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**AFRICAN DEVELOPMENT
BANK GROUP**

PROGRAM: Rural Water Supply and Sanitation Program II
COUNTRY: Tanzania

APPRAISAL REPORT

Date: April 2010

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Currency Equivalents

April 2010

UA 1.00	=	TZS 2032.50
UA 1.00	=	USD 1.51824
UA 1.00	=	EURO 1.10046

Fiscal Year

1 July – 30 June

Weights and Measures

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

Acronyms and Abbreviations

CDA	Community Development Assistant	MOFEA	Ministry of Finance and Economic Affairs
CDO	Community Development Officer	MOHSW	Ministry of Health and Social Welfare
CPAR	Country Procurement Assessment Report	MOWI	Ministry of Water and Irrigation
DP	Development Partners	MTEF	Medium-Term Expenditure Framework
DPG	Development Partners' Group	NAO	National Audit Office
DWE	District Water Engineer	NAWAPO	National Water Policy
DWST	District Water and Sanitation Team	NEMC	National Environmental Management Council
EMA	Environmental Management Act	NGO	Non Governmental Organization
FSP	Facilitation Service Provider	NSGRP	National Strategy for Growth and Reduction of Poverty
GBS	General Budget Support	NRWSSP	National Rural Water Supply and Sanitation Programme
HBS	Household Budget Survey	NWSDS	National Water Sector Development Strategy
HIPC	Heavily Indebted Poor Country	PAF	Performance Assessment Framework
IAS	International Accounting Standards	PER	Public Expenditure Review
IDA	International Development Association	PEFAR	Public Expenditure Financial and Accountability Review
IFMS	Integrated Financial Management System	PMO-RALG	Prime Minister's Office Region Administration and Local Government
IMR	Infant Mortality Rate	PPRA	Public Procurement Regulatory Authority
ISA	International Standards on Auditing	PRBS	Poverty Reduction Budget Support
IWRM	Integrated Water Resources Management	PRS	Poverty Reduction Strategy
LGA	Local Government Authority	PRSP	Poverty Reduction Strategy Paper
MCDGC	Ministry of Community Development, Gender and Children	PSRP	Public Sector Reform Program
MDAs	Ministries, Departments and Agencies	RWSSI	Rural Water Supply and Sanitation Initiative
MDGs	Millennium Development Goals	SWAP	Sector Wide Approach
MIS	Management Information System	TSP	Technical Service Provider
MKUKUTA	<i>Mkakati wa Kukuza Uchumi na Kupunguza Umaskini Tanzania</i>	UWSA	Urban Water and Sewerage Authority
MLHSUD	Ministry of Lands, Human Settlement and Urban Development	WASH	Water, Sanitation and Hygiene in Schools
MOEVT	Ministry of Education and Vocational Training	WSP	Water and Sanitation Program

Loan Information

Client's information

BORROWER:	United Republic of Tanzania
EXECUTING AGENCY:	Ministry of Water and Irrigation Ministry of Health and Social Welfare

Financing plan

Source	Amount (UA)	Instrument
ADF	59	Loan
RWSSI Trust Fund	6	Grant
IDA	50	Loan
DFID	10	Grant
Government	15	Contribution
Other DPs	55	Loans/ Grants
Beneficiaries	5	Contribution
TOTAL COST	200	

ADB's key financing information

Loan / Grant	UA59 million
RWSSI Trust Fund	UA 6 million
Interest type	N/A
Interest rate spread	N/A
Commitment fee	0.5% (50 basis points)
Other fees	0.75% (service charge)
Tenor	480 months
Grace period	120 months
EIRR, NPV (base case)	17%

**if applicable*

Timeframe - Main Milestones (expected)

Concept Note approval	April 2010
Program approval	September 2010
Effectiveness	January 2011
Last Disbursement	December 2015
Completion	December 2014
Last repayment	December 2064

Program Summary

In 2006, the National Rural Water Supply and Sanitation Program (NRWSSP) was adopted, for the period 2006-2025. It is a long term plan for the rural water supply and sanitation development to meet the MDG targets and beyond. Consequently, the water sector came up with a Water Sector Development Program (WSDP), based upon the NRWSSP, which also include urban water supply and water resources management. The WSDP is supported by several Development Partners (DPs), including the Bank Group. The Bank approved, in 2006, a Rural Water Supply and Sanitation Program Phase I (RWSSP I) (2007-2010) at an amount of UA 55 million, out of a total requirement of UA 223 million under the WSDP at the time. Under the proposed RWSSP Phase II, which has a total cost of UA 200 million, the Bank will finance UA65 million over a four year period from 2011-2014. The Bank's intervention is earmarked for the development of rural water supply and sanitation infrastructure.

Tanzania is a vast country with almost one out of every two persons having no access to safe water supply. Due to the vast geographic dispersion, rural Tanzanians often have to travel long distances, consuming over many hours to fetch water. This has a huge negative impact on economic development and often results in girls dropping out of schools as they have to join their mothers in fetching potable water.

In the period 2007-2009, some 3,550 water subprojects were implemented, resulting in 8,250 operational water points serving an additional 1.9 million people. The proportion of the rural population with access to clean water has increased to 61.3 % in 2009, from 55.7% in 2006. During the same period, over 1.5 million people were sensitized on sanitation and hygiene and about 370 demonstration latrines were built, more than 1200 artisans trained, and over 524 school sanitation clubs were formed. The Phase II investment is expected to provide potable water to an additional 3.6 million people from new infrastructure and 1.0 million from rehabilitated water infrastructure. In respect of sanitation, the beneficiaries will be the school children in 264 schools. Sanitation awareness campaigns will be provided to an estimated 10 million villagers in rural communities.

The proposed Phase II, jointly prepared with the GOT and the DPs, includes construction of rural water supply and sanitation infrastructure, National Sanitation Campaigns & School WASH, and Sector Management Support. The Program Phase II will be implemented over a period of four years 2011-2014 at a total cost of UA 200 million.

The Program will bring general improvements in time savings as a result of the reduction in time people spent in collection of water. There will also be cost savings as people will spent less on public health and, also, there shall be a reduction in the spread of waterborne diseases. Implementation of the Program will contribute towards the eradication of poverty and contribute towards meeting of the Millennium Development Goals (MDGs).

The Bank has an extensive experience in the water and sanitation sector development in Tanzania and elsewhere on the continent and has used this experience to develop the Program and has also prepared a Gender Profile on Tanzania that includes water and sanitation aspects. By supporting the Program; the Bank demonstrates its commitment to engage with Government in addressing water supply and sanitation challenges in the country.

The Bank's experience in the preparation of the Program, in collaboration with the DPs, and its implementation experience will be captured in the various Program documents including study reports, progress reports, midterm review and completion reports.

Tanzania – Rural Water Supply and Sanitation Program II- Logical Framework

HIERARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGET AND TIME FRAME	ASSUMPTIONS AND RISKS
<p><u>Sector Goal</u></p> <p>To improve the health and quality of life of the rural Tanzanians through provision of water and sanitation services on a sustainable basis</p>	<p><u>Impact</u></p> <p>Improved health and socio-economic well being of the rural population</p>	<p><u>Beneficiaries</u></p> <p>Rural Tanzanians</p>	<p><u>Impact Indicators</u></p> <p>Water and sanitation coverage</p> <p>Under 5 mortality</p>	<p>Access to safe drinking water increased from 65% in 2010 to 90% in 2025.</p> <p>Access to improved sanitation increased from 50% in 2010 to 95% in 2025.</p> <p>U5 mortality rate decreased from 91 per 1000 live births in 2010 to 54 per 1000 live births in 2025</p> <p>Sources: Household Budget , Human Development Report (UNDP), Survey; National Bureau of Statistics</p>	<p>Stable macroeconomic framework continued.</p> <p>Government continues to be committed to poverty reduction and improved quality of life.</p> <p>The shift from project funding to sector wide approach is not a smooth process. It needs sustained support and change of mind on GOT and on DPs side</p> <p>Reforms related to decentralization policy pursued and sustained.</p>
<p><u>Program Objectives</u></p> <p>To improve district level capacity to implement demand-based RWSS programs.</p> <p>To improve access of rural communities to water and sanitation services operated and maintained by capable persons.</p> <p>To improve health & hygiene practices.</p>	<p><u>Medium Term Outcomes</u></p> <p>DWSTs capacity to appraise community sub project</p> <p>DWSTs capacity to secure funds for and implement community subprojects</p> <p>DWSTs monitoring & supporting communities in RWSS O&M, promotion of good sanitation, health and hygienic practices.</p> <p>Increased number of rural communities with adequate management, operation and maintenance capabilities.</p> <p>Improved knowledge, attitudes and practices in relation of health and hygiene and sanitation including increased use of latrines.</p>	<p><u>Beneficiaries</u></p> <p>All rural districts in the country</p> <p>PMO-RALG and MOWI Staff involved in NRWSSP</p> <p>Rural Tanzanians</p>	<p><u>Outcome Indicators</u></p> <p>Percentage of rural communities with access to water supply</p> <p>Percentage of rural communities with access to improved sanitation</p> <p>Achieve gender balance in membership of rural water committees</p>	<p>Increase of access to water supply from 65% in 2010 to 74% by 2015 (4.6 million beneficiaries).</p> <p>Increase of access to improved sanitation from 50% in 2010 to 80% by 2015 (10 million beneficiaries).</p> <p>Increase of rural water committees with at least 50% female active membership from 30% in 2010 to 50% by 2015.</p>	<p>Weak institutional capacity: capacity building at district and regional level will be sustained</p> <p>Water scarcity and high demand: Pressure to shortcut strategies /approaches which will be counter-productive in view of sustainability</p> <p>Dispersed service provision: which is a challenge for implementation and sustainability</p> <p>Sustainability challenges the progress in the sector: the functionality rates is low and needs consistent efforts to improve ; MIS and water point mapping instituted and operational will assist in monitoring</p>
<p><u>Activities/Inputs</u></p>	<p><u>Short-Term Outputs</u></p> <p>1.1 Districts and Regional staff</p>		<p>1.1 No of LGAs with operational</p>	<p>132 LGAs with MIS and</p>	<p>The lack of any proven effective</p>

HIERARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGET AND TIME FRAME	ASSUMPTIONS AND RISKS																		
<p>1. Install an MIS for the NRWSSP in all districts/regions</p> <p>2. Establish and operationalised a water point mapping system</p> <p>3. Formulate District Water and Sanitation Plans including priority criteria for projects</p> <p>4. Procure contractors/consultants and implement RWSS sub-projects</p> <p>5. Establish a hand pump supply chain and train community technicians</p> <p>6. National Sanitation Campaign & School WASH established</p> <p>7. Strengthen MoWI to mainstream gender in RWSS National Program</p> <p>Financial Resources:</p> <table border="0"> <tr> <td></td> <td style="text-align: right;"><u>UA</u> (million)</td> </tr> <tr> <td>ADF:</td> <td style="text-align: right;">59.00</td> </tr> <tr> <td>RWSSI TF</td> <td style="text-align: right;">6.00</td> </tr> <tr> <td>IDA:</td> <td style="text-align: right;">50.00</td> </tr> <tr> <td>DFID</td> <td style="text-align: right;">10.00</td> </tr> <tr> <td>Communities:</td> <td style="text-align: right;">5.00</td> </tr> <tr> <td>GOT:</td> <td style="text-align: right;">15.00</td> </tr> <tr> <td>Other DPs</td> <td style="text-align: right;">55.00</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">200.00</td> </tr> </table>		<u>UA</u> (million)	ADF:	59.00	RWSSI TF	6.00	IDA:	50.00	DFID	10.00	Communities:	5.00	GOT:	15.00	Other DPs	55.00	Total:	200.00	<p>have access to information and data for MIS .</p> <p>2.1 Up to date operational field information available to all stakeholders</p> <p>3.1 Based upon the DWSP and using agreed criteria, Communities, with the support of District Councils, identify suitable sub-projects for implementation</p> <p>4.1 Water points constructed</p> <p>5.1 Capacity to repair and spare parts available near/in the village</p> <p>6.1 Demand created for household & school facilities</p> <p>7.1 Capacity developed in MOWI to mainstreaming gender issues</p>	<p>Districts & Regions</p> <p>Rural communities</p>	<p>MIS and WPM systems</p> <p>2.1 No of LGAs with District RWSS Plans</p> <p>3.1 Additional people supplied with water</p> <p>4.1 No of school ws projects implemented</p> <p>5.1 No of additional household latrines been constructed</p> <p>6.1 No of schools WASH project implemented.</p> <p>6.2 No. of districts adopting gender mainstreaming guidelines, no. of people been sensitized (gender sensitization), no. of female in leading position of the WUA</p>	<p>WPM systems operational by end 2011.</p> <p>132 District RWSS Plans completed by 2011.</p> <p>Increase of access to water supply by an additional 4.6 million beneficiaries</p> <p>264 school water and sanitation facilities implemented by 2014</p> <p>2.0 million private household latrines constructed or upgraded by 2014.</p> <p>50% of WUA members in 132 districts have been sensitized by 2014,</p> <p>50 % of WUA have women in decision making position by 2014.</p> <p>Source: Quarterly reports, field mission reports, MIS system, Annual Status of Water Sector Report, Annual Equity Report., Annual Technical Audit</p>	<p>approaches for rural household sanitation promotion; it is high priority to find out what works in given circumstances</p> <p>Timely mobilization of beneficiaries and their contributions by communities</p> <p>External and GOT finances secured and ready for disbursement</p> <p>MOWI applies and adheres to systematic district planning</p> <p>MOWI is dedicated to implement the School WASH program according to schedule</p>
	<u>UA</u> (million)																						
ADF:	59.00																						
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REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE ADB GROUP TO THE BOARD OF DIRECTORS ON A PROPOSED LOAN TO THE UNITED REPUBLIC OF TANZANIA FOR THE RURAL WATER SUPPLY AND SANITATION PROGRAM PHASE II

Management submits the following Report and Recommendation on a proposed Loan and Grant for UA 59m and RWSSI Trust Fund Grant of UA 6m respectively, to finance the Rural Water Supply and Sanitation Program Phase II in Tanzania.

