

**Implementation Status & Results**  
**Tanzania**  
**Sustainable Management of Mineral Resources (P096302)**

Operation Name: Sustainable Management of Mineral Resources (P096302)	Project Stage: Implementation	Seq.No: 7	Status: ARCHIVED	Archive Date: 26-Feb-2013
Country: Tanzania	Approval FY: 2009			
Product Line: IBRD/IDA	Region: AFRICA	Lending Instrument: Technical Assistance Loan		
Implementing Agency(ies):				

**Key Dates**

Board Approval Date	09-Jun-2009	Original Closing Date	30-Jun-2014	Planned Mid Term Review Date	15-Oct-2012	Last Archived ISR Date	24-Jul-2012
Effectiveness Date	22-Sep-2009	Revised Closing Date	30-Jun-2014	Actual Mid Term Review Date	12-Nov-2012		

**Project Development Objectives**

Project Development Objective (from Project Appraisal Document)

**To strengthen the Governments capacity to manage the mineral sector to improve the socioeconomic impacts of large and small-scale mining for Tanzania and Tanzanians and enhance private local and foreign investment.**

Has the Project Development Objective been changed since Board Approval of the Project?

Yes     No

**Component(s)**

Component Name	Component Cost
A. Improving the Benefits of the Mineral Sector for Tanzania: Artisanal and Small-scale Mining, Local Economic Development, and Ski	15.90
B. Strengthening Governance and Transparency in Mining	8.70
C. Stimulating Mineral Sector Investment	25.00
D. Project Coordination and Management	2.50

**Overall Ratings**

	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Moderately Unsatisfactory	Moderately Unsatisfactory
Overall Risk Rating		Substantial

**Implementation Status Overview**

The project is well behind schedule but is achieving some positive results. Policy changes, improved capacity, increased gold prices and investors interest have resulted in significant increases in license rents (up by 164% to TSh7 billion) and royalties (up 129% to TSh 77 billion) from 2009 - 2011. Processing of mineral licenses has significantly improved with the backlog being reduced by 60% and processing of prospecting licenses at an average of 9 months and primary mining licenses at 2 months compared to 18 months for prospecting

licenses and primary mining licenses at 23 months in April. The number of mine audits has increased by 325%. Digitization of geological maps is ahead of schedule with 58% of maps now digitized and Tanzania's Frasier Institute mineral potential ranking increased from 35th of 72 in 2010 to 25th of 93 in 2012. The airborne geological survey is progressing well with 37% of line kilometers flown for magnetic and radiometric, 57% for gravity and 24% for electromagnetic. The survey has already identified previously unknown geological structures including potential new gold and Tanzanite mineralization.

Tanzania achieved EITI compliance in December 2012. The third EITI reconciliation report, which will cover company and government revenues from July 1, 2010 to June 30, 2011 and is expected in March/April 2013. The second EITI Report disclosed payments from 24 oil, gas and mining companies to government for the period from July 1st, 2009 to June 30th, 2010 and reported government received US\$305,358,000, up from US\$ 99,457,000 collected from eleven extractive companies from July 1, 2008 to June 30, 2009. The second report also showed a net discrepancy of US\$3,643,898 (1%) between company payments and government revenues. Following a further reconciliation, documented in an addendum report, the discrepancy now stands at US\$524, 721 (0.17%).

**Locations**

Country	First Administrative Division	Location	Planned	Actual
Tanzania	Mara Region	Tarime District		
Tanzania	Not Entered	United Republic of Tanzania		
Tanzania	Tanga Region	Tanga Region		
Tanzania	Kilimanjaro Region	Same District		
Tanzania	Kilimanjaro Region	Rombo District		
Tanzania	Rukwa Region	Mpanda District		
Tanzania	Not Entered	Morogoro Urban		
Tanzania	Mbeya Region	Mbozi District		
Tanzania	Mbeya Region	Mbeya Region		
Tanzania	Singida Region	Manyoni District		
Tanzania	Lindi Region	Mandawa		
Tanzania	Iringa Region	Makete District		
Tanzania	Kilimanjaro Region	Kilimanjaro Region		
Tanzania	Kigoma Region	Kasulu District		
Tanzania	Shinyanga Region	Kahama District		
Tanzania	Kagera Region	Kabanga		
Tanzania	Singida Region	Itigi		
Tanzania	Mwanza Region	Geita District		

Country	First Administrative Division	Location	Planned	Actual
Tanzania	Mbeya Region	Chunya District		
Tanzania	Shinyanga Region	Bukombe		
Tanzania	Kagera Region	Bukoba District		
Tanzania	Kagera Region	Biharamulo District		
Tanzania	Arusha Region	Arusha		
Tanzania	Kagera Region	Kagera		
Tanzania	Mtwara Region	Mtwara Region		
Tanzania	Ruvuma Region	Mbinga District		

**Results**

**Project Development Objective Indicators**

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Percentage increase of household income levels in selected ASM communities	<input type="checkbox"/>	Percentage	Value	0.00	97.00	10.00
			Date		31-May-2012	30-Jun-2014
			Comments	2009-baseline US\$4/day	97% as identified by the ASM study. Main factor at this point is the increase in the price of gold and cannot be attributed to theSMMRP. However attribution can be tested in future through production data to show improved production and efficiency, and also through SMMRP activities on market access and pricing.	
Percent of citizens in participating communities who consider that their views have been taken into account in the local economic development strategic planning process (perception survey)	<input type="checkbox"/>	Percentage	Value	12.00		
			Date	31-Dec-2010		
			Comments	Based on field survey under the Benefits Study	Will be retested at project close.	
Time to process mineral rights (exploration licenses).	<input type="checkbox"/>	Months	Value	18.00	4.00	2.00
			Date	09-Jun-2009	31-Oct-2012	30-Jun-2014
			Comments	15 Months was a rough	4 months for PLs; 2 months for PMLs; SMMRP has	

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				estimate at appraisal and was underestimated.	supported reduction in backlog and improvements to the mining cadastre system.	
Annual publication of mining sector revenue	<input type="checkbox"/>	Yes/No	Value	No	Yes	Yes
			Date	30-Jun-2009	31-Oct-2012	
			Comments		Second EITI Report and addendum published. Third report in progress.	
Improvement in Tanzania's ranking as a mining investment destination as evidenced by independent investor survey (Fraser Institute).	<input type="checkbox"/>	Text	Value	48/71 for policy ranking & 22/71 for mineral potential	63/93 for policy ranking & 25/93 for mineral potential for 2011/12	Increase of 2-3 points/palces or more over baseline in one or both indicators.
			Date	30-Jun-2009	31-Oct-2012	30-Jun-2014
			Comments		Over the past year no changes in the policy attractiveness ranking and mineral potential. The geological attractiveness ranking is expected to improve further after geological component results. SMMRP has been supporting promotion of Tanzania's geology an international mining events.	
Percentage increase in mining revenue	<input type="checkbox"/>	Percentage	Value	0.00	140.00	5.00
			Date	30-Jun-2009	31-Oct-2012	30-Jun-2014
			Comments	First EITI Report showed consolidated revenue of \$100million.	Increases in license rents (up by 164% to TSh7 billion) and royalties (up 129% to TSh 77 billion) from 2009 - 2011.	

**Intermediate Results Indicators**

Indicator Name	Core	Unit of Measure		Baseline	Current	End Target
Improved performance in selected ASM communities as evidenced by increased production (quantity and USD).	<input type="checkbox"/>	Text	Value	4.7 tons of gold		TBD
			Date	09-Jun-2009	31-May-2012	30-Jun-2014
			Comments	Baseline. Yearly targets to be developed in tandem with ASM baseline survey (see PDO indicator 1).	As identified by the ASM baseline study.  Annual national production data required.	Targets to be developed in tandem with ASM baseline survey

