shared facilities and services strategy for TARURA and TANROADS and the identification of training needs for the road construction sector.
- (b) **Subcomponent 2b: Institutional and Administrative Strengthening (US\$5.2 million).** This subcomponent will support TARURA's institutional and administrative strengthening activities to accelerate TARURA becoming an efficient service delivery institution and assist in maximizing its value to the communities.
- (c) **Subcomponent 2c: Technical Strengthening (US\$5 million).** The subcomponent will support the development and implementation of technical strengthening and capacity-building activities for modernized technical rural road asset management systems and processes (planning, design, development, operations, and maintenance) with strong attention to climate resilience.
- (d) **Subcomponent 2d: Road Safety Development (US\$3.3 million).** The subcomponent will support a multidimensional approach to strengthen Tanzania's transport sector capacity for rural road safety management. This will be accomplished through road safety institutional strengthening, inputs to road safety policy framework enhancement, road safety data management system strengthening, and capacity-building activities for road safety. Activities are expected to influence planning, design and operation of rural roads.

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<sup>19</sup> This subcomponent will also generate much needed employment in rural communities. Community groups will work all year round in the maintenance of a cluster of roads. Each group will be comprised by 10-14 laborers and will maintain between 25 – 50 km of roads (depending on topography).

<sup>20</sup> The World Bank and TARURA invited the International Labor Organization (ILO) to participate in this sub-project preparation. TARURA has expressed interest in engaging ILO to provide technical assistance for the completion of the development of the CBRM model and its implementation.



**Component 3: Community Engagement, Inclusion and Protection (US\$3 million; IDA-US\$3 million; GOT – US\$ 0 million)**

33. This cross-cutting component will leverage the impacts of other components by providing institutional strengthening to TARURA (and TANROADS when applicable) to proactively engage communities and increase their participation and decision making (especially for women) and implementing approaches that will ensure social inclusion and protection while contributing to mitigating and responding to potential social risks derived by the program such as GBV, HIV/AIDS, health related outbreaks such as COVID-19, and OHS. The component also looks into identifying the barriers for the population, with special focus on women, to meaningfully participate in the Program. The component will be managed by TARURA but with involvement of TANROADS, the MoWT, or PO-RALG, as applicable. The component has three subcomponents: (a) **Subcomponent 3a: Community Engagement.** This subcomponent supports activities linked to the design and implementation of proactive policies and activities to involve communities in the program design and monitoring, including targeting low-income women and other groups in a situation of vulnerability and technical activities to institutionalize the people-centered design approach for rural road development; (b) **Subcomponent 3b. Community Inclusion.** This subcomponent will support the design and implementation of a national model for CBRM for TARURA, with particular emphasis on the participation of low-income women and other groups in a situation of vulnerability; and (c) **Subcomponent 3c. Community Protection.**<sup>21</sup> This subcomponent finances activities to tackle potentially sensitive community and social risks, specifically GBV risks (including SEA), SH in the workplace, infectious diseases such as COVID-19 and HIV/AIDS that can arise from the presence of the Program in the intervened areas.

**Component 4: Contingency Emergency Response (CERC) (US\$0 million)**

34. This component will allow for reallocation of credit proceeds from Component 1 to provide immediate emergency recovery support following an eligible crisis or emergency. An Emergency Response Manual (ERM) was developed during preparation in coordination with TARURA, TANROADS, and the Prime Minister’s Office - Disaster Management Department, considering the fiduciary, environmental and social management, and monitoring and reporting, and other necessary coordination and implementation arrangements. The CERC-ERM was developed to be triggered only for emergencies and/or disasters that impact the road sector.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

<sup>21</sup> An important consideration for community protection is to manage road safety risks. Road safety will nonetheless be treated as a cross-cutting topic and specific road safety community protection institutional strengthening activities will be included in Subcomponent 2d: Road Safety Development or other areas of the program as needed.



Summary of Assessment of Environmental and Social Risks and Impacts

Summary of Screening of Environmental and Social Risks and Impacts

35. The regional and district roads upgrades (SC1a, SC1b) will be located in six rural districts in four regions (i.e. Iringa DC, Kilolo DC and Mufindi DC in Iringa, Handeni DC in Tanga, Mbogwe DC in Geita and Ruangwa DC in Lindi) in Tanzania. The road bottleneck improvement interventions (SC1c) and rural roads community-based routine maintenance (SC1d) and the components associated with institutional strengthening (Component 2) and community engagement, inclusion, and protection (Component 3) will be carried out widely across mainland Tanzania. All road rehabilitation and upgrades will be carried out along the rights-of-way of existing roads already under use and no new roads will be constructed. Most of the Program activities will be determined during program implementation. The project environmental and social risk classification is Substantial because (i) details of most of the road investments (e.g. regional roads, district road) are yet to be determined during project implementation; (ii) road safety issues due to the increase of vehicle speed and volume from the road improvement etc.; (iii) impacts of road subprojects, including off-site facilities (e.g. borrow pits, quarry) which may have sensitive environmental issues/risks; and (iv) the implementation agency (i.e. TARURA) is new with limited experience. The following Environmental and Social Standards (ESS) will apply: ESS 1, ESS 2, ESS 3, ESS 4, ESS 5, ESS 6, ESS 7, ESS 8 and ESS 10.

36. The Bank's due diligence responsibilities included the review of the ESF framework documents and ESIA's for the first-generation subprojects (i.e. Iringa-Kilolo Regional Road upgrade, Wenda-Mgama District Road, Mtili-Ifwagi-Mkuta District Road). The ESIA's shows that potential impacts and risks of the first generation subprojects are expected to be site specific and largely during construction stage of the works. These may include: safety of workers, neighboring communities and road users; traffic congestion around and towards construction sites; impacts on streams/water resources, dust and particulate materials; noise from construction equipment and heavy vehicles and machinery; degradation of local roads due to heavy equipment and traffic detours; the interruption of utilities (water, electricity, telephone); solid waste disposal, pollution due to erosion oil from machinery and vehicles, and degradation of land around borrow pits, quarries, etc. During operation, it is likely that improved road network may lead to indirect environmental and social impacts within the project area of influence. The project will benefit both the urban and rural population along the district and regional roads. The improved roads will reduce transportation time and cost, and facilitate access of the population to markets and/or social services. Negative impacts may include: increased traffic volume, speed and accidents; increased security risks; and increased natural resources exploitation. These impacts/risks will be mitigated by the site-specific measures proposed in the subproject ESMPs.

37. For the road subprojects to be identified during project implementation, expected impacts will be managed during project implementation in accordance with the Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF). When applicable, Site specific Environmental and Social Impact Assessments will be undertaken and associated Environmental and Social Management Plans (ESMPs) will be prepared prior to finalization of subproject designs to minimize risks and impacts as per requirement of the ESMF and the Environmental and Social Standards (ESSs).

38. Component 2 and 3 include, among others, activities and studies associated with the development and implementation of a National Rural Roads Plan and program and associated policies



and strategies, a climate change resilience strategy and action plan for the road sector in Tanzania, review and update of technical guidelines/standards/manual/specifications, and activities linked to the design and implementation of proactive policies to involve communities. These technical assistance activities may have potential environmental and social implications. The impacts/risks will be addressed in accordance with the ESMF and the World Bank Advisory Note for technical assistance activities. Component 4 may support some moderate scale civil works which could likely bring about site specific, and limited construction impacts. These impacts will be addressed in accordance with the ESMF.

Sub-components 1a, 1b, 1c and 1d are expected to be implemented majorly within the existing wayleaves and thus this will minimize the need for land acquisition but might require the clearing of encroachment on the wayleaves. These may result in both physical and/or economic displacement. The Resettlement Action Plans (RAP) have been prepared for the three first-generation sub-projects and have revealed land acquisition impacts which include loss of land along sections where minor re-alignments will be conducted; loss of crops; loss of business and residential structures; and impacts on services, utilities, and graves. In total, the three subprojects will impact 139 households as follows: (i) Iringa – Kilolo road subproject will affect 57 households; (ii) the Mtili – Ifwagi – Mkuta road subproject will affect 53 households; and (iii) the Wenda – Mgama subproject will affect 29 households. Other social impacts and risks may include but not limited to labor influx and associated Gender Based Violence/Sexual Exploitation and Abuse (GBV/SEA); increase in local inflation; pressure on social amenities; increase in prevalence of HIV/AIDs; outbreak of disease (e.g. COVID-19); child labor; impact on sites cultural importance such as graves and exclusion of vulnerable communities and both gender in participation in sub-project activities. These will be addressed by the : (i) Resettlement Policy Frameworks (RPF) which will guide preparation of Resettlement Action Plans (RAPs) as prescribed in ESS5; (iii) ESMPs guided by ESMF prepared under ESS1; (iv) Labor Management Procedures (LMPs) to guide labor management in the program sub-project's developed in line with requirements of ESS2; (v) Stakeholder Engagement Plan (SEP) guiding stakeholder engagement in the program as per ESS10; and (vi) Vulnerable Groups Planning Framework (VGPF) to guide preparation and implementation of Vulnerable Groups Management Plan (VGMP) for sub-projects in vulnerable groups areas as per requirements of ESS7. These instruments have been prepared and have been disclosed prior to appraisal.

