

**EMPOWERING
DEVELOPMENT**

ANNUAL REPORT

**Construction And Enhancement of Inland Container Depots (ICD)
in ILALA, SHINYANGA AND MWANZA**

TAN 04 014 11

DECEMBER 2007

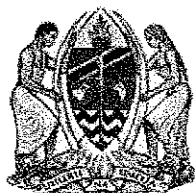


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1. Project sheet

Construction and Enhancement of Inland Container Depots (ICD) in Ilala, Shinyanga and Mwanza

BASIC INFORMATION ON THE PROJECT

Navision code	TAN 04 014 11
National Number DGDC	NN 3000524/11
Country	Tanzania
DAC sector / sub sector	21030
National institution in charge of the execution	MoID/RAHCO
Agencies in charge of the execution	BTC
Number of BTC international cooperation experts	None
Duration of the project (according to SA)	48 months
Start date of the project:	
According to SA	08 December 2005
According to CMO	20 July 2007
End date of the project	
According to SA	07 December 2009
Estimated	07 December 2009
Project management method	Co-Management
Project budget	
Belgian budget	2 025 585 EUR
Tanzanien budget	565 000 EUR
Total project budget	2 590 585 EUR
Period covered by the report	Year 2007

2. Brief factual overview

The Government of Belgium has already been working for a long time in partnership with the Government of Tanzania in transport infrastructure development programs.

From 1998 to 2005 the Government of Belgium provided technical assistance to Tanzania Railways Corporation (TRC) and financed the replacement of 280 turnouts on the central corridor of the Tanzanian Railways i.e. Dar es Salaam to Mwanza (Lake Victoria) and Kigoma (Lake Tanganyika). This technical assistance and the turnout support improved TRC performance and contributed to an essential growth of TRC freight tonnage.

THE “ICD” PROJECT

The success of previous Belgium funded projects with TRC and in particular the recent turnout project led the Belgium government to support the Inland Container Depots (ICD) project. Initially, this project was not part of the Indicative Development Cooperation Program (IDCP) 2003-2007. But, during the Annual Consultation on Development Cooperation in November 2004, GOT requested additional funding for the ICD's in Ilala, Mwanza and Shinyanga. After some adjustments in the IDCP, Belgium and Tanzania approved this request. This project will be supplementing the ongoing inputs being contributed by IDA funded projects on rehabilitation.

Rail transportation services and the proposed intervention (construction and enhancement of ICDs) are coherent with other ongoing initiatives of the Tanzanian national development strategies for fighting poverty and contribute to the development of the landlocked neighboring countries of Burundi, Rwanda, Uganda and DRC. The general objective of the project is to “Enhance TRC’s capacity to transport containerized domestic and transit freight”, and specifically the project aims at reducing the turnaround of container wagons from the current 13.9 to 9 days between loadings. This project is executed to ensure that it provides synergy with other projects with the same purposes in the region, like;

- **Central Corridor Transit Transport Project:** This project aims to increase the regional trade flows among the partner states (Tanzania, Rwanda, Uganda, DRC and Burundi) using the central corridor based on a real and strong partnership between the public and private sectors. The key objective of the project is to reduce delivery time of cargo between the maritime Tanzanian ports and respective member countries. It views to reduce the cost of transport and make economies in member states more competitive in international markets.
- **East African Trade and Transport Facilitation Project:** It was identified that the transport cost in the region constitutes a large percentage of the value of exports and imports which made the region less competitive on the international scene. This project is supported by the World Bank to reduce the transport cost.

3. Overview of activity planning

3.1 Activity overview

Result Area	Activity	Status	Remarks
<p>Result 1 The Ilala ICD has been enhanced</p>	<p>1.1. Provision of additional container handling equipments</p> <p>1.2. Improvement of the ICD hardstand</p>	<ul style="list-style-type: none"> • Tender document for Reachstackers prepared (December) • Submitted for approval for tender procedures (December) • Nothing has been done so far 	
<p>Result 2 The Mwanza ICD has been put into operation</p>	<p>2.1. Detailed engineering study</p>	<ul style="list-style-type: none"> • Terms of Reference (ToR) finalized (August) • Tender published in National newspaper in August • 2nd time tender published on National newspaper in October • MoF authorized contract negotiation (December) 	<p>Only non-eligible bids were opened during first national tender procedure.</p>

<p>Result 2 The Mwanza ICD has been put into operation</p>	<p>2.2. Infrastructure works</p> <p>2.3. Provision of container handling equipments</p>	<ul style="list-style-type: none"> • BTC was informed about the Mwanza ICD site been changed from Mwanza South to Mwanza North • Tender document for the provision of Reachstackers was prepared (December) • And submitted for approval of the tender procedures (December) 	
<p>Result 3 The Shinyanga ICD has been put into operation</p>	<p>3.1. Detailed engineering study</p> <p>3.2. Infrastructure works</p> <p>3.3. Provision of container handling equipments</p>	<ul style="list-style-type: none"> • Terms of Reference (ToR) finalized (August) • Tender published on National newspaper in August • 2nd time tender published on National newspaper in October • MoF authorized contract negotiation (December) • Awaiting engineering studies • Tender document for the provision of Reachstackers was prepared (December) • And submitted for approval of the tender procedures (December) 	<p>Only non-eligible bids were opened during first national tender procedure.</p>

3.2 Analysis of activity planning

The Technical and Financial File (TFF) of the project has been approved during JPLC meeting of 24 May 2006

In order to take into account some modifications in the Belgian administration (new management contract of BTC) an Exchange of Letters (EoL) has been signed between the two countries on the 1st June 2007 and 17th July 2007 to amend the TFF

Subsequently BTC has been authorized by the Director General of Development Cooperation (DGDC) of Belgium to start with the implementation activities on 20th July 2007.

On the 17th October 2007 a meeting has been held with the Ministry of Infrastructure Development (MoID), the Reli Asset Holding Company (RAHCO), the Embassy of Belgium and the BTC. The purpose of the meeting was the privatization of TRC causing institutional changes in the project implementation and more particularly the setting up of tender committees in accordance to Article 35 of the Procurement Act and the engineering study for the container depots in Shinyanga and Mwanza.

On the 14th of December the Belgian Embassy introduced the Exchange of Letter to modify a number of Articles in the Specific Agreement signed on the 8th of December 2005 as a result of the privatization of TRC

The tender for the engineering study of the Shinyanga and Mwanza ICD's, advertised in August was opened at the end of September resulting in only one offer costing ten times more than the estimated budget. The study was re-advertised in October without any result. Subsequently a negotiated procedure was proposed and accepted by the Authorizing and Co-authorizing Officers of the project.

RAHCO in collaboration with MoID and BTC revised the Terms of Reference (ToR) for the purchase of Reachstackers and prepared the tender document for the approval of the Authorizing and Co-authorizing Officers of the project

4. Financial overview

4.1 Overview of expenditure versus financial planning

The financial planning for Q3 & Q4 2007 expected to get the down payment of a large order for the Reachstackers. Due to the delay caused by the privatization of TRC, it was not possible to have any expenditure in 2007.

In 2007, the expenditure was only 63,90 EUR for the tendering process

4.2 Analysis of financial planning

See 4.1 above.

5. Monitoring of the indicators

5.1 Specific objective

In order to achieve the specific objective of the project to reduce the turnaround of container wagons, the necessary steps have been taken, to start up the engineering study for the Shinyanga and Mwanza ICD's and the launching of the tender procedure for the purchase of the Reachstackers

5.2 Results

Tendering procedures for the engineering study have been adapted and will be finalized through negotiation with selected candidates.

Tendering procedures have been set up for the purchase of the reachstackers

5.3 Indicator evolution

Except what has been given under 5.2, it is too early to analyze the evolution of indicators

6. Assessment of Monitoring Criteria

6.1 Efficiency

As the project is just starting up it will be difficult to make an assessment at this stage.

6.2 Effectiveness

As the project is just starting up it will be difficult to make an assessment at this stage

6.3 Sustainability

As the project is just starting up it will be difficult to make an assessment at this stage.

7. Measures and recommendations

7.1 Overview of the assessment criteria

The procedures to attribute the consultancy for the study have taken considerable time

The process of privatization of TRC only took place in October 2007 and administrative action has been taken in order to amend the Specific Agreement

The tender procedures for the purchase of reachstackers have been launched

7.2 Recommendations

The engineering study for the ICD's has to be finalized and the constructions have to be started as soon as possible (before the arrival of the reachstackers)

The tender procedures for the reachstackers have to be accelerated. It will take more than 6 months between the contract awarding and the delivery of the goods in Dar es Salaam

The issue of change of site for the Mwanza inland container depot has to be formalized and subsequently the implications have to be analyzed (additional works, costs, etc.)




The MoID and RAHCO need to secure the budget necessary for the infrastructure works for the depots in Shinyanga and Mwanza

The repairs needed for the surface area (hard stand) of the Ilala port to be undertaken as soon as possible before the arrival of the reachstackers

8. Activity planning and budgeting for year 2008/09

8.1. Implementation Planning

Construction and Enhancement of Inland Container Depots (ICD) in Ilala, Shinyanga and Mwanza												
BTC Navision Code : TAN 04 014 11												
Activities	2008				2009				Planning (Quarters)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
PART A:												
<i>Result 1: The Ilala ICD has been enhanced</i>												
A_01_01												
A_01_02												
<i>Result 2 : The Mwanza ICD has been put into operation</i>												
A_02_01												
A_02_02												
A_02_03												
<i>Result 3 : The Shinyanga ICD has been put into operation</i>												
A_03_01												
A_03_02												
A_03_03												
PART Z : Global Means												
Z_01_01												
Z_01_02												
Z_01_03												
Z_01_04												

	Study Fund budget
	Belgian budget
	Tanzanian budget

8.2 Financial planning year N+1

Construction and Enhancement of Inland Container Depots (ICD) in Ifaha, Shinyanga and Mwanza BTC Navigation Code : TAN 04 014 11 Budget Name :		Partner : Country : N.I. DGCI : Currency :		Tanzania NN 3000524/11 EUR		Project start date : 2007 Estimated project duration : 24	
HIV % Social Economy 30% Gender %		Development Themes % Environment 10% Others 60%		Detailed Belgian Contribution (2008)			
Budget Code	Budget items	Mode	1	2	3	4	
PART A :							
<i>Result 1 : The Ifaha ICD has been enhanced</i>							
A_01_01	Provision of additional container handling equipments	co-managed		100.000,00	250.000,00		
A_01_02	Improvement of the ICD hardstand			100.000,00	250.000,00		
Total Result 1							
<i>Result 2 : The Mwanza ICD has been put into operation</i>							
A_02_01	Detailed engineering study	study fund	18.800,00				
A_02_02	Infrastructure Works			200.000,00	20.000,00	16.500,00	
A_02_03	Provision of container handling equipments	co-managed		200.000,00	400.000,00		
Total Result 2				200.000,00	20.000,00	16.500,00	
<i>Result 3 : The Shinyanga ICD has been put into operation</i>							
A_03_01	Detailed engineering study	study fund	21.200,00				
A_03_02	Infrastructure Works			30.000,00	30.000,00	67.350,00	
A_03_03	Provision of container handling equipments	co-managed		200.000,00	400.000,00		
Total Result 3				200.000,00	30.000,00	67.350,00	
Total Part A			0,00	500.000,00	300.000,00	883.850,00	
PART Z : Global Means							
Z_01_01	BTC supervision missions	BTC managed			8.000,00		
Z_01_02	Consultancy missions	BTC managed		10.000,00		10.000,00	
Z_01_03	Final evaluation mission	BTC managed					
Z_01_04	Contingencies	BTC managed					
Total Part Z							
TOTAL PART A + PART Z				510.000,00	308.000,00	893.850,00	
BTC Managed				10.000,00	8.000,00	10.000,00	
Co-Managed			0,00	500.000,00	300.000,00	883.850,00	

9. Conclusions

9.1 Activities and Finance

All major activities, including engineering studies, infrastructure works and provision of reachstackers and other equipment, will start early 2008

More than 80% of the overall project budget of 2.590 585 EUR will be disbursed in 2008

9.2 Monitoring criteria

A supervising team will be appointed by the Ministry of Infrastructure Development for the follow-up of the infrastructure works

BTC experts will follow-up the construction of the reachstackers in Europe

The second JLPC will take place in August 2008

9.3 Advice of the JLCB on the recommendations

Please see the attached minutes of the JLPC meeting held on the 25th of February 2008

10. Annexes

10.1 Overview public contracts

Public contracts for the engineering study and the provision of reachstackers will be signed early 2008

Project: Construction and enhancement of Inland Container Depots in Ilala, Shinyanga and Mwanza
 Country: Tanzania
 Revision code: TAN0401411
 GEO advisor: Olivier Chanoine
 Year: 2007
 Meeting JLCB: 26/02/2008

To be filled out by the RR

1 The activity planning is up to date and a new activity planning has been made	Yes x	No		
2 The financial planning is up to date and a new financial planning has been made	Yes x	No		
3 The baseline is up to date regarding the indicators	Yes	No		
4 The minutes of the meeting of the JLCB mention the discussion of the annual report	Yes x	No		
5 The annual report has been transmitted to the attaché	Yes Not yet	No		
6 The annual report has been transmitted to the partner country	Yes Not yet	No		
7 The measurement of the indicators for the specific objective was	Problematic	Insufficient	Sufficient	Good
8 The measurement of the indicators for the results was	Problematic	Insufficient	Sufficient	Good
9 The annual report was delivered on time (deadline before 15 february) to BTC-HQs	> 15/03	01/03-15/03	15/02-01/03 x	< 15/02
10 Efficiency has been coded	No	Yes		
11 The proposed measures for more efficiency are	NA x	Not clear	Clear	
12 Effectiveness has been coded	No	Yes		
13 The proposed measures for more effectiveness are	NA x	Not clear	Clear	
14 Sustainability has been coded	No	Yes		
15 The proposed measures for more sustainability are	NA x	Not clear	Clear	
16 The recommendations have been formulated	No	Yes x		
17 The proposed recommendations are	NA	Not clear	Clear x	
18 It is clear who will execute the recommendations	NA	Not clear	Clear x	
19 It is clear who will follow-up the recommendations	NA	Not clear	Clear x	
20 The annual report is elaborated with the partner	NA	No	Yes x	

Give your additional comments, regarding the 'problematic' and 'insufficient' cases:

The project activities were starting by the end of 2007. This report is to show