I – STRATEGIC THRUST & RATIONALE

1.1. Program linkages with country strategy and objectives

1.1.1 The National Rural Water Supply and Sanitation Program (NRWSSP) covers the period 2006-2025 and is a long term plan for the development of the sub-sector to meet the MDG targets and beyond. The Rural Water Supply and Sanitation Program I and II are an integral part of the NRWSSP. The total estimated cost to reach the 90% coverage by 2025 was estimated in 2006 at USD 1.9 bn.

1.1.2 The strategies for achieving the NRWSSP targets are: (a) integrated approach; (b) demand responsive approach; (c) decentralized approach; (d) system and financial sustainability; (e) an overall SWAP; and (f) private sector participation.

1.1.3 The program is in line with the Bank Group vision and strategic plan and the Millennium Development Goals. It falls within the objectives stated in the Country Strategy Paper 2006- 2010 (Cluster II, Improvement in the quality of life and social well-being), concerning support for development of basic infrastructure in the rural areas, including water supply and sanitation. It also falls within the PRSP objective for the water supply and sanitation sector. The Bank has developed the Rural Water Supply and Sanitation Initiative (RWSSI) to address the rural situation in the water sector which is much worse compared with the urban situation. The RWSSP Phase I and Phase II are the results of the RWSSI support to Tanzania and have resulted in a large program supported by several DPs, who are part of the ongoing Phase I and will take part in Phase II as well.

1.2. Rationale for Bank's involvement

1.2.1 The Bank group should intervene because (i) The Program objectives are consistent with the MKUKUTA II Goal of 'Increasing access to affordable clean and safe water, sanitation and hygiene'; (ii) Almost one out of every two rural Tanzanians do not have access to improved water supply and sanitation, the ongoing RWSSP Phase I has to date been successfully implemented and investments (logistics, rehabilitation/new district water offices, equipment, training) have been made which created a good program foundation for additional investments; and (iii) the Program will contribute in a major way to the Bank's Medium Term Strategy (MTS). The investment for Phase I fell far short of the demand and Phase II investment is expected to increase coverage for both water and sanitation by taking advantage of the momentum built from Phase I. This additional investment will also help the country meet its MDGs.

The Bank has been involved in the water and sanitation sector since 1976. It has recently supported the Monduli District Water Project that was completed in 2009, the Dar es Salaam Water and Sanitation Project scheduled for completion by mid of 2010, the RWSSP I which will be completed at the end of 2010 and the Zanzibar Water Supply and Sanitation Project expected to be finished in 2012.

1.3. Donors coordination

Sector or subsector*	Size		
	GDP	Exports	Labor Force
[sector or s-sector]	1.6%	Not available [%]	Not available[%]
Players - Public Annual Expenditure (average)**			
Government	Donors	2008	
UA m	50 648	64 709	World Bank 28 %
%	44 %	56%	AfDB 15 %
		KfW	4%
		Others	9%
Level of Donor Coordination			
Existence of Thematic Working Groups			Y
Existence of SWAPs or Integrated Sector Approaches			Y
ADB's Involvement in donors coordination***			M

* as most appropriate ** Years [yy1 to yy2] *** for this sector or sub-sector

**** L: leader, M: member but not leader, none: no involvement

The donor table helps to show, at a glance, the contribution of the water sector to the country's GDP. It further helps show the summary contributions towards public annual expenditures by the Government and its Development Partners.

Comments on Donor coordination:

The Development Partners Group for Water (DPG-W) brings together all the major DPs and active donors in the water sector, include the World Bank, EU, AFD, KfW, GTZ, MCC, JICA, DFID, WaterAid, SNV and Netherlands Government.

Currently, the Tanzanian Water Sector Development Program (WSDP) is the biggest program in the sector. It is a Sector Wide Approach (SWAP), co-financed by the Government of Tanzania (GOT), the ADB, World Bank, KfW, GTZ, Dutch Government, AFD and other financiers, valued at about USD 950 million. The Bank Group financing in the WSDP is earmarked for the rural water supply and sanitation subsector while some other DP's funding is earmarked for the urban subsector, while the rest is not earmarked.

The DPG-W / MOWI sector dialogue structure comprises: (i) annual joint water sector reviews (ii) quarterly water sector working group meetings; (iii) monthly DPG-W meetings; and (iv) Bi-monthly thematic working group meetings (TWG) on sector performance monitoring, sector planning and financing, institutional development and capacity building plus sanitation and hygiene. Cross-cutting issues, such as HIV/AIDS, gender and environmental aspects are mainstreamed into the thematic working group meetings. The Bank is playing a significant and influential role in the DPG-Water since the stationing in the TZFO of a water and sanitation expert.

II – PROGRAM DESCRIPTION

2.1. Program components

The proposed RWSSP II covers the period 2011-2014 and will have components as detailed below:

Nr.	Component name	Est. cost (UA million)	Component description
1	Construction of Rural Water Supply and School Sanitation Facilities	164.00	<ul style="list-style-type: none"> ▪ Rehabilitation of existing water supply schemes ▪ Construction of new schemes – water supply schemes will be implemented in rural Tanzania ▪ Employment of technical/facilitation services providers
2	National Sanitation Campaign & School WASH	15.00	<ul style="list-style-type: none"> ▪ Concepts and Messages ▪ Community Lead Total Sanitation (CLTS) – Engagement of Households and Communities – target 2 million household latrines through private initiative ▪ Engagements of Masons – training in construction and household sales of sanplats. ▪ Experiential events to draw attention to sanitation ▪ Radio – national reach through well-known sources ▪ Development of training and promotional material ▪ Impact Evaluation (IE) – conduct a baseline to estimate the causal impact; and establish village and school registers by communities ▪ School WASH (hand washing and sanitation facilities – in at least two schools per district (total: 264 schools)
3	Management Support	21.00	<ul style="list-style-type: none"> ▪ Water Point Mapping system ▪ Program Management Support ▪ Private Sector Capacity Development ▪ Capacity Development Plans – Implementation ▪ Supply Chain – support and expansion of existing private retail outlets for wholesaling, installation of equipment, provision of spare-parts and after sale services ▪ Communities training in facilities O&M and management • Training support for private sector in the sanitation activities ▪ Support for the Regional Administrations ▪ Gender mainstreaming in MOWI ▪ Annual sector-wide technical and financial audit ▪ Back-stopping support to communities for water systems functionality for problem solving.
	Total	200.00	

2.2. Technical solution retained and other alternatives explored

Technical solutions retained are based on functional options relating to water sources, point water supplies, transmission, storage and distribution, as adopted on similar water schemes that were recently implemented in Tanzania.

An extensive menu of technical options (shallow well with hand-pump; borehole with hand-pump; borehole with submersible pump driven by diesel/electricity/solar/wind; gravity fed scheme; improved charco (traditional small dam); rain water harvesting system) will be available, especially low maintenance costs solutions and options applying renewable energy will be promoted. This is key in view of the functionality problems.

Under the rural water supply component, water schemes will be constructed, supplying at least a reliable 25 litres per person per day, through public stand pipes located within a distance of about 400m from respective rural households. The scheme subcomponents will include pumps to lift groundwater to elevated reservoirs from where it will flow by gravity, via small pipe networks to public kiosks. Provision of point sources in rural areas, comprising of shallow wells with hand pumps, is not everywhere feasible because of the depth of the ground water, the large water level fluctuations in many shallow wells and the occurrence of fluorine and/or saline groundwater.

In Phase II, the MOHSW will be the Executing Agency for a National Sanitation Campaign with its own budget from NRWSSP. It will build upon lessons learnt from the sanitation pilot program supported by the Bill Gates Foundation and implemented through WSP and MOHSW, and the other projects implemented by Plan International, and the USAID sanitation activities. The National Sanitation Campaign will be extensive, covering all districts. It will be more intense and in particular there will be an in-depth impact evaluation. The Phase II will focus on Total Sanitation (TS), Sanitation Marketing (SM), Hand Washing (HW) and Impact Evaluation (IE). The TS focuses on the community-based approach (e.g. stopping of open defecation; use of peer pressure; collective action to assist destitute people and support public facilities). The SM focuses on the household-centred change. The IE will conduct a baseline survey to estimate the causal impact of the TS/SM and closely measure the outcome. The WASH will follow the guidelines and approaches as developed by the four Ministries, MOEVT, MOHSW, MOWI, PMO-RALG supported by SNV, UNICEF, WaterAid, two Universities and a number of NGOs active in the sanitation and hygiene sub-sector in Tanzania.

2.3. Program type

The Water Sector Development Program is covering Tanzania mainland using a SWAP type of operation, based upon the NRWSSP, the use of a Water Basket Fund, and the use of existing sector entities. The assessments of the water sector, at phase I appraisal and during the current appraisal, concluded that the situation is conducive for the use of national rules and regulations hence justifying a SWAP approach instead of a project approach.

2.4. Program cost and financing arrangements

The overall cost of the RWSSP II will be about UA200 million. The Bank will participate with an ADF Loan of UA 59 million and a RWSSI Trust Fund Grant of UA 6 million. The Bank Group will be the Lead Financier for the rural sub-sector, with a contribution of 32.50%. The cost estimates are based upon updated designs using unit costs of recent tenders in Tanzania.

Components	<i>Program cost estimates by component [million UA]</i>				% <i>foreign</i>
	Foreign currency costs	Local currency costs	Total Costs		
1. RWSS Infrastructure	91.11	60.74	151.85	60	
2. National Sanitation Campaign & School WASH	6.95	6.94	13.89	50	
3. Sector Management Support	11.66	7.78	19.44	60	
Total base cost	109.72	75.46	185.18	59	
Physical contingency	5.49	3.77	9.26		
Price Contingency	3.29	2.27	5.56		
Total program cost	118.50	81.50	200.00		

Sources of financing	<i>Sources of financing [amounts in million UA]</i>	
	Total Costs	% total
ADF	65.00	32.50
IDA ¹	50.00	25.00
DFID ²	10.00	5.00
GOT	15.00	7.50
Others Financiers	55.00	27.50
Beneficiaries	5.00	2.50
Total program cost	200.00	100.00

Components	<i>Expenditure schedule by component [million UA]</i>			
	2011	2012	2013	2014
1. RWSS Infrastructure	32.80	32.80	49.20	49.20
2. National Sanitation Campaign & School WASH	2.50	5.00	5.00	2.50
3. Sector Management Support	5.25	5.25	5.25	5.25
Total program cost per year	40.55	43.05	59.45	56.95

2.5. Program's target area and population

The Ministry of Water and Irrigation's domain is mainland Tanzania. In respect of water supply, the beneficiaries of the proposed Program will be the population of villages in the 132 Local Government Authorities (LGAs). Program villages are selected using the following criteria: (a) the current water and sanitation coverage. The villages with the least coverage will be given highest priority; and (b) the distance travelled to fetch water. The Program plans to supply an additional 3.6 million people with water from new water infrastructure and a further 1.0 million from rehabilitated water infrastructure. In respect of sanitation, the beneficiaries will be the school children in 264 schools. Sanitation awareness campaigns will be provided to an estimated 10 million villagers in selected rural communities.

2.6. Participatory process for program identification, design and implementation

The program was jointly prepared and appraised with the World Bank, AFD, KfW, WSP and other DPs and officials of the Government of Tanzania (GOT), who included the Ministry of Finance & Economic Affairs (MOFEA), Ministry of Water and Irrigation (MOWI), Ministry of Health and Social Welfare (MOHSW) and PMO-RALG. During preparation/appraisal, many field visits were made to program sites, at all sites informal and/or formal meetings were organized where discussions were held with the

¹ Subject to country allocation in the next funding cycle and ongoing Program performance.

² Currently under consideration and final approval awaited.

community members. Numerous meetings, discussions, and interviews were conducted with stakeholders, focusing on the program objectives, the expected impact and benefits.

2.7. Bank Group experience, lessons reflected in program design

The experiences of the Bank's current projects, and others, being implemented are reflected in the program design and are summarised below:

2.7.1 Integration of water supply, sanitation and hygiene

During Phase I, the MOWI was required to implement sanitation activities aimed at households and schools. During the joint Mid Term Review (MTR) carried out in April 2010, it became clear that results for sanitation were not satisfactory. This was largely due to the fact that MOWI has a mandate for water while sanitation is a mandate for MOHSW. As a result, MOWI's focus was mainly on water supply activities while sanitation activities were considered peripheral. In Phase II, the sanitation component has been moved to the MOHSW, except for construction of School Latrines. As the custodian of sanitation, MOHSW will implement a National Sanitation Campaign during Phase II and will have its own separate sanitation budget from the Program. School WASH will be implemented by MOWI with close collaboration from the MOEVT. The Ministries will implement their coordination as enshrined in the MOU jointly signed by the four Ministries involved in sanitation and hygiene education.

2.7.2 Sustainability of rural water schemes

One key lesson learnt from the Bank funded Monduli Project was that with proper training, rural communities are able to collect water revenue and maintain water schemes on their own. In the predominantly Masai (Cattle herding) communities of Monduli, almost all rural people now understand why they need to pay for water and what will happen to them and the livestock if they do not pay. Rural communities, left alone, are far better equipped to identify and exempt the poorest communities members from paying water tariffs why collecting from those who can pay. Under Phase II of the Program, training of local communities' water user associations on simple book-keeping, revenue collection, banking will be carried out as was done under the Monduli rural water and sanitation project. This will enhance the likelihood of long term sustainability of the investment.

2.7.3 Private Sector Involvement

The Shinyanga RWSS project and RWSSP I both showed that it is vital to give more emphasis to the roles of the private sector in rural water and sanitation. However, the capacity of the private sector in rural areas of Tanzania is limited. Under Phase II, supply chain will be driven by the private sector with the support of Government through the Central Stores. The establishment of supply chain is critical for long term sustainability of rural water schemes.

2.7.4 Gender Mainstreaming

Past projects in Tanzania have shown that with proper training at a higher level, the water supply schemes will become more gender sensitive. Phase II will train DWST members on the importance of gender education to ensure that the understanding of this key pillar is taken into account in District Water and Sanitation Plans.

2.7.5 Community Involvement

Communities are required to contribute towards investment costs. It was found that in cases of relative expensive technologies the percentage used (5%) was too high for the communities. During Phase II the

percentage will depend on the technology used and varies from 2.5% upto over 30% and can be in either cash or kind, or both as necessary.

A number of water points were erected with sub-optimal community involvement. This resulted in lack of ownership of the schemes with limited understanding of how to run the schemes. In Phase II, community involvement at all stages of program implementation will be strictly followed.

2.7.6 Sanitation

Sanitation and hygiene as a sub-sector has lagged much behind water supply for many years from attention point of view as well as from budget point of view. The development of a National Sanitation and Hygiene Policy is finally underway. Efforts to counter a similar lack of attention on school WASH still have to show results. The development of a draft Strategic Plan for School Sanitation and Hygiene is a good beginning. Across the WASH sector as whole, performance monitoring is a long-standing challenge. There is progress on routine monitoring of rural water supply, with the development of a monitoring system recently initiated, and household sanitation, with the inclusion of new, more detailed, survey questions on the standard of household latrines. Significant work is required to improve monitoring of household hygiene practices and of WASH in schools and health facilities.

The Total Sanitation and Sanitation Marketing approaches combined with intensive Impact Evaluation have a strong potential to improve the sanitation output and outcome, as shown in a pilot program supported by WSP, with adaptations to strengthen the latrine options available to the communities. These experiences assisted in shaping Phase II of the Program, in a bid to increase sanitation awareness and coverage in rural Tanzania.

2.7.7 Weak Institutional Capacity

During Phase I it was noted that capacity at LGAs is still limited due to limited skills, limited experience and lack of staff for some key positions. During Phase II, capacity building, which commenced during Phase I, will continue. This will be augmented with provision of TAs and Service Providers / Consultants.

2.8. *Key performance indicators*

The key performance indicators will measure the following outcomes: (a) access to improved water supply; and (b) access to improved sanitation facilities; and the following outputs: (c) number of additional water points; (d) functionality of the water points; (d) number of water and sanitation facilities implemented and managed by communities; (e) number of hand-washing facilities for schools implemented; and (f) ratio of women in committees in decision making position (see Annex C1).

The data for the indicators will be collected through the Program Management MIS and the use of the Water Point Mapping system to be operational in 60 districts by end 2010 and in all 132 districts by June 2011. The household sanitation monitoring will make use of village registers by communities.

III – PROGRAM FEASIBILITY

3.1. Economic and financial performance

EIRR NPV (base case)	(17%)
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NB: detailed calculations are available in Annex B7

The main assumptions for this analysis are: i) A discount rate of 10% p.a. ii) Operation and maintenance costs are estimated at 3% of the investment costs as most technologies used do not use electricity but rely on manual operations and gravity as well as wind; iii) Revenue water is estimated at 70%. This level of collection was evident in the Monduli Rural Water Project in Tanzania. The program is considered to be economically viable as the EIRR exceeds the discount rate.

3.2. Environmental and Social impacts

Environment

RWSSP II is classified as environmental category 2, as was Phase I, in accordance with the Bank's Environmental and Social Assessment Procedures.

An Environmental and Social Management Plan (ESMP) has been prepared. The ESMP will be the responsibility of MOWI and the LGAs. MOWI has designated an officer to oversee implementation of ESMP. The works contracts will include actions to mitigate negative environmental effects such as destruction of some vegetation during construction work.

Climate Change

The program will enhance measures to maximise the use of groundwater and rainwater for climate adaptation and development, to deal with the increased extremes, highs and lows, which are expected as result of climate change. This means harvesting rainwater and run-off, retain and re-circulate water. Furthermore the program will stimulate the use of renewable energy for water pumping. The program components will raise awareness to reduce losses in water, conserve and manage water resources. These efforts will generate additional climate change benefits.

Gender

The objective of the NRWSSP is to improve the wellbeing of communities, especially women and children. Lack of access to safe water and of appropriate secure sanitation facilities has a direct impact on their lives. Fetching water and caring for sick people have traditionally been tasks of women, often also children, specifically girls. Lack of sanitation facilities reduces school attendance especially of girls during their menses. The workload of women will be reduced and the productivity among women will increase by reducing the distance for fetching water. Access to improved sanitation will increase the proportion of population practicing good hygiene and is expected to contribute to educational attainments and reduce girls drop-out.

The Program implements water and sanitation schemes which are owned and managed by the community. Capacity building in financial management and basic literacy to increase the effectiveness of the water user associations is an on-going activity. In addition, the gender sensitization of community

members is expected to increase female participation in water management and advance participation of women and men in water and sanitation affairs.

Phase II builds on the gender guidelines and gender strategies that developed in Phase I. It will support the MOWI to develop a gender disaggregated database to monitor the impact on women, men, and different social strata. Furthermore gender audits for the water and sanitation sector will inform the decision makers on progress made so far, areas in need to be strengthened, and help to identify gaps and the way forward. (Annex B8)

Social

Inaccessibility to potable water and poor latrine coverage are considered as poverty indicators because they are reducing human productivity and increase health costs. WHO reported in 2009 that Tanzania loses the equivalent of 1 million life years in productivity every year due to water, sanitation and hygiene related diseases. Diarrheal related illnesses are the leading causes for treatment in health facilities. Infant mortality attributed to diarrheal diseases is 30,000 cases per year. Most of the rural population depends on public water points and unprotected shallow wells. Lack of adequate knowledge about preventive measures and poor hygiene and sanitation increases mortality and reduces household income. Hence, the Program aims to increase access to safe drinking water, this way the Program is expected to contribute to a reduction of the child mortality. This will help to reduce the health costs encountered by households.

To ensure sustainability requires regular setting and collection of tariffs to cover the costs of operation and maintenance. Rural communities, however, depend on day to day income, whereby affordability becomes an issue. The Program aims at mitigating this through involvement and consultation of communities to make informed decisions on affordable technical and managerial solutions. (See Annex B8)

Involuntary resettlement

There is no involuntary resettlement foreseen.

IV – IMPLEMENTATION

4.1. Implementation arrangements

The program will be implemented using existing organizational structures of the MOWI, MOHSW and PMO-RALG. The United Republic of Tanzania is the borrower of the ADF loan and recipient of the RWSSI Trust Fund grant while MOWI and MOHSW will be the Executing Agencies (EA). The LGAs, as the IAs, within the decentralized structures of PMO-RALG, will facilitate communities to play a leading role in the identification, planning and implementation of the water supply and sanitation services delivery. The LGAs are responsible for all water supply and sanitation related activities. Further, the LGAs are responsible for the implementing of the ESMP. DWSTs will help communities prioritize sub-projects and prepare annual district plans and budgets, mobilizing funds from communities as contribution to the construction costs of facilities, ensure recovery of O&M costs, and monitor and report on RWSS facilities. At district level there will be support from Service Providers / Consultants (SP) covering technical aspects as well as facilitation. The purpose of this is to strengthen capacity at LGAs. Further, the Regional Secretariats (RSs) have a supporting as well as a monitoring

role through the Regional Water and Sanitation Teams (RWSTs). All construction works, supply of goods and services will be done by the private sector following public tendering.

Procurement Arrangements

The Bank will participate in the “Water Basket Fund” and procurement arrangements for the Pooled Funding Partners are detailed in Annex B5. Procurement of goods, works and services below the prior review threshold (NCB and lower value procurement packages) shall be in accordance with the procedures set forth in the Public Procurement Act No. 21 of 2004 and its associated regulations (Central Government as well as Local Government), using national standard bidding documents acceptable to the Pooled Funding Partners. This Act and the Procurement Regulations were reviewed by the Fund and found to be generally in line with the Bank Group’s Rules and Procedures for Procurement of Goods and Works, and for the Use of Consultants. For all procurements requiring prior review mainly (i) International Competitive Bidding for goods and works (ii) International / High value consultancy contracts the Pool Fund Partners have agreed that the World Bank procurement guidelines will apply therefore they will review and provide the no objection on behalf of the partners because they have the capacity at the country office level. Post reviews will be carried out by the Fund together with the World Bank and other Development Partners. Value for money Technical Audits will augment this procurement arrangement. The proposed use of World Bank procurement guidelines was agreed in view of the following: (a) The procurement packages for the Rural Water Supply and Sanitation Sub-program (which is the focus of the Bank Group) does not have procurement packages that require ICB. ICB contracts are under the Urban Water Supply and Sanitation sub-component for which the WB is the major contributor; and (b) The WB has the largest contribution under the Water Sector Development Program.

The MOWI will be responsible for procurement and an assessment of the procurement capacity was undertaken during the MTR in April 2010. It was agreed that in order to improve the procurement capacity under the program, the MOWI will hire a TA for procurement. This TA will be used to not only train staff but also to improve MOWI’s contract administration and monitoring process. Contract administration will be enhanced by the installation of an MIS. The need for the MIS is quite critical and has been made a condition for first disbursement under the Program, as agreed by all DPs and MOWI during the MTR. The Procurement TA is expected to be in office by 31 December 2010 at which time the MIS is expected to have been installed.

Disbursement Arrangements

Disbursement of the ADF loan and RWSSI TF grant will be done in annual tranches. Each year, at the Annual Joint Sector Review, the Government and the DPs will review the needs and agree how much the Bank should disburse. This request will be accompanied by an Annual Work Plan and a copy of the approved Joint Sector Review Report. ADF funds will be disbursed into the “Water Basket Account”. Each annual disbursement arrangement will be triggered by the request from the EA following the Joint Annual Sector Review. All conditions to subsequent disbursements must be met before the annual disbursement can be effected.

Disbursement of funds to the LGAs under the Program will follow the LGDG system as operated by the Government and as being used under RWSSP Phase I. Under this system funds will be allocated to qualifying LGAs on the basis of an agreed formula at the beginning of each year. At the end of each quarter a reconciliation statement will be furnished to the DPs showing how much money has been

received from the Government and donors for the Program during the period and how much money has been spent by LGAs and the MOWI and also how much remain unspent.

Financial Management Arrangements

The proposed financing mechanism for the Program, unlike in Phase I, will be the “common water basket” of the National WSDP, making use of the National systems without creating parallel structures for implementation, procurement and financial management. The mechanism for channelling funds directly to the Districts, known as Local Government Development Grant (LGDG) was developed by the Government (PMO-RALG) with the objective of making it the mechanism through which all development funds will be transferred to LGAs. Under the LGDG system funds are distributed to participating LGAs on formula-based criteria and annual assessments of their institutional performance. The use of the LGDG system of PMO-RALG for transfers to the LGAs is working well in the RWSSP Phase I and it is proposed to continue as during Phase I.

The Public Expenditure and Financial Accountability Review (PEFA 2008) reports that most Ministries, Departments and Agencies (MDAs) audit units are understaffed and their effectiveness is limited. The quality of Internal Audits at LGA level has been limited. One of the shortcomings causing this has been that LGA Audits have been stand alone; with no support or oversight from Regional or National Level. However, following audits for the program through NAO, PMO-RALG has now amended the Internal Audit arrangements for LGAs. The work of the Internal Auditor will be reviewed by the Regional Internal Auditor within the Regional Secretariat. The work of the Regional Auditor will in turn be reviewed by the Internal Auditor at national level, within the parent ministry, PMO-RALG. This increased oversight will strengthen the internal audit function at LGAs and help develop capacity. There will be training for Internal Auditors for the LGAs under the program. The Program will further mitigate this risk by ensuring that External Audits are undertaken annually by the NAO and value-for-money Technical Audits are also undertaken by independent Private Sector Audit Firms. The findings and recommendations of these audits will be used to strengthen the LGA Internal Audits. The Program has, since May 2010, hired a TA to work at the MOWI. The TA will help provide checks and balances on the use of funds received from the DPs and will be responsible for generating reconciliation and other periodic reports for the DPs. The TA will also help train Financial Management staff at MOWI and LGAs.

4.2. Monitoring

The Program has developed a Program Management MIS (PM MIS) and a Water Point Mapping (WPM) system. These systems will be put in full operation with actual validated data. These tools will help MOWI and LGAs to carry out effective monitoring and evaluation. The Program Management and DPs will demand the timely results of these systems.

