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Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 16-Aug-2017 | Report No: PIDISDSC20545



BASIC INFORMATION

A. Basic Project Data

Country Africa	Project ID P160955	Parent Project ID (if any)	Project Name Lake Victoria Transport Program - Phase 3 Tanzania (P160955)
Region AFRICA	Estimated Appraisal Date Oct 01, 2018	Estimated Board Date Dec 13, 2018	Practice Area (Lead) Transport & Digital
Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance, East Africa Community	Implementing Agency TANROADS, TANZANIA PORTS AUTHORITY, Lake Victoria Basin Commission	

Proposed Development Objective(s)

The PDO is to facilitate the sustainable movement of goods and people across Lake Victoria, whilst strengthening the institutional framework for navigation and maritime safety

Financing (in USD Million)

Financing Source	Amount
International Development Association (IDA)	200.00
IDA Grant	5.00
Total Project Cost	205.00

Environmental Assessment Category A-Full Assessment	Concept Review Decision Track II-The review did authorize the preparation to continue
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Other Decision (as needed)



B. Introduction and Context

Country Context

Despite the overall positive economic growth and outlook, the biggest challenge facing Tanzania's economy is that the relatively high economic growth has not been shared broadly, especially between urban and rural areas. Tanzania's growth has been driven by a small number of fast growing, capital intensive sectors whose activities are predominantly located in cities and a small number of growth centers. By contrast, agriculture, the sector on which about 80 percent of households depend as their primary economic activity, has reported slower growth and weaker productivity gains. As a result, Tanzania has not been able to facilitate a significant reduction of poverty in rural areas where more than 80 percent of the country's poor reside. The urban-rural gap is becoming increasingly visible. The growth pattern also means that, for a country with a young population, good economic performance has not generated many productive jobs for a rapidly growing labor force. Not only is the population growth rate close to three percent, but the age structure (with almost half of the population under 15 years old) also contributes to the expansion of the working population. So far Tanzania has not been able to stimulate job creation at a rapid pace because productivity growth has been limited in key economic sectors. While the economy has gradually shifted away from agriculture toward manufacturing and services both in terms of outputs and labor, the overall labor productivity has grown only by 0.7 percent between 1991 and 2006 and no sign of acceleration has emerged in recent times. Productivity growth is key not only to growth but to diversification of the economy, which is still by and large dependent on a few commodities. It is estimated that around 50 percent of the population living in the lake basin survive on less than US\$1.25 per day. The pervasiveness of poverty reflects a number of constraints, with transport connectivity representing a critical one.

As the largest country bordering Lake Victoria, improving connectivity on the lake is of particular importance to Tanzania. The country has made great strides in economic and structural reforms, which has resulted in high growth performance over the last decade (6.5 percent per annum). Real Gross Domestic Product (GDP) growth remained strong at 7 percent in 2015 due to increased public consumption together with burgeoning construction, communication, financial services and mining sectors. However, as identified by the World Bank's most recent Systematic Country Diagnostic (2016), transport connectivity is a key binding constraint to support future economic growth, poverty reduction and shared prosperity. The SCD highlights in particular the need for reviving inland waterway transport on the three major African Great Lakes (Victoria, Tanganyika and Nyassa in Malawi) to enhance cross-border trade between Tanzania and its neighbors.

Sectoral and Institutional Context

Historically, marine transport on the lake, together with the rail network, played the primary role in the transportation of cargo and passengers to and from the land-locked countries. Rail ferries in particular provided seamless integration with the national rail networks on each side of the lake and formed an important component of an intermodal supply chain along the Central and Northern Corridors linking to Mombasa and Dar es Salaam ports. These corridors are critical for the landlocked economies in the region (Zambia, Malawi, Rwanda, Burundi and Uganda). Lake transport is often also the only affordable means of transport for the poor and local small businesses around the lake. It carries passengers, vehicles, cement, fertilizer and daily consumption goods, such as cottonseed, wheat flour, fish and coffee.

