TURNING FLOOD RISK INTO ECONOMIC OPPORTUNITY IN DAR ES SALAAM, TANZANIA

The World Bank’s City Resilience Program (CRP), in partnership with the Global Facility for Disaster Reduction and Recovery (GFDRR), has supported Dar es Salaam, Tanzania in understanding and tackling its resilience challenges, helping unlock the city’s full economic potential.

After a decade of strong economic growth, Tanzania officially achieved lower-middle income status in 2019. Against this backdrop, however, the country and its economic hub Dar es Salaam continue to face growing threats from disasters and climate change.

Up to 80 percent of Dar es Salaam’s residents live in unplanned, informal settlements, including in the city’s Lower Msimbazi Basin area, which has 27 percent of the city’s population. Prone to severe flooding, this low-lying area sees far too many lives lost, homes destroyed, and livelihoods upended on an annual basis. The rainfall of April and May 2018 alone is estimated to have caused upwards of USD $100 million in economic damage to Dar es Salaam as a whole – approximately 2 percent of the city’s GDP. With such extreme weather events expected to increase in frequency and intensity in the future, building resilience and mitigating disaster and climate risks are critical.

In response, more than 200 people from 59 institutions and communities came together over 30 participatory design sessions, supported by the World Bank, to chart a resilient path forward for this area of Dar es Salaam. The result was The Msimbazi Opportunity Plan, a comprehensive blueprint for transforming the Basin into a beacon of urban resilience.

Building on this work, delegates from Dar es Salaam attended the 2018 Resilience Planning Workshop hosted by the World Bank’s City Resilience Program (CRP), in partnership with the Global Facility for Disaster Reduction and Recovery (GFDRR). This edition of the workshop brought together representatives from 15 cities in Sub-Saharan Africa. Cities were provided with support for their capital investment planning process and access to a platform for knowledge sharing and learning on urban planning, resilience, project development, and private capital mobilization.

As part of the Workshop, the CRP employed its City Scan tool, which uses climate, disaster, and economic data to help cities visualize the natural and built environment and identify the resilience challenges they face. The City Scan for Dar es Salaam, for example, enabled a clearer understanding of a wider set of the Msimbazi Basin’s climate risks and the city’s spatially distributed accessibility to jobs, while underscoring the urgency for risk mitigation actions. Complementing the City Scan, CRP developed an analysis of infrastructure...
disruption to understand the role of urban flooding on infrastructure and its effects on the economy. The analysis revealed that floods disproportionately affect areas with high employment densities and that firms in flood zones experience more disruptions to their business. Further, it showed that the impacts of flooding spread along infrastructure networks to originally unaffected areas. The Workshop also helped participants identify opportunities to mobilize private capital in support of the urban transformations identified in The Msimbazi Opportunity Plan.

Following on from the Resilience Planning Workshop, the CRP supported an analysis of the real estate development potential of a pilot 57-hectare land portfolio in the Lower Msimbazi Basin. The premise of this analysis was that the flood protective measures included in The Msimbazi Opportunity Plan would stabilize land and unlock new real estate investment opportunities in the Msimbazi Basin. Indeed, the analysis showed that the proposed flood protection measures could unlock up to USD $900 million of real estate investments including USD $200 million of new revenue to the city through the use of land and development rights.1

CRP’s analysis included an overview of local real estate market conditions, a survey of national and local regulations pertaining to land development and construction, and a financial assessment of how market-driven real estate investments can contribute to flood risk mitigation and affordable housing delivery, among other key objectives of the public sector in Tanzania.

Like in Dar es Salaam, both the CRP’s planning and financial tools are available to help cities across the world understand and mitigate the adverse impacts of disasters and climate change, enabling them to save lives, reduce losses, and unlock economic and social potential. The Program catalyzes a shift toward long-term, multi-disciplinary packages of technical and financial services, building a pipeline for viable projects at the city level that build resilience.

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1 This assessment is based on an illustrative multi-phased development program called for in the Msimbazi Opportunity Plan that includes a versatile mix of residential and commercial uses to be delivered on the stabilized 57 hectares over the course of 20 years. This program entails construction of up to 5,900 new housing units, including 1,200 affordable units, and 100,000 m² of auxiliary commercial space and supplemental infrastructure in the Lower Msimbazi Basin.