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Percentage of pending mineral rights applications reduced.	<input type="checkbox"/>	Percentage	Value	0.00	60.00	80.00
			Date	01-Mar-2009	31-Oct-2012	30-Jun-2014
			Comments	Pending/backlog of applications from Oct 2007-March 2009. 10000 applications in total.	Outstanding prospecting license applications have been further reduced to 60% reduction from baseline value.	80% reduction expected from baseline number
Percentage of country covered by geophysical airborne surveys at 1:100,000 scale.	<input type="checkbox"/>	Percentage	Value	3.00	7.50	14.00
			Date	09-Jun-2009	31-Oct-2012	30-Jun-2014
			Comments	3% of the country covered by airborne geophysics	Airborne geological survey is progressing well with 37% of planned line kilometers flown for magnetic and radiometric, 57% for gravity and 24% for electromagnetic	
Project monitoring and evaluation.	<input type="checkbox"/>	Text	Value	Project start		Successful M&E
			Date	09-Jun-2009	31-May-2012	30-Jun-2014
			Comments	Project M&E system, building on results framework, to be developed in Year 1	M&E consultancy price tripled the projected costs. Rebidding is under MEM review.	Regular project reporting will be used to track project results.
Revised mineral law and regulations disseminated	<input type="checkbox"/>	Text	Value	Revisions ongoing		Revisions and dissemination completed.
			Date	09-Jun-2009	31-May-2012	30-Jun-2014
			Comments		3000 copies of revised mineral policy disseminated. Formulation of legal and regulatory framework on value addition ongoing.	
Number of mines inspections (including environmental) and remedial actions; number of audits.	<input type="checkbox"/>	Text	Value	1,000 per year		Regular and systemized inspections and audits
			Date	09-Jun-2009	31-May-2012	
			Comments		Large, medium and small scale mines were inspected on HSE.	

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**Data on Financial Performance (as of 27-Dec-2012)**

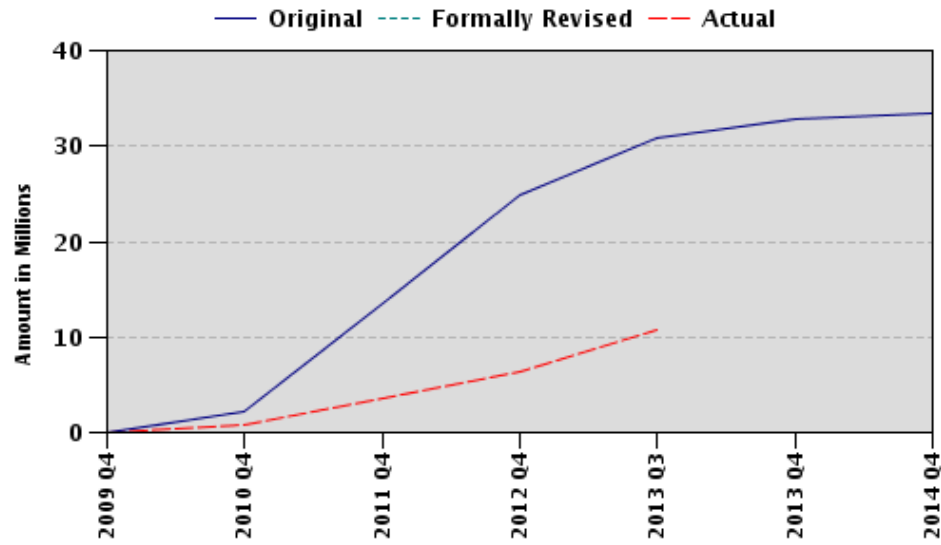
**Financial Agreement(s) Key Dates**

Project	Ln/Cr/Tf	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date
P096302	IDA-45840	Effective	09-Jun-2009	22-Jul-2009	22-Sep-2009	30-Jun-2014	30-Jun-2014

**Disbursements (in Millions)**

Project	Ln/Cr/Tf	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P096302	IDA-45840	Effective	XDR	33.50	33.50	0.00	10.80	22.70	32.00

**Disbursement Graph**



**Key Decisions Regarding Implementation**

The mid term review confirmed that the project development object objectives remain valid.

The Government and two large mining companies (Africa Barrick and Anglogold Ashanti) have agreed to create a multi-stakeholder initiative on artisanal and small scale mining with the Bank providing a facilitating role and providing support through SMMPR.

**Restructuring History**

There has been no restructuring to date.

**Related Projects**

There are no related projects.