I. Country Context

1. Zanzibar is part of the United Republic of Tanzania but has its own legislative assembly known as the House of Representatives, an executive headed by the President of Zanzibar and its own judicial system. Two main islands make up Zanzibar -- Unguja (area: 1,666 square kilometers, 2002 population 620,957 persons) and Pemba (area: 988 square kilometers, 2002 population: 360,797 persons).

2. The Zanzibar Strategy for Growth and Reduction of Poverty (ZSGRP), which is the Revolutionary Government of Zanzibar’s (RGoZ) interim development plan to meet the MDG targets, recognizes the need to develop institutions and methods capable of rapid expansion of services across the islands. One of the identified key challenges is the capability of local government in Zanzibar to contribute effectively to delivery of services.

II. Sectoral and Institutional Context

3. The current system of local government in Zanzibar has inconsistent institutional arrangements characterized by duplication or unclear assignment of responsibilities, very limited authority or resources transferred to elected local governments, lack of local accountability and appropriately trained personnel. A weak overall local government system is reflected in the weak state of the Zanzibar Municipal Council (ZMC) and the three Town Councils on Pemba.
4. In 2002, Zanzibar Municipal Council (ZMC, on Unguja Island) had a population of 205,830 persons with another 113,611 persons living in the adjoining urban area of West District. On Pemba Island, there are three Town Councils, namely, Chake Chake (19,283 persons), Wete (24,983 persons), and Mkoani (12,175 persons). Taken together, the four main urban areas on the two islands are estimated to contribute the bulk of Zanzibar’s GDP making them critical to the economy of the two islands. Tourist arrivals on the island increased by 8 percent between 2005 and 2009 with Zanzibar receiving 135,000 tourists in 2009 making tourism one of the most important economic activities on the islands. Most, if not all, tourists visit or at least stay for a short period within the ZMC and visit the Stone Town area which is a UNESCO declared World Heritage City.

5. Public infrastructure within the globally known World Heritage City of Stone Town is in a dilapidated condition. A major section of the sea side Mizingani Road, which is the historic centre and the public face of the city’s tourist district, is in danger of collapse. Large areas of the ZMC are very dense, unplanned and informally developed and poorly accessed locations. Around 173 hectares in the *Nga’mbo* (outside of the Stone Town) areas within the council suffer from severe and persistent flooding affecting around 3,600 houses annually. Less than 25 percent of the solid waste generated within the ZMC area is collected and transported to a dump site. There is a lack of street lights. While dark streets in the narrow lanes of Stone Town hinder tourist activity, dark areas along poorly maintained or unpaved and flooded roads in the *Nga’mbo* areas pose severe risks to the population.

6. Since 1994, the KfW has assisted the ZMC in implementing two phases of the Zanzibar Sanitation and Drainage Program (ZSDP) which has led to the development of a network of surface and underground drainage in all areas of the Stone Town and its immediate periphery. The Aga Khan Trust for Culture (AKTC) is actively involved in helping the Stone Town Conservation and Development Authority (STCDA) and the ZMC in the physical redevelopment of Forodhani Park.

III. Project Development Objective

7. ZUSPs PDO is to improve access to urban services in Zanzibar and conserve the physical cultural heritage at one public location within Stone Town.

IV. Project Description

8. The project will have three components with an estimated cost of US$38.0 million, which will be financed 100 percent by IDA. The project components are described below.

9. **Component 1: Institutional Strengthening and Infrastructure Development in the Zanzibar Municipal Council (ZMC) Area (US$31.2 million):** This component will focus on the Zanzibar Municipal Council on Unguja Island and will comprise of six subcomponents:

   (i) **Institutional Strengthening of the Zanzibar Municipal Council (US$4.3 million).** This subcomponent will support the strengthening of the management and operational capacity of the ZMC through: (a) preparation and implementation of a strategic institutional
change management strategy; (b) creating a supportive operating framework for municipal service delivery; (c) managing environmental and social impacts; (d) enhancing own source revenues and effective financial management; (e) improvement of ZMC’s interface with citizens; (f) encouraging partnerships with the private sector; (g) repair and rehabilitation of the office building and workshop; and (h) procurement of office and other municipal equipment.

(ii) Preparation of a Diagrammatic Indicative Structure Plan\(^1\) for the ZMC and its immediate periphery (US$2.2 million). This subcomponent will support Ministry of Water, Construction, Energy and Lands’ (MWCEL) Department of Survey and Urban Planning (DoSUP) in: (a) preparation of a diagrammatic indicative structure plan for the ZMC and its immediate periphery to inform future growth decisions; (b) establishing effective information flows and coordination with the Department of Lands Registration (DoLR), the ZMC and other related agencies; (c) creating an effective physical development monitoring and management system; and (d) procurement of office equipment.

(iii) Construction of storm water drainage channels in the areas outside of the Stone Town (US$10.8 million). This subcomponent will enable the construction of 19.631 kilometers of surface water drains and related works within and in the immediate periphery of the ZMC in areas outside of the Stone Town. Six separate surface water drainage systems will be constructed with a total catchment area of around 1,698 hectares completely eliminating persistent stagnant water ponds of over 170 hectares which affect more than 20,000 persons living in around 3,645 houses.

(iv) Design and installation of street lighting in the Zanzibar Municipal Council area (US$2.6 million). This subcomponent will enable the ZMC to install street lights along major road corridors and junctions outside of the Stone Town area. The Stone Town Development and Conservation Authority and the ZMC will also be facilitated to identify and install street lighting fixtures on a section of one pedestrian street and one small public square within Stone Town. Based on citizen feedback and acceptability of the fixtures within the context of the World Heritage City, the project may also scale up street light provision along additional streets and public squares within Stone Town.