Unfortunately, demand for lake transport has declined over the last 20 years due to unreliable or broken rail connections to the maritime ports, unreliable ferry operations across the lake; and safety concerns following a number of accidents, including the sinking of the passenger ferry MV Bukoba in 1996 resulting in around 500 casualties. International cargo traffic has suffered particularly: In 2000 around 80 percent of Tanzania Port Authority's (TPA) Lake Victoria cargo was international trade with Uganda and Kenya, most of it transit traffic from Dar es Salaam to Uganda. By 2010 this had virtually disappeared, with international trade averaging only 10,000 tons p.a. between 2010-12, compared with 240,000 tons in 2001 and 375,000 tons in 2005. The decline of shipping operations and the consequent lack of maintenance and



limited investments have resulted in deteriorating quality of most ports and port operations around Lake Victoria. Although the main structural elements of port infrastructure are adequate investments, port entrance channels and berthing areas have insufficient depth during dry season, disrupting shipping traffic, and there is lack of navigations aids and paved cargo handling areas at the ports. Port operations are also inefficient and outdated with most off-loading operations done manually. Currently, average freight waiting time at lake ports can be as long as 168 hours. Furthermore, hinterland connectivity is often poor as growing metropolitan areas around lake have led to congested roads.

However, there is considerable potential to revive lake transportation : (i) the catchment area of the lake contains a growing population of nearly 35 million people; (ii) a number of towns and villages around the lake do not have good road access, and are currently being served by a poorly regulated private sector fleet; (iii) For some routes, the lake option will remain the most direct and efficient route, with a reliable service, with the average freight tariff on Lake Victoria about 7-8 U.S. cents per ton-km which is expected to fall further, and which is competitive with road transport on roads circling the lake for certain types of cargo; (iv) the rehabilitation of the railway infrastructure and the revitalization of railway services on the central railway line particularly offers the landlocked countries the potential of a secure intermodal service from the maritime port; and (v) the reintroduction of such a service provides an alternative option, in the event of disruption, for traffics currently using Mombasa from Uganda, DRC and Rwanda.

Relationship to CPF

The World Bank’s most recent Systematic Country Diagnostic (2016) recognized that transport connectivity is a key binding constraint to support future economic growth, poverty reduction and shared prosperity. The SCD highlights in particular the need for reviving inland waterway transport on the three major African Great Lakes (Victoria, Tanganyika and Nyassa in Malawi) to enhance cross-border trade between Tanzania and its neighbors.

C. Proposed Development Objective(s)

The PDO is to facilitate the sustainable movement of goods and people across Lake Victoria, whilst strengthening the institutional framework for navigation and maritime safety

Key Results (From PCN)

D. Concept Description

The proposed PDO is to be realized through (i) Improving the physical infrastructure by investing in port infrastructure at Mwanza South, Mwanza North, Bukoba, Kemono Bay and Musoma and in port access roads and associated infrastructure ; and (ii) Improving the institutional framework and implementation assistance by supporting TANROADS and Tanzania Ports Authority (TPA) with the preparation and implementation of the project as well as providing technical assistance for the improvement of port management and shipping operations

The project will also tackle Policy reforms by supporting the implementation of commitments in policy reform, made at the Heads of State Level, but not yet fully implemented consistently in the EAC countries.

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SAFEGUARDS



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

The Project includes civil works and dredging in and around the next Ports of Tanzania: a) Mwanza North; b) Mwanza South; c) Bukoba; d) Kemono Bay; e) Nansio and f) Musoma. These inland ports are crucial for transportation of agricultural products, livestock, fish, general merchandise, and passengers. The proposed civil works at the above ports will include but are not limited to: (i) establishment of reception facilities for vessels (ii) dredging of the port area and access channel (iii) rehabilitation/upgrade of fenders (iv) rehabilitation of the passenger terminal (v) construction of a gravel truck parking area (vii) upgrading of drainage systems. Additionally, the project will include improvements of access and associated infrastructure, which will include the rehabilitation of key feeder roads (secondary and primary roads) including (i) port access roads to Bukoba, Kemono, Mwanza and Musoma port (ii) lake access roads Bunda-Bulamba and Kisorya to Rugezi (iii) secondary roads on Nansio island; and (iv) Mara Border/Simiyu to Nyanguge (Musoma port to Mwanza port) (potential). Lastly, the project will make investments in, community infrastructure surrounding the ferry berths and jetties such as markets, public washing facilities and waiting areas.

Port-related activities will be confined within the ports boundaries (TPA owned land) and primary roads are existing and identified. However, there may be land acquisition to remove encroachment from the RoW and in some ports the project may also lead to relocation of public service utilities and may temporarily affect informal businesses close to the ports and the access roads. Resettlement Action Plans (RAP) are therefore required for the proposed interventions. The locations of secondary and tertiary roads and community infrastructure are still to be finalized. If locations are not known during project preparation/prior to appraisal, an RPF and ESMF will be prepared to guide the preparation of specific ESMPs/ RAPs for these roads during implementation when locations are finalized. The RPF/ESMF will be based on the existing SATTFP SOP1 RFP/ESMF, which will be revisited, revised and updated to address any deficiencies vis-à-vis Bank policy requirements and outdated national laws and to ensure that it responds to the design and requirements of the project. The RPF/ESMF will be consulted and disclosed prior to appraisal. If locations are finalised during preparation, ESMPs/RAPs will be prepared.

B. Borrower's Institutional Capacity for Safeguard Policies

TPA (for all port related investments) and TANROADS (for all road related investments) will be responsible for the environmental and social management of the Project in Tanzania, ensuring compliance with national law and the Bank's safeguard policies. In the case of TPA, the specific unit responsible for the environmental and social management is the Environmental Management Section (EMS), which is under the Directorate of Management System of the TPA. For TANROADS, the specific unit responsible for the environmental and social management is the Environmental and Social Management Unit (ESMU). These units will be the responsible parties to monitor the implementation of the ESMPs and other environmental and social plans developed for the Project.

TPA and TANROADS have previous experience in implementing World Bank financed projects, including safeguards. Nevertheless, the project will contribute to the strengthening TPA's capacity with regards to environmental and social risk management, by supporting the key recommendations identified in the Environmental and Social Strengthening Plan (ESSP) prepared by TPA. The ESSP will be reviewed and updated during project preparation, in coordination with TPA, in order to identify specific activities that could be supported by this proposed project, in addition to the support to be provided under the Dar es Salaam Maritime Gateway Project, as part of the institutional strengthening component. TPA has also confirmed that the DFID financed consultants procured to undertake the Green Port Initiative have commenced their assignment.



The Bank is currently supporting TANROADS to strengthen their institutional capacity including environmental and social risk management under the Dar es Salaam Urban Transport Improvement Project (P150937). The team will review the activities that are currently being supported with this project in order to, if required, complement it with additional funds to improve the environmental and social capacity within TANROADS.

C. Environmental and Social Safeguards Specialists on the Team

Mary C.K. Bitekerezo, Social Safeguards Specialist
James Orehmie Monday, Environmental Safeguards Specialist
Jacob Omondi Obongo, Social Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	This policy is triggered given the construction activities expected in the Project. Given the type and magnitude of work, and the potential negative environmental and social impacts, the Project is classified as Category A. The proposed port interventions that the Project will finance are known so the Bank’s agreed with TPA to prepare an Environmental and Social Impact Assessment (ESIA) in order to comply with the national law and the Bank’s OP/BP 4.01. The prepared ESIA will cover all interventions in the ports. TPA has already completed an Environmental Scoping Report (ESR) which included a participation and consultation process. For the roads component Tanroads will prepare separate ESIA’s for each primary road financed under the project. The location of secondary and tertiary roads and community infrastructure are still being defined. If no determination of the above can be during project preparation, the team will request the client, in discussion with RSS, to prepare an ESMF. The ESMF will be based on the existing SATTFP SOP1, which will be revisited, revised and updated to address any deficiencies vis-à-vis Bank policy requirements and outdated national laws and to ensure that it responds to the design and requirements of the project. If locations are finalised during preparation, ESMPS/RAPs will be prepared. The cumulative impacts of the LVTP as a whole are being considered within a Strategic ESIA, which is being procured separately. The Bank team are also investigating the possibility of establishing an expert panel of environmental specialists to oversee the preparation and



		implementation of works across the entire program on the Lake. This will be discussed with the client during the next preparatory mission in Sept/October and it is anticipated that a decision will be made by the end of the calendar year.
Natural Habitats OP/BP 4.04	Yes	This policy is triggered because the ESR highlighted some potential impacts on fragile aquatic ecosystem resulting from the dredging works. The cumulative impacts of the LVTP as a whole are being considered within the Strategic ESIA, being procured separately. The Bank team are also investigating the possibility of establishing an expert panel of environmental specialists to oversee the preparation and implementation of works across the entire program on the Lake.
Forests OP/BP 4.36	No	This policy is not triggered as the project expects no negative impacts on forests due to the characteristics of the plots area and works.
Pest Management OP 4.09	No	This policy is not triggered because the project does not anticipate the use of pesticides during construction and operation of the ports
Physical Cultural Resources OP/BP 4.11	Yes	This policy is triggered given that the construction activities will include movement of land and dredging that will potentially affect archeological, cultural or historic sites, during the Project implementation. The ESIA's will include "chance find procedures" and will assess project impacts on PCR and provide measures, where the assessment confirms there are potential impacts.
Indigenous Peoples OP/BP 4.10	TBD	The Task Team will confirm during the upcoming Sep/Oct mission whether IPs are present in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	This policy is triggered given that the works may temporarily affect informal businesses close to the ports and the access roads. Port-related activities will be confined within the ports boundaries (TPA owned land) and primary roads are already existing and identified. However, there may be land acquisition to remove encroachment from the RoW and in some ports the project may also lead into relocation of public service utilities and may temporarily affect informal businesses close to the ports and the access roads. Resettlement Action Plans (RAPs) are therefore required for the proposed interventions, which will be prepared and disclosed prior to project appraisal. The locations of secondary



and tertiary roads and community infrastructure are still to be finalized. If locations are not known during project preparation/prior to appraisal, an RPF will be prepared to guide the preparation of specific RAPs for these roads during implementation when locations are finalized. The RPF will be based on the existing SATTFP SOP1, which will be revisited, revised and updated to address any deficiencies vis-à-vis Bank policy requirements and outdated national laws and to ensure that it responds to the design and requirements of the project. If locations are finalised during preparation, ESMPS/RAPs will be prepared.

Safety of Dams OP/BP 4.37

No

The Project will not support the construction or rehabilitation of dams nor will it support other investments that rely on the performance of existing dams.

Projects on International Waterways OP/BP 7.50

Yes

The policy is triggered because Lake Victoria is shared by two additional countries (Kenya and Uganda). A formal notification of the proposed project will be prepared by the Lake Victoria Basin Commission (LVBC) and reviewed and agreed upon with the Bank prior to being sent to the riparian countries. LVBC is a specialized institution mandated to coordinate sustainable development and management of the Lake Victoria Basin in the 5 EAC Partner States (Rwanda, Uganda, Tanzania, Kenya and Burundi)., As a precursor to the formal notification a presentation was held by the task team at the EAC/LVBC Project Coordination Workshop in Mwanza in February 2017 to provide an overview of LVPT and the proposed scope of works,

Projects in Disputed Areas OP/BP 7.60

No

The policy is not triggered because there are no Disputed Areas within the project area.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

Mar 30, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

The following list of safeguards documents are currently under preparation. All safeguards documents will be reviewed by the Bank’s safeguards specialists to ensure that they address the requirements of each of these policies including consultation and disclosure.



- Strategic Environmental and Social Impact Assessment. A Strategic Environmental and Social Impact Assessment (SESIA) is planned to be prepared by the LVBC on behalf of its members for the entire lake region, including Tanzania. The procurement for the SESIA is currently underway and completion is expected by the early 2018.
- Environmental and Social Impact Assessment Scoping Report. An ESIA scoping report was prepared in September 2015 by a registered environmental expert of the Natural Environment Management Council (NEMC). The report represents the first stage of the NEMC requirements outlined in the Environmental Impact Assessment and Audit Regulation (G.N. 349-2005). The full ESIA is currently being prepared.
- Environmental and Social Impact Assessment for specific road sections: TANROADS in coordination with NEMC has already undertaken an ESIA for the Nyamuswa – Bunda –Kisorya – Nansio road section of which parts are proposed to be financed under this project. ESMPs and RAPs will be prepared as required for any of the selected road sections included in the project.

For secondary and tertiary roads and community infrastructure an RFP/ESMP (if locations are not determined during preparation) or RAPs/ESMPs (if locations are determined), will be prepared by early 2018 and disclosed and consulted on prior to appraisal.

CONTACT POINT

World Bank

Richard Martin Humphreys, Nora Weisskopf
Lead Transport Economist

Borrower/Client/Recipient

Ministry of Finance

East Africa Community

Implementing Agencies

TANROADS
Eng. Patrick A.L. Mfugale
Chief Executive
tanroadshq@tanroads.go.tz

TANZANIA PORTS AUTHORITY



Deusdedit Kakolo
General Director
dg@tanzaniaports.com

Lake Victoria Basin Commission
Dr. Ally-Said MATANO
Executive Secretary
matano@lvbcom.org

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Richard Martin Humphreys, Nora Weisskopf
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Approved By

Safeguards Advisor:	Nathalie S. Munzberg	25-Aug-2017
Practice Manager/Manager:	Aurelio Menendez	05-Sep-2017
Country Director:	Paul Nounba Um	18-Jan-2018

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