<u>Timeframe</u>	<u>Milestone</u>	<u>Monitoring Process / feedback loop</u>
09/2010	Loan Approval	ADF Board
03/2011	Loan Effectiveness	Launching Mission – Follow-up
07/2011	First Disbursement	ADF – TZFO to monitor closely
09/2011	Joint Annual Sector Review	ADF/DPs/ TZFO/ modification /targets /follow up
06/2012	Mid Term Review	Stakeholders Involved – Follow-up

4.3. Governance

The United Republic of Tanzania consists of mainland Tanzania and Zanzibar. According to the World Bank's Governance indicators for 1997-2007, Tanzania's performance on the six governance dimensions i) Voice and Accountability, ii) Political Stability and Lack of Violence/Terrorism, iii) Government Effectiveness, iv) Regulatory Quality, v) Rule of Law, and vi) Control of Corruption, is above the 30 percentile rank among the countries surveyed.

The Annual Joint Water Sector Review, the Annual Water Sector Status Report, and the Annual Water and Sanitation Equity Report all create a considerable improvement in the transparency of the water sector. The program will have annual external audits carried out by the NAO. The program will also have annual Technical Audits which will be carried out by independent private firms. These audits will be augmented by Joint Supervision missions by all DPs as a way of mitigating possible losses to the program investment.

4.4. Sustainability

Sustainability of rural water supply is a challenge for the sector. A recurrent problem in rural water supply systems is the lack of technical or financial capacity to maintain assets. This leads to deterioration of rural water points to where they no longer provide the intended service. Inadequate maintenance of rural water systems reflects both institutional weaknesses and inappropriate technology choice. Under-maintenance is worsened by inadequate attention to technology choice, low pump density, restrictive maintenance systems, and lack of a supply chain to adequately maintain complex machinery.

The Program will provide managerial, financial and technical training at community and district level. Also, low O&M cost technologies will be promoted to ensure that maintenance and operations costs are kept at a level that the rural communities are able to sustain in the long run.

The unavailability of supply chains is a result of limited population density and income levels of local economies. Several initiatives, including market demand assessments, coordination among links in the chain, and development of supply chain products are under way. A Supply Chain, including regional centres and outlets in all districts, will be established as part of a private sector contract with MOWI. In addition to the Supply Chain there will be extensive and intensive training of communities and community mechanics.

Communities will be trained to ensure that they are able to operate the water schemes. Part of the training to be provided to the WUAs will focus specifically on revenue collection from community members as well as basic book-keeping. This training is considered imperative to ensure that there is community ownership of the schemes and that the communities are able to operate and maintain the assets with minimum support of the Government. Operation and Maintenance costs of the water schemes will be financed by funds collected from members of the communities. This approach has been used in a Bank funded Project in Rural Tanzania (Monduli District Water and Sanitation Project as well as RWSSP Phase 1) and was successful in revenue collection, elementary book-keeping and operation and maintenance.

4.5. Risk management

The following key risks were identified:

- (a) **Weak institutional capacity:** The LGAs have not yet sufficient capacity to implement the Program: The Program has capacity building activities that are strengthening the skills at LGA level. Furthermore, each district will have a Service Provider to assist in technical and non-technical issues. The District Water Engineers are also supported by Regional Engineers on an ongoing basis. Experience in Phase I has shown that there are numerous LGAs improving rapidly. However there are a number of districts which are lagging behind; these districts need special TA support from national and regional levels. To mitigate against this risk Phase II will provide TA to Districts with weak capacity in addition to the ongoing training of LGA staff;
- (b) **Misuse Funds:** The Program is mitigating this risk as follows: i) Technical Audits (Value for Money) will be carried out annually by an independent private firm to ensure that optimal value is obtained from the program; ii) The Financial Audits will be carried out annually by the NAO for the program; iii) The DPs will review performance of the Program annually.
- (c) **Weak Monitoring and Evaluation:** The Program may experience weak monitoring and evaluation if there is insufficient and / or incorrect data from the LGAs. To mitigate against this risk, the Program has developed a PM MIS and Water Point Mapping systems. These tools will help LGAs and MOWI to carry out effective monitoring and evaluation. In view of the urgency and importance attached to this management tool, the full implementation of MIS and MPM has been proposed as part of the conditions of first disbursement.

4.6. Knowledge building

The RWSSI Tanzania is one of the first sector earmarked budget support programs the Bank has been implementing in the water sector. The experience will be documented as lessons learnt for new interventions. The lessons learnt documentation will include comprehensive reporting, quarterly progress reports, audit reports, mid-term review reports and completion reports. Information from various sources will also be routinely gathered, as part of the monitoring and evaluation framework for the program. The experience and lessons learned will be duly documented and the information will be shared among stakeholders through joint technical and sector reviews and other appropriate forums. The Bank through its supervision missions, will share this knowledge and experiences with other development partners.

V – LEGAL INSTRUMENTS AND AUTHORITY

5.1. Legal instrument

An ADF Loan Agreement and a RWSSI TF Grant Protocol of Agreement will be executed between the Fund and the Borrower.

5.2. Conditions associated with Bank's intervention

A. Conditions Precedent to Entry into Force of the Loan Agreement

The Loan Agreement shall enter into force subject to the fulfillment by the Borrower of the provisions of section 12.1 of the General Conditions Applicable to Loan Agreements and Guarantee Agreements of the African Development Fund.

B. Conditions Precedent to Entry into Force of the Grant Protocol of Agreement

The RWSSI TF Protocol of Agreement shall enter into force upon signature.

C. Conditions Precedent to First Disbursement of the Loan and RWSSI Trust Fund Grant

- (i) MOWI must ensure that a Water Point Mapping Information System has been rolled out and is operational in at least 60 LGAs by 31 March 2011;
- (ii) MOWI must ensure that the Program Management Information System is operational (verified data has been collected and input into the system) by not later than 31 March 2011; and
- (iii) MOWI must ensure that Technical Audits for Fiscal Years ending 30 June 2007/8 and 2008/9 as well as 2009/10 have been completed and submitted to the Bank by 31 March 2011.

D. Provide Undertakings to:

- (i) Submit to the Fund within four months of the end of each relevant reporting period (six months), the Semi-annual Monitoring Report for Program activities;
- (ii) Submit to the Fund within three months of the end of the previous quarter, the Mid-Year Budget Performance Report, which shall include the consolidated statement of sources and use of funds earmarked for rural water supply and sanitation activities;
- (iii) MOFEA and PMO-RALG must ensure that all LGAs maintain a special stand-alone WSDP Account into which WSDP funds are deposited and sub-sector earmarked for Rural Water Supply and Sanitation activities. No co-mingling of funds with funds from other sectors shall be allowed. These accounts are to be maintained until the WSDP is completed; and

E. Conditions precedent to further disbursement of the Loan and RWSSI Trust Fund Grant

The release of the second and subsequent disbursements of the Loan shall be conditional upon the Borrower submitting evidence satisfactory to the Fund of:

- (i) Satisfactory achievement of the Program Performance Targets (PPTs) for the preceding year; it being understood that the PPTs may be amended from time to time by the Annual Joint Sector Review;
- (ii) Having complied with the Undertakings under C, for the preceding year; and
- (iii) Having completed and submitted to the Fund, within six (6) months of the end of the Borrower's fiscal year, technical and financial audits for the preceding year.

5.3. Compliance with Bank Policies

- (X) This program complies with all applicable Bank policies.

VI – RECOMMENDATION

Management recommends that the Board of Directors approve the proposed loan of UA 59.00 million and a RWSSI Trust Fund Grant of UA 6 million to the Government of The United Republic of Tanzania for the purposes and subject to the conditions stipulated in this report.



Tanzania - Country Profile

	Tanzania		Africa	Developing countries	
	Year	Value		Most Recent Year	
Social					
Population, mid-year (millions)	2009	43.7	1008	5629	
Population growth (annual) (%)	2009	2.9	2.3	1.3	
GNI per capita (Atlas method, US\$)	2008	440	1,428	2,780	
Urban population (% of total population)	2009	25.9	39.6	44.8	
Life expectancy at birth (years)	2009	56.3	55.7	66.9	
Infant mortality (per 1,000 live births)	2009	61.6	80.0	49.9	
Child malnutrition (% of children under 5)	2005	22.0	130.2	80.8	
Access to an improved water source (% of population)	2006	55.0	64.0	84.0	
Illiteracy (% of population age 15+)	2007	72.3	59.4	19.0	
Gross primary enrolment (% of school-age population)					
Male	2008	111.0	101.6	108.9	
Female	2008	109.3	91.7	104.6	
Human Development Index	2007	0.53	0.514	0.679	
Macroeconomic indicators					
	1990	2000	2007	2008	2009
GDP (US\$ billions)	4.3	10.2	16.8	20.7	20.5
Real GDP Growth Rate (%)	7.0	17.9	6.8	7.5	5.5
Real Per Capita GDP Growth Rate (%)	3.7	15.0	3.8	4.5	2.6
Gross capital formation (% of GDP)	26.1	16.8	29.6	29.8	28.2
Gross national savings (% of GDP)	22.9	10.8	20.2	19.7	17.9
Inflation (%)	33.9	6.0	7.0	10.3	12.1
Growth of Money Supply, M2 (%)	41.9	14.8	20.5	19.8	12.0
Export Growth of Goods, volume (%)	8.6	27.5	-6.6	6.2	4.3
Import Growth of Goods, volume (%)	-4.8	-3.0	19.2	13.3	-0.2

Terms of Trade (%)	-8.3	-3.8	17.8	9.0	0.6
Debt Service (% of Exports of G&S)	19.0	23.0	132.2	1.6	2.2
Current Account (% of GDP)	-5.5	-4.6	-10.6	-12.4	-10.2
Total external debt (% of GDP)	142.3	70.2	39.7	33.0	34.1
Average exchange rate (National Currency Per US \$)	2.587	800.409	1,245.040	1,196.310	1,326.368
Reserves including gold (US\$ millions)	192.8	747.7	1,826.5	1,858.7	2,213.7
Reserves (months of imports of goods & services)	1.5	4.3	3.9	3.1	3.5
STRUCTURE of the ECONOMY					
By sector (% of GDP)					
Agriculture	46.0	31.3	30.4	30.0	29.7
Industry	17.7	17.9	22.9	23.3	23.2
Manufacturing	9.3	8.8	8.6	8.6	8.6
Services	36.4	50.8	46.7	46.7	47.1
By sector (Annual growth rate)					
Agriculture	7.5	-12.6	3.9	4.0	4.6
Industry	12.5	4.5	8.5	9.4	8.7
Manufacturing	6.7	4.8	8.5	8.7	9.9
Services	7.4	5.4	8.1	7.3	8.6

Source: ADB Statistics Department, IMF, World Bank and Regional Member Country. Last updated: May 2010

Appendix II. Table of ADB's portfolio Tanzania

Sector: Agriculture

Name	Type ¹	Rating	Amount (UA) (million)	Date approved
Distr. Agr. Sect. Invest.	G	S	7.00	November 2004
Agr. Sect. Dev. Progr.	L	S	40.00	September 2007
TOTAL APPROVALS			47.00	

¹- L: loan, G: grant

Sector: Transport

Name	Type ¹	Rating	Amount (UA) (million)	Date approved
Roads Reh. /Upgr Project	L	U	38.65	September 2001
Zanzibar Rds Upgr. Proj.	L/G	U	16.93	June 2004
TOTAL APPROVALS			55.58	

¹- L: loan, G: grant

Sector: Water Supply/Sanitation

Name	Type ¹	Rating	Amount (UA) (million)	Date approved
Dar es Salaam WSS Pr.	L/G	U	38.12	December 2001
RWSS Program I	L/G	S	55.00	September 2006
Zanzibar WS Project	L/G	S	25.00	November 2008
TOTAL APPROVALS			118.12	

¹- L: loan, G: grant

Sector: Social

Name	Type ¹	Rating	Amount (UA) (million)	Date approved
Supp. Str. Act Pl Voc Edu	L/G	S	15.82	July 2003
Supp Mater Mor Red.	L	S	40.00	October 2006
Sec Ed Dev Plan	L		20.00	September 2007
TOTAL APPROVALS			75.82	

¹- L: loan, G: grant

Appendix III. Key related projects financed by the Bank and other development partners in the country

Country/Agency	Sector	Project
AFD	Small Towns WSS	Small Towns WSS Project
ADB	Urban WSS	Dar es Salaam WSS Project
	Budget Support	WSDP/RWSS Program
	Urban/Rural WSS	Zanzibar Water Supply and Sanitation Project
BADEA	Urban WSS	UWSA and Study
DFID	General WSS	Core Support to Water Aid
EU	Small Towns WSS	Water Supply Programme Regional Centres
GTZ	Policy WSS	Development Ass. Policy & planning
IDA	Urban WSS	Dar es Salaam WSS Project
	Budget Support	Water Sector Development Program
Japan	Rural WSS	Study WS improvement Coastal Region
	Rural WSS	RWS in Lindi & Mtwara
	Rural	Study RWS Mwanza & Mwaru
	Rural WSS	Expert in groundwater dev RWS
	Urban WS Project	Zanzibar WS Development Project
KfW	Urban WSS	Urban Investment Program
	Urban WSS	UWSS Regional Centers
	Sanitation	Sanitation & Solid Waste Zanzibar
	RWSS	RWS East Kilimanjaro
	RWSS	Rural WS Moshi Rural District
MCC	Urban WSS	Dar es Salaam WSS Project
NORAD	Urban WSS	Dar es Salaam future source; DDA
Switzerland	Urban WSS	PPP Programme Dodoma & Tabora

Appendix IV - Map of the Program Areas
MAP OF THE UNITED REPUBLIC OF TANZANIA



Netmaps, SA. 2004
<http://www.netmaps.es>

This map was provided by the African Development Bank exclusively for the use of the readers of the report to which it is attached. The names used and the borders shown do not imply on the part of the Bank and its members any judgment concerning the legal status of a territory nor any approval or acceptance of these borders.