**Other Relevant Project Risks**

None

**Should "Other Relevant Project Risks" be disclosable?**

No

## E. Implementation

### Institutional and Implementation Arrangements

39. **Implementing agencies.** TARURA will be the lead coordination agency. The Program has two IAs— TARURA and TANROADS. While TARURA is a new institution, TARURA's capacity has recently been enhanced by the GoT by handing over the implementation of three Bank financed projects<sup>22</sup> and transferring its Project Implementation Unit (PIU) to TARURA. Table 3 summarizes the IA responsibilities.

40. **Program coordination.** TARURA will create a RISE Program Coordination Group (PCG) to

<sup>22</sup> Tanzania Strategic Cities Project (P111153), Dar es Salaam Metropolitan Development Project (P123134) and Urban Local Government Strengthening Program (P118152).



coordinate and support overall implementation of Program activities. This PCG will be mainstreamed within TARURA Organizational and Operations structure (i.e. in each directorate and unit there will be staff responsible for specific tasks under RISE depending on the requirements of the Program). This PCG will have coordination and reporting responsibilities for all components of the Program and will ensure proper coordination with TANROADS. A Project Implementation Manual (PIM) will contain the details of the composition and activity scopes of the PCG.

RISE Implementation Arrangements			
Program Coordination		✓ TARURA (PCG)	
		IA	
Component	Subcomponent	TARURA	TANROADS
<b>C1. Rural Road Development and Maintenance</b>	1a. Regional Roads Upgrades		✓
	1b. District Roads Upgrades	✓	
	1c. District Roads Bottleneck Improvements	✓	
	1d. Community-based Routine Maintenance	✓	
	1e. Project Management, Monitoring and Evaluation	✓	✓
<b>C2. Institutional Strengthening and Human Capital Development</b>	2a. Rural Road Sector Policy Framework (*, +)	✓	
	2b. Institutional and Administrative Strengthening	✓	
	2c. Technical Strengthening	✓	✓
	2d. Road Safety Development	✓	✓
<b>C3. Community Engagement, Inclusion and Protection (*)</b>		✓	
<b>C4. Contingency Emergency Response</b>		✓	✓

Note: Specific activities may be technically led by the MoWT (\*) and PO-RALG (\*) but administratively managed by TARURA.

41. **Operations during COVID-19 crisis.** With a precautionary approach, TARURA, TANROADS and the Bank are applying social distancing to allow for business continuity in the short term. These include shifting the work arrangements to virtual meetings and consultations to avoid putting GoT staff, Bank staff, stakeholders and communities at unnecessary risk. Additional approaches will be implemented as the global COVID-19 spread crisis unfolds during project implementation, including provisions in the bidding documents to comply with latest advice from health authorities.

42. **RISE Steering Committee.** A Steering Committee (or equivalent) will be created to agree on actions and decisions pertaining to the implementation of the RISE Program. The Steering Committee will meet at least biannually. It will be co-chaired by the Permanent Secretary (PS) of PO-RALG and the PS of the MoWT. This Steering Committee will comprise TARURA, TANROADS, PO-RALG, MoWT, and Ministry of Finance (MoF). The RFB and Land Transport Regulatory Authority will also be invited to the meetings on an “as needed” basis. TARURA and TANROADS will also present the development projects to be implemented with Subcomponent 1a (Regional Roads Upgrades) and Subcomponent 1b (District Roads Upgrades) in the RISE selected regions to the regions’ Regional Roads Boards, under the chairmanship of the regional commissioners, to ensure continuing political buy-in by regional stakeholders.

43. **Technical Committee.** A technical Committee will be set up to facilitate decision making related to technical and project implementation related issues, especially those involving multiple agencies. This will be headed by the CEO of TARURA and will comprise of members of all agencies represented in Steering Committee. The Technical Committee will meet at least quarterly and will also be responsible to bring



appropriate issues for action and decision making to Steering Committee.

44. **Subsidiary agreement.** RISE financing agreed with the MoF that fund flow will be governed by the respective subsidiary agreements between the MoF and each of the IAs, TARURA and TANROADS. The subsidiary agreements have to be acceptable to IDA. The subsidiary agreements will lay out the fund flow and implementation and reporting requirements. Direct funding to TARURA and TANROADS will only begin once the subsidiary agreements and an associated set of fiduciary systems, including FM and procurement systems acceptable to IDA, are in place. It is estimated that this will take place by program effectiveness.

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