



1. Project Data

Project ID P103633	Project Name TZ-Second Central Transport Corridor		
Country Tanzania	Practice Area(Lead) Transport & Digital Development	Additional Financing P112250,P124114	
L/C/TF Number(s) IDA-44550,IDA-51850	Closing Date (Original) 31-Dec-2011	Total Project Cost (USD) 241,600,000.00	
Bank Approval Date 27-May-2008	Closing Date (Actual) 31-Dec-2016		
	IBRD/IDA (USD)	Grants (USD)	
Original Commitment	190,000,000.00	0.00	
Revised Commitment	289,992,723.06	0.00	
Actual	269,907,526.24	0.00	
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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) was “to support Tanzania's economic growth by providing enhanced transport facilities that are reliable and cost effective” (Financing Agreement July, 10, 2008; page 5). The PDO as stated in the Project Appraisal Document (PAD) was identical, but added a relevance element: “to support Tanzania's economic growth by providing enhanced transport facilities that are reliable and cost effective, *in line with the Poverty Reduction Strategy and the National Transport Policy and Strategy*” (PAD page 2, para 6):

This ICR review assesses project achievements against the objective stated in the Financing Agreement. The revised PDO (as stated on page 5 of the amended and re-stated Financing Agreement dated Feb 21,



2013) was to support the recipient's efforts to achieve economic growth by providing reliable and cost-effective: (a) mass transit system to the selected corridor in Dar es Salaam City, and (b) support airport facilities on Zanzibar island.

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

11-Aug-2011

c. Will a split evaluation be undertaken?

Yes

d. Components

Component A: *The Dar es Salaam Urban Transport Component* (total cost at appraisal: US\$158.2 million; after AF: US\$225.6 million; at completion: US\$253.6 million). To support the implementation of Phase 1 of a Bus rapid transit (BRT) system in Dar es Salaam, including strengthening of the Dar Rapid Transit Agency (DART) through key appointments as well as technical assistance. The component included the construction of 21 km of roads with exclusive bus lanes, mixed traffic lanes, bicycle, and pedestrian lanes and construction of five bus terminals, two bus depots, and six feeder transfer stations.

Component B: Trunk Road Improvements (total Cost at appraisal: US\$64.3 million: at completion: US\$4.7 million). This was to rehabilitate/upgrade the Korogwe-Mkumbara-Same trunk road (172 km) connecting Dar es Salaam with major tourist destinations in northern Tanzania. This road is also part of the main link between Dar es Salaam and Nairobi in Kenya. The estimated cost included support to TANROADS (Tanzania National Roads Agency) to implement the project. In addition, because TANROADS was responsible for the BRT implementation, provision was made for incremental operating costs, studies, and training related to this task.

Component C: Zanzibar Airport Improvements (total cost at appraisal: US\$17.6 million; at completion: US\$39.3 million). Comprised the repair and strengthening of the existing runway, the design of a new airport runway, and technical assistance (TA) to the Ministry of Information, Communications and Transport (MoICT), Zanzibar.

Revised Components

Component A. (total cost at appraisal: US\$158.2 million; after AF: US\$225.6 million; at completion: US\$253.6 million). Under the August 2011 restructuring, Component A for the BRT system was split into seven packages as no bidders prequalified when the civil works were offered as a single package. It was also decided to include additional studies for the design of a crowd control system at Kivukoni/Magogoni ferry terminal; design of the BRT Phases 2 and 3 for Dar es Salaam City, and detailed engineering design for the planned BRT control center.

Component B. (total Cost at appraisal: US\$64.3 million: at completion: US\$4.7 million) This component



was dropped under this project and transferred to the parallel Transport Sector Support Project (TSSP). Incremental operating costs for overseeing project implementation of Component A remained, as well as studies and extensive training connected with the newly established BRT unit. The residual portion of the component was renamed 'support to TANROADS' after dropping the civil works.

Component C. (total cost at appraisal: US\$17.6 million; at completion: US\$39.3 million) 'Zanzibar Airport Improvements' was renamed as 'Zanzibar Airport and Transport Studies' and the proposal for the improvement of the airport runway was scaled up from 'repairs and extension' to 'rehabilitation and extension'. Additional studies were included, encompassing a feasibility study and detailed engineering design of the Zanzibar town urban entry roads. Also included were detailed engineering design for the rehabilitation of taxiways and apron, and Phase 2 consultancy services on the reform of MoICT as part of the implementation of the Zanzibar Transport Master Plan (ZTMP) study that was approved by the Revolutionary Government of Zanzibar (RGOZ) in 2009. This added US\$21.7 million to the original cost of the airport component.

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

Project Cost

The total planned project cost was US\$ 264.4 million. The Additional Financing was US\$ 100 million, and the total actual cost was US\$ 350.2 million.

Financing

The project was financed through an IDA credit of US\$298 million.

The private sector contributed US\$ 42.2 million through buses/fare collection.

Borrower contribution

The planned borrower contribution was US\$ US\$ 10.7 million, and the total actual borrower contribution was US\$ US\$ 10.3 million, and this amount went entirely to resettlement.

Dates

The original project was approved on May 27, 2008 and became effective on November 28, 2008.

A level 2 restructuring took place in August 2011 resulting in revisions to the project components A, B, and C as explained in section 2d. above.

A second restructuring took place in January 2013 when an Additional Financing (AF) for US\$100 million (51850-TA) was approved. This was to finance cost overruns and changes in the scope of construction and establishment of the BRT system and the Zanzibar Airport. Also financed were additional studies, and technical support to TANROADS to play their role in ensuring the full implementation of BRT activities. The additional amount also covered the identified financing gap because the Government of Tanzania (GoT) was unable to mobilize further funding for this project. Following this restructuring, the original closing date of December 11, 2011 was extended by five years to December 31, 2016.

3. Relevance of Objectives & Design

a. Relevance of Objectives



Original objective: The original PDO under the PAD was consistent with the country's poverty reduction strategy (MKUKUTA II), the Zanzibar Strategy for Growth and Reduction of Poverty (MKUZA II), and the World Bank's Country Partnership Strategies (CASS) of 2007–2010 and 2012–2015, as well as 2018–22, which all emphasized the need for improved transport infrastructure, including the removal of bottlenecks and measures to alleviate traffic congestion. The PDO also supported the Government of Tanzania (GOT)'s National Transport Policy (NTP) and the Revolutionary Government of Zanzibar (RGOZ)'s ZTMP. The BRT proposals were in line with the urban transport strategy detailed in the NTP, to address the growing traffic congestion in Dar es Salaam, which threatened to undermine the city's status as Tanzania's main commercial center and an emerging regional trade hub. The activities included under the AF were also aligned with and were expected to contribute to the economic and social objectives of the World Bank's New Africa Strategy of March 2011 through increased connectivity and transport facilitation in the project areas.

Revised objective. The revised objective after restructuring (section 2.a) was a subset of the original objective, and therefore carried similar relevance to the country's needs and the World Bank's strategy.

Rating
High

Revised Rating
High

b. Relevance of Design

Original Design: The results framework made clear the link between the project's activities, outputs and intermediate outcomes/outcomes in PDO. The project components covering urban transport in Dar es Salaam, trunk road improvement, and rehabilitation of Zanzibar's airport have the potential to contribute to improving the reliability and cost-effectiveness in the transport sector. .

. While the outputs and outcomes from the project's activities can be reasonably expected to contribute to the final outcome of economic growth, measuring attribution in this regard would be difficult. In retrospect, the project objective could have been restricted to outcomes that could be clearly measured and attributed to the project's activities.

The choice of lending instrument as an investment loan was appropriate given that the primacy of infrastructure in the project.

The multiple components, each relating to a transport sub-sector requiring different skill sets and involving several institutions, made it a complex project. That said, the BRT design was appropriate to the needs of Dar es Salaam, though it was an ambitious effort in a country officially classified as low income, and had to contend with risks in land acquisition, traffic management, unmapped utilities, and other urban dynamics such as unplanned settlement, street vendors, lack of sewerage and inadequate solid waste collection systems. The indicators for assessing reliability and cost-effectiveness were limited in scope and restricted to time savings (urban transport), vehicle operating costs (trunk roads), and user satisfaction (airport infrastructure) as the norm was at the time of appraisal.

Revised Design: At restructuring, Component B (the trunk road) was dropped because the increased cost after bidding could not be accommodated in the project. To that extent the project design was made less complex, and was more realistic in terms of what could be achieved with existing planning capacity and



resources. The other aspects of project design remained the same.

Rating
Modest

Revised Rating
Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Original PDO (which applied until restructuring in August 2011): To support Tanzania's economic growth by providing enhanced transport facilities that are reliable and cost effective.

Rationale

OUTPUTS

The BRT infrastructure for Dar es Salaam was initially offered as a single package for bidders. When this failed to attract qualified bids due to complexity of the package and limited capacity of contractors in the country, the civil works were split into seven smaller packages, all of which were awarded. There was less than 25% progress in completion of BRT works at the time of restructuring. There was no progress against the targets for 12/31/2011 of 305 operational DART buses, and 360,000 passengers per day.

The Trunk Roads component was dropped due to a large underestimation of costs. Only some capacity-building activities for TANROADS took place for the organization to be able to move forward with its new BRT responsibilities. Therefore, there was no progress against the target of reducing the vehicle operating costs from 34 US cents/kilometer to 23 US cents/kilometer.

For the Zanzibar Airport works. The runway was extended from the existing 2,462 meters to 3,022 meters, enabling larger aircraft to use the airport, including charter flights from Europe.

OUTCOMES

In terms of providing enhanced transport facilities that are reliable, the only evidence available at the restructuring was for the Zanzibar Airport facilities. The International Civil Aviation Organization (ICAO) and the Tanzania Civil Aviation Authority (TCAA) certified the airport enhancements on April 23, 2012. A 2013 survey provided favorable ratings for the improvements made in Zanzibar Airport from both airlines and passengers. No comparator for cost-effectiveness of the airport facilities is provided in the ICR. The increase in passenger traffic is discussed under the revised PDO.

There was no progress in BRT construction at the time of restructuring, so it was too early to assess any intermediate outcomes from the BRT system at that stage. Therefore, there was no improvement in the baseline average rush hour travel time of 62 minutes between Ubungu and Dar es Salaam central business district.

As discussed in the context of Project Design, there was no indicator for broader economic growth, and therefore no attempt was made to measure or link it to other project outcomes.



Rating Modest

Objective 1 Revision 1

Revised Objective

To support the recipient's efforts to achieve economic growth by providing a reliable and cost-effective mass transit system on the selected corridor in Dar es Salaam City and airport facilities on Zanzibar Island.

Revised Rationale

OUTPUTS

BRT system. The planned BRT Phase I works were completed by 2016. About 140 buses were in operation against the revised target of 248 (target not achieved). Therefore, only 162,000 passengers are using the BRT against a target of 360,000 (target partially achieved). The BRT Phase I was expected to remove 1,800 *daladalas* (mini-buses) from the roads (ICR: page 9, para 27) against which 1,600 *daladalas* were removed by the end of the project (target almost achieved). IEG was informed (TTL's email dated March 30, 2018) that the bidding/contract for the remaining BRT buses has made progress since project completion. The award of the second Bus operator, independent fare collector, and fund manager were cleared by the Bank by March 2018. Contracts are expected to be signed in April 2018 and the first fleet of additional buses is expected in June 2018. Full operations are expected to be achieved by end of 2018.

Zanzibar Airport facilities. The rehabilitation and extension works were satisfactorily completed ahead of schedule, and security standards of TCAA (Tanzania Civil Aviation Authority) safety and ICAO (International Civil Aviation Organization) were met. The assistance included detailed design and preparation of tender documents for the upgrading of Zanzibar Town entry roads (78 km) and a review and conceptual planning for institutional changes set out in the ZTMP. Staff training and equipment were provided for the MoICT and the Kisuani Office was renovated for the Master Plan implementation team.

OUTCOMES

Cost-effectiveness and reliability of enhanced transport facilities from the project can be inferred from the existing indicators.

The BRT has reduced the average rush hour travel time for public transport users between Ubungu and the Dar es Salaam central business district (Posta) from 62 minutes to 28 minutes—a saving of 34 minutes, against a target of 25 minutes (target almost achieved). The value of time per passenger hour is estimated at US\$0.49 in 2016, (ICR page 42, para 20), thus contributing significantly to the cost-effectiveness of BRT as a means of transport. The ICR also notes that *daladala* operating costs per passenger-km are much higher than for new BRT buses. .

In terms of reliability, a survey conducted by DART in November/December 2016 of public bus transport users between Kimara, Kariakoo, and Kivukoni along the BRT corridor showed positive satisfaction with the infrastructure and the BRT experience, but less so with waiting times, though no numbers are provided in the ICR. The higher than expected waiting times were due to the relatively lower number of buses that have been deployed at project completion. Progress made in the process for procuring and deploying the remaining buses since project completion suggest that this number may improve.

It is noted that in recognition of the transformation resulting from the first year of operations of the BRT Phase I, Dar es Salaam city became the first African city to be awarded the Global Sustainable Transport Award (2018) [ICR page 20, para 60].

In respect of Zanzibar airport improvements, the results of a survey by the Economic and Social Research



Foundation for the MoICT, dated February 15, 2013, showed a significant improvement in satisfaction over the baseline survey conducted in 2008. Airlines considered the runway condition to be good or very good (84 percent), but lower (though positive) satisfaction ratings were given for aprons (60 percent), taxiways (58 percent), and security (58 percent). At the closure of the project on December 31, 2016 the number of passengers had reached 0.95 million against an estimated 1.6 million passengers (target not achieved). As stated earlier, there was no indicator for broader economic growth, and therefore no attempt was made to measure or link it to other project outcomes.

Revised Rating
Substantial

5. Efficiency

Financial and economic assessments were carried out at appraisal and project completion for the BRT system and the Zanzibar airport upgrading.

BRT system. At appraisal, the ERR for the BRT investment was estimated at 14.5 percent, with a net present value (NPV) of US\$22.51 million. When the project was restructured in 2012, the economic and financial model was updated with some actual data being incorporated, such as the cost estimate for BRT roadworks increasing by 70 percent from US\$110 million to US\$177 million. The expected ridership was also updated to 524,000 passenger trips per day. With these changes, the updated EIRR projected at restructuring was 12.4 percent. Given the current level of average daily ridership (125,809 passengers), the EIRR is 1.8 percent, which is much lower than expected. However, there are many less tangible benefits related to urban form, cleaner air, and the quality of urban living that were not taken into account in this analysis.

Two direct benefits were considered: passenger time savings and reduction of vehicle operating costs, together with two indirect benefits: reduction of air pollution and reduction of accidents. The daily ridership for the BRT was expected to be 406,000 passengers at appraisal, and total value of time to be saved at US\$10.8 million per year. Based on savings since May 2016, the projected savings are equivalent to US\$11.5 million in 2008 constant U.S. dollars, which is 6.7 percent higher than expected at the appraisal.

ZANZIBAR AIRPORT IMPROVEMENTS

At appraisal the FIRR was estimated at 39 percent and the NPV at US\$11.8 million, based on an investment of US\$16.1 million, passenger growth rates of 12.5 percent for 2008–15, 10 percent for 2016–19, and 5 percent during 2020–27 with the economic benefits being: (a) airport sales operational revenues (b) airport tax, and (c) value addition of tourism. When tourism value addition is also considered, the EIRR was estimated to be 650 percent.

The reassessment at project completion was based on the average actual growth rate for the preceding 10 years, yielded an FIRR of 16.7 percent, and an NPV of US\$15 million. When tourism value addition was also considered, the EIRR is calculated at over 90 percent. This project component was therefore both economically and financially viable. The actual investment was US\$39.3 million, more than double the original cost estimate, partly due to the need to rehabilitate rather than repair the runway following accelerated deterioration over several years, and partly due to increased construction costs.

Operational efficiency: The BRT component faced delays due to some shortcomings at preparation, including



the quality of design necessitating changes, lack of working drawings for several areas, and a sizeable number of unmapped utilities, especially water and sewerage requiring relocation. The implementation of the BRT infrastructure also suffered delays in land acquisition, procurement, and implementation of social safeguards. There were serious time delays due to failure to comply with legal covenants for the bus operations. After delays in the construction of bus lanes, appointment of bus operators, and acquisition of required equipment, including buses, the interim operations of BRT Phase 1 commenced on May 10, 2016. The project experienced a five-year extension.

Efficiency Rating

Modest

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		0	0 <input type="checkbox"/> Not Applicable

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

6. Outcome

Efficacy of the project is assessed against the original and revised objectives, and a weighted average rating is given based on the share of loan disbursements before and after restructuring. The total project cost including AF was US\$290 million and when the development objective was changed at restructuring in August 2011, 40 percent of this amount had been disbursed.

The Relevance of the Objectives to GoT's priorities and for the World Bank strategy for Tanzania was *High* before and after restructuring. Relevance of Project Design was *Modest* prior to restructuring and improved marginally to *Substantial* thereafter. For the original PDO, Efficacy was *Modest* mainly for lack of any tangible outcomes for the BRT component and the dropped roads component. Efficacy for the Revised PDO improved to *Substantial*, based on improved outcomes from the BRT and Zanzibar Airport components. Efficiency was *Modest* mainly due to serious delays and cost overruns for both the original and the restructured projects. This yields a *moderately unsatisfactory* outcome rating for the original project, and a *moderately satisfactory* rating for the restructured project. The weighted outcome rating based on 40% disbursement at the time of restructuring $[(40 \times 3.0) + (60 \times 4.0) = 3.6]$ narrowly yields a *moderately satisfactory* outcome.

a. Outcome Rating

Moderately Satisfactory



7. Rationale for Risk to Development Outcome Rating

By project closure, the planned infrastructure was completed for both the airport and the BRT. However, the number of buses in operation for the BRT is far lower than targeted. Since project completion, the government has displayed ownership of this component by successfully completing the award of the second Bus operator, independent fare collector, and fund manager, and obtaining clearance from the Bank by March 2018.

Contracts are expected to be signed in April 2018 and the first fleet of additional buses is expected in June 2018. According to the TTL's email dated March 30, 2018, full operations are expected to be achieved by end of 2018.

Financial Risk: In March 2017, the World Bank approved Phases 3 and 4 in the Dar es Salaam Urban Transport Project (DUTP). Meanwhile, the AfDB is funding Phase 2, while the Japan International Cooperation Agency (JICA) and the Korea Exim Bank are supporting other related aspects of urban transport development. Although these developments are positive and additional resources will increase the likelihood of a successful program. In respect of financial support for remaining Zanzibar Airport improvements outside the scope of this project, but required to maximize use of the facilities supported by this project, the Government has secured a loan from a development partner to finance a new terminal building. Despite this, the task is still unfinished due to lack of sufficient funds, as well as a design error regarding its interface with the aircraft-parking apron. This issue has yet to be resolved.

Institutional Risk: In institutional terms, the Transport Master Plan for Dar es Salaam, adopted in 2008, recommended the establishment of a single coordinating authority. The DUTP provides for technical support to complete the process for this by December 20, 2020. It also makes provision for strengthening DART's capacity to enable the agency to operate at arm's length from the Government with a decentralized staffing, decision-making, and accountability system.

Sustainability Risk: Regarding maintenance of facilities, road infrastructure will remain under the jurisdiction of TANROADS, which will be responsible for maintenance. A dedicated fuel levy under the Roads Fund Board provides assurance that funds will be available for this purpose. For the Zanzibar Airport, the recently inspected runway is in good condition, ICAO safety and security standards have been met, and arrangements are in place to ensure that appropriate maintenance is carried out as needed by MoICT.

There are no other significant technical, economic, social, political, or environmental risks highlighted in the ICR.

a. Risk to Development Outcome Rating

Substantial

8. Assessment of Bank Performance

a. Quality-at-Entry

The project covered components in roads, and urban transport, and aviation making it a complex effort.

While the project team appears to have conducted a detailed risk analysis, it underestimated the capacity,



cost and time period for the first two components.

For the roads component, the attention paid to analyzing cost estimates was not commensurate with the serious cost inflation pressures in the market. This became evident when the trunk road component was dropped because the increased cost after bidding (nearly double the estimate) could no longer be accommodated in the project.

For the BRT component, the capacity of the local construction industry was not assessed sufficiently, leading to an initial lack of acceptable bids for the BRT infrastructure contract. Prior to restructuring, the project team noted in its 2011 Aide Memoire that the original time frame for implementation of the BRT was unrealistic. This was in spite of taking into account the Bank's experience with BRT projects in other countries.

In retrospect, the terminal upgrading should have been taken up as part of the Zanzibar airport component to ensure quicker and better coordinated utilization of the apron and taxiway. IEG was informed by the task team (email date March 30 2018) that due to IDA lending envelope constraints, the Bank had proposed to the GoZ to secure private sector financing for the terminal building which resulted in several IFC attempts to join as a transaction advisors or financier to the private investor, but GoZ preferred to take up an offer from the China Exim Bank to finance this activity.

From a review of the team composition, it does not appear that any dedicated BRT expert was included. In retrospect, having a dedicated BRT expert on the team could have helped create a more sound approach to the BRT component and minimized cost and time overruns. For instance, the ICR notes (page 22, para 65) that the project team did not foresee the impact of a lack of working drawings, extensive unmapped utilities, land and compensation issues not being fully resolved at entry. An environmental factor that was not anticipated in the preparation for BRT Phase 1 was the potential risk of flash flooding at Jangwani along the Msimbazi river basin. According to the ICR. (page 22, par 66) this could not reasonably have been foreseen at project level, but became a problem as flooding actually occurred during implementation. This risk is now being addressed under the Dar es Salaam Urban Transport Improvement Project (DUTP) that supports the development of BRT Phases 3 and 4.

The Bank could have linked its funding to strengthening GoZ's capacity to facilitate adequate coordination and collaboration for both the Roads and BRT components. M&E design had some gaps and shortcomings as discussed in the section on M&E.

The risk assessment in respect of the aviation component did not have any significant shortcoming

Quality-at-Entry Rating

Moderately Unsatisfactory

b. Quality of supervision

The Bank conducted fourteen supervision missions during the eight years of project implementation. In this process, the project team worked to overcome shortcomings from the project preparation stage, and issues that arose during implementation. For instance, as noted in the ICR (page 22, para 68) for the roads component, "the scope of works was extensive for a country with limited capacity and so it was repackaged into seven smaller lots, while splitting major building-related works from roadworks and then re-tendered." For the BRT component, GoT initially opted for an Interim Service Provider (ISP) rather than conducting competitive bidding for BRT infrastructure, in order to show quick progress. While the World Bank did not agree with this approach, it was proactive in working with the government to restructure DART's



management and cleared the way for the competitive process to proceed.

In the implementation of social safeguards, the World Bank addressed issues relating to compensation for project-affected persons (PAPs), by depositing funds to an escrow account, enabling the PAPs to ultimately receive their dues. The supervision team visited the sites frequently and coordinated with the GoT, MoICT, and the implementing agencies. The Borrower notes in their ICR that the local World Bank office played a “leadership role” among donors in supporting road and transport sector reforms and capacity building, while its “attention to fiduciary measures and safeguards was invaluable.”

The supervision team worked out a short term and longer term solution to the problem of flooding that arose in the Jangwani area. The project team took a pragmatic approach to GoT’s decision to go with an Interim Service Provider for the BRT rather than providing for competition between providers. Eventually the team was able to convince the authorities to restore elements of competition, and laid the foundation for the further phases of the BRT.

The project team provided support to the Zanzibar Airport project through a design review of the problematic airport terminal building funded by another financier.

The project team was pragmatic in using AF to fill the financing gap (due to continued inflation in the construction sector and devaluation of the U.S. dollar) that GoT was unable to fill from its own budget. However, the Bank missed an opportunity at restructuring to address the linkage of project activities to economic growth in the PDO, and to incorporate indicators and means for measurement as needed

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. Assessment of Borrower Performance

a. Government Performance

GoT showed strong ownership of the project right from project identification. The ICR (page 24, para 75) states that “the Government of Tanzania (GoT) met all the conditions of effectiveness and disbursement. After the project began, the Government appointed a high-level inter-ministerial and inter-agency committee to facilitate decision and speed up implementation.” Both the GoT and the Revolutionary Government of Zanzibar (RGOZ) were strongly supportive of the upgrades to Zanzibar Airport. However, there were some shortcomings in government performance during implementation that were later corrected or compensated with the Bank’s overall support, showing the Government’s commitment to achieving the project’s development objectives.

GoT decided to appoint an Interim Service Provider (ISP) For instance, GoT’s decision to opt for an Interim Service Provider (ISP) rather by using the existing *daladala* operators to provide interim services on the DART project, ahead of full operations. The reasons for this move (ICR page 32, para 11) was to make use of the completed infrastructure to avoid vandalism; gain experience to be used in contracting for full operations; and to provide an opportunity for the affected *daladala* operators to build capacity for tendering for the full service provider. However, this had the unintended consequence of illegal and uncontrolled use of the built-up infrastructure, leading to some road accidents and acts of vandalism. Recourse to an ISP



was not supported by the World Bank. Ultimately, GoT restructured DART's management and cleared the way for the competitive process to proceed. The positive public response to the BRT encouraged GoT to expand the BRT system through Phase 2 (AfDB) and Phases 3 and 4 (World Bank).

Initially, GoT did not set aside adequate funding to compensate and relocate project-affected persons (PAPs), but this was finally provided. Also delays in land acquisition proved to be a major problem as some contractors could not access construction sites, leading to contract terminations and increased costs due to the delays.

The additional studies requested, such as preparation of the tender documents for the upgrading of Zanzibar town's entry roads, were agreed and conceptual planning for institutional changes under the ZTMP were supported.

The Government opted for finance from the China Exim Bank for upgrading the Zanzibar airport terminal rather than taking it up as part of this project. The latter option may have ensured quicker and better coordinated utilization of the apron and taxiway. However, GoZ did not have sufficient capacity to coordinate activities between the China Exim Bank and other development partners.

Government Performance Rating

Moderately Unsatisfactory

b. Implementing Agency Performance

DART was the executing agency for the urban transport component of the project. TANROADS was responsible for procuring and managing the infrastructure contracts based on prior experience with World Bank infrastructure projects. DART was responsible for procuring the services of bus operators, the fare collector, and the fund manager. MoICT was the implementing agency for the Zanzibar Airport. Overall responsibility for project monitoring and evaluation was with TANROADS, while SUMATRA (Surface and Marine Transport Regulatory Authority) was responsible for fare setting and implementation of the policies regarding daladala.

The implementing agencies displayed broad commitment to the project's objectives, but as it became apparent after the commencement of the project, the implementation of the BRT component could have been improved by more effective project management planning and coordination between the agencies and stakeholders. This should have been anticipated by the Bank and GoT during project design.

In respect of BRT, the performance of the implementing agencies was affected by the failure of the prequalification procurement process, due to the unavailability of qualified applicants. The scope of works was extensive for a country with limited capacity and had to be repackaged into seven smaller lots, also splitting major building-related works from roadworks and then re-tendered.

Apart from delays in procurement, social safeguards also delayed the implementation of the project and caused cost overruns as explained in the section 11a on safeguards. The delays in the implementation of the Resettlement Action Plan (RAP) implementation caused two contracts for construction of one BRT terminal (Kariakoo) and one bus depot (Ubungu) to expire due to unavailability of sites. Also, two feeder transfer stations were not acquired and the operational design had to be changed.

One of the mitigation measures proposed for the Jangwani Depot in the project was that construction be done during the dry season. This proved difficult to implement and losses were incurred due to flooding.

For the Zanzibar Airport component, MoICT satisfactorily facilitated the infrastructure



improvements, prepared detailed engineering design for the rehabilitation of taxiways and apron, conducted a customer satisfaction survey, and benefited from technical assistance under the project.

Implementing Agency Performance Rating

Moderately Unsatisfactory

Overall Borrower Performance Rating

Moderately Unsatisfactory

10. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E design had significant shortcomings. The PDO pointed to economic growth as the final outcome as a result of enhancing transport facilities that were reliable and cost-effective. However, there was no indicator for economic growth nor any clarity in how it could be attributed to enhanced transport facilities in a measurable way.

Most indicators were not quantifiable, had no baselines or target values, thus making it difficult to track progress (against baseline values and against targets although some of the indicators for physical construction (PAD p 31) had related annualized targets).

The outcome indicators in the M&E framework were not designed to measure reliability and cost-effectiveness (which were the stated development objectives), though they represented reasonable proxies. For outcomes related to the BRT, the main indicators were average reduction in travel time during the rush hour and throughput of passengers (primarily determined by the number of available buses). Other indicators that have become standard for later BRT projects – covering safety aspects, air pollution reduction, accessibility, and the satisfaction of female public transport users – were not included, though this could have been done during restructuring. For Zanzibar airport, satisfaction rating surveys of airlines and passengers were used. However, there were no indicators that would directly measure the number of passengers projected to use the airport, expected revenue, and reliability and cost effectiveness of services. An intermediate indicator was whether the upgraded airport met the compliance requirements of the ICAO. For the roads component – which was later dropped - vehicle operating costs was the indicator.

Baseline data was available for indicators where relevant: for average travel time between Ubungu and Dar es Salaam central business district; average vehicle operating costs (this indicator was dropped later); airline and passenger satisfaction with Zanzibar airport; and the average number of passengers per day through the Morogoro corridor at Jangwani.

b. M&E Implementation



TANROADS had the responsibility for implementing M&E through quarterly progress reports that included information provided by DART and the MoICT. An impact assessment covering a period of four years was launched by DART for the BRT, with a baseline travel time survey and a baseline household survey being completed in January 2016, before the opening of Phase 1 in May 2016

c. M&E Utilization

There is little evidence of the M&E being used as a feedback mechanism for improving operations during the project implementation

M&E Quality Rating

Modest

11. Other Issues

a. Safeguards

The project was placed in Environment Category 'A' under the Bank's environmental and social safeguards policies. The policies triggered were: Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12). The safeguard instruments used included an Environmental and Social and Impact assessment (ESIA) and a Resettlement Action Plan (RAP) that consisted of a census as well as a properties survey and a socioeconomic survey of residents and businesses. Environmental and Social Management Plans (ESMPs) for all components were drawn up with appropriate mitigation measures during construction. The total number of project-affected persons (PAPs) at the start was 877, which later increased to 1,236. The project provided for a RAP budget of TZS 23.5 billion (about US\$11 million). However, inadequate allocations for RAP commitments led to contractual disputes and the termination of two works contracts. The funding and legal disputes (including a court injunction) by project-affected persons (PAPs) led to the RAP being updated in March 2012 and the Ministry of Finance augmenting the available funds. The Government also introduced a communications outreach strategy and established a grievance redress mechanism. While the main case is still pending judgment for eight years, three PAP's compensation funds were deposited in an escrow account and most of the affected people have already claimed their compensation. The task team confirmed (email dated March 30, 2018) that the project was executed in compliance with the Bank's environmental and social safeguards policies.

b. Fiduciary Compliance

FINANCIAL MANAGEMENT

TANROADS was responsible for the fiduciary oversight of the project and complied fully with the loan covenants. Budgeting, funds flow, accounting, internal control, financial reporting, and audit arrangements



were assessed as effective. There were no qualified audits.

This is underlined by the auditor's statement noted that "a letter of comfort on the financial statements of the Second Central Transport Corridor Project with reference No. CTCP2/2016/2017 dated February 12, 2018 was issued to supplement the audit report to confirm to the management that there were no accountability issues noted during the audit. The letter of comfort replaces a normal management letter that is issued by the auditors to communicate any findings noted during the audit, implication of the same and recommendation for management's actions rectify them."

PROCUREMENT

Procurement activities under the project followed Bank's guidelines.. The implementing agency displayed adequate procurement capacity, and there were no delays due to procurement-related issues. There are no reported incidents of misprocurement.

c. Unintended impacts (Positive or Negative)

N/A

d. Other

12. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	---
Risk to Development Outcome	Substantial	Substantial	---
Bank Performance	Moderately Satisfactory	Moderately Satisfactory	---
Borrower Performance	Moderately Unsatisfactory	Moderately Unsatisfactory	---
Quality of ICR		Substantial	---

Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

13. Lessons



The first three lessons are taken from the ICR with some modification of language.

1 . *In projects that cover more than one sub-sector involving multiple skill sets and several institutions, involvement of the main stakeholders, especially those at the leadership level, is essential for smooth project implementation.* In this project, after initial delays at the start of the works contracts, progress improved remarkably upon the introduction of a BRT Steering Committee as a high-level coordination and decision-making body.

2 . *Adequate preparation in the resettlement of PAPs (project-affected persons) is a critical requirement for a well-performing project.* Delays in the implementation of the RAP for the BRT, due to lack of funding, led to contractual disputes and termination of some the works contracts as the site was not available to the contractor.

3 . *Ensuring the quality of engineering designs at appraisal cannot be overemphasized.* The need to make significant revisions to engineering designs after project effectiveness caused considerable delay during the BRT Phase 1 implementation. It also re-doing the PAP's census and property inventory, adding to the delays.

4 . *Lack of appropriate indicators makes it difficult to report on relative achievement of the development objective.* The project design lacked relevant indicators to measure central aspects of the PDO which made it difficult to report on relevant project achievements.

14. Assessment Recommended?

No

15. Comments on Quality of ICR

The ICR presents relevant evidence and is written in a clear and logical style. It analyzes the process of preparation and implementation in a frank and objective manner, drawing useful parallels and contrasts to similar project situations.

Essential information is provided in the text and supplemented well in the annexes.

The efficacy analysis is adequate within the bounds of the formulation of the PDO and shortcomings in M&E design. The ICR notes upfront that while "there is no doubt that the infrastructure improvements would support economic growth, the extent of such support was not measurable in a macro sense because of attribution factors."

a. Quality of ICR Rating

Substantial