(v) Solid waste collection and transportation within the Zanzibar Municipal Council (US$2.8 million). This subcomponent will enable the ZMC to substantially improve collection and transportation of solid waste through: (a) rehabilitation of existing and construction of new concrete slabs with the placement of new skips; (b) procurement of new collection and waste transportation equipment; (c) increase the number of door-to-door as well as bulk collection points; (d) implementation of an operations and maintenance strategy for equipment and; (e) better enforcement of regulations and by-laws related to municipal solid waste.

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\(^1\) A Diagrammatic Indicative Structure Plan (DISP) is not a statutory physical development plan. No plot level decisions are to be included. As the name suggests, the DISP will be developed such that it can provide long term directions to decision makers working in different sectors such as roads, water supply, sewerage.
Construction of the Mizingani sea wall and associated promenade within Stone Town (US$8.5 Million): This subcomponent will enable the conservation of a public seafront and the historic buildings along Mizingani Road while preserving and enhancing the traditional seafront setting and its historic and architectural context within Stone Town which is listed by UNESCO as a World Heritage City. Specifically, the subcomponent will enable: (a) construction of approximately 340 meters of seawall, extended out of its existing boundaries, including appropriate backfill and foundation work; (b) refurbishment of underground infrastructure including water, sewer, storm sewer and electrical and telecommunication lines located below the roadbed of Mizingani Road; (c) resurfacing of the road and introduction of traffic calming measures; and (d) creation of a pedestrian promenade, including planting, street lighting and street furniture along the sea side. All construction will be done in continuity with the work realised earlier in the adjacent Forodhani Park and all construction and landscaping details used in the park are to be extended to the Mizingani seafront subcomponent for aesthetic and structural reasons.\(^2\)

15. **Component 2: Support to Town Councils on Pemba Island (US$3.8 million):** This component will assist the three Town Councils of Chakechake, Mkoani and Wete on Pemba Island to:

   (i) **Develop institutional capacity (US$1.4 million).** This subcomponent will assist the three Town Councils by: (a) technical assistance and “hands-on learning-while-doing” to conduct council meetings, prepare and approve minutes, identifying, discussing and approving council projects, and in the preparation of council budgets for approval by the relevant Ministry; (b) retooling of offices (e.g. computer equipment, office furniture etc.); and (c) transport (e.g. vehicles or motorbikes). Due to the current nature of institutional structures on Pemba, the project will also extend limited capacity development support to the district level office on Pemba.

   (ii) **Identify and implement simple and small investments (US$2.4 million).** The town councils will be assisted in prioritizing simple manageable works or procuring equipment that can be easily operated and maintained. Selection of such simple works/equipment will be guided by: (a) capability of being fully implemented within a maximum of three years; (b) demand driven, reflecting the priorities of residents; (c) being able to have measurable impact based on agreed indicators; and (d) socially, environmentally and financially sustainable (in terms of operation and maintenance requirements). Given the capacity levels in the town councils, investments which may trigger the Bank’s safeguards policies will not be considered.

16. **Component 3: Project Management (US$3.0 million):** This component will provide support to the Project Management Team (PMT) located within the Ministry of Finance and Economic Affairs (MoFEA) for project management as well as in monitoring and reporting systems. It will also facilitate other implementing ministries and departments responsible for specific subcomponents to implement and coordinate their respective components.

\(^2\) Forodhani Park was restored with assistance from the Aga Khan Trust for Culture (AKTC).
V. Financing

(US$m.)

Source:
Borrower/Recipient 0
IBRD 0
IDA 38.0
Others (co-funding) 0.0
Total: 38.0

VI. Implementation

17. The Ministry of Finance and Economic Affairs (MoFEA) of the Revolutionary Government of Zanzibar will be sole implementing agency and will be responsible for the overall management of the project. Actual implementation of the project will be coordinated by a Project Management Team (PMT) established by the MoFEA and staffed by officials drawn from the RGoZ.

18. Project Management Team: The Principal Secretary (PS), MoFEA, will be the Accounting Officer for the project, assuming the overall responsibility for accounting for project funds. The Project Management Team established by MoFEA will have overall responsibility for all procurement, financial management and reporting, monitoring and evaluation, coordination of all project activities and the provision of administrative functions of the project.

19. Zanzibar Municipal Council: The director of the ZMC will lead the participation of the Council in activities undertaken within its jurisdiction, namely: (a) institutional strengthening; (b) construction of surface water drainage; (c) provision of street lighting; (d) solid waste management; and (e) implementation of the Abbreviated Resettlement Action Plan (ARAP) and the Environmental and Social Management Plan (ESMP). The director will be assisted by his team of relevant department heads who will provide technical supervision for activities related to their sphere of work.

20. Stone Town Conservation and Development Authority: The Director General (DG) of the STCDA will lead the participation of the authority for the technical, administrative and procedural aspects concerning the Mizingani Sea Wall subcomponent. The DG will be responsible to oversee compliance of the mitigations recommended in the Environmental and Social Impact Assessment (ESIA) and ESMP as well as all project activities concerning the sea wall with all national and international requirements to ensure Stone Town retains its World Heritage City status.
21. Department of Survey and Urban Planning (Ministry of Water, Construction, Energy and Lands): The Director of the DoSUP will lead the participation of the department in receiving the technical assistance for preparing the structure plan for ZMC and its immediate periphery.

22. Ministry of State, Regional Administration and Local Government (MoSRALG): The Principal Secretary of MoSRALG will lead the participation of the Ministry in receiving the TA and small investments in the three Town Councils on Pemba Island.

VII. Safeguard Policies (including public consultation)

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<tr>
<td>Environmental Assessment (OP/BP 4.01)</td>
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