

CENTRAL CORRIDOR DEVELOPMENT ACCELERATION PROCESS

PROJECT CONCEPT NOTE/PROJECT INFORMATION MEMORANDUM

Review of Feasibility Study and Detailed Engineering Design

For

Uvinza-Musongati Railway Project

DECEMBER 2016

1.0 INTRODUCTION

1.1 Background Information

This Study aims to review the feasibility study and conduct Detailed Engineering Design for the construction of the railway line from Uvinza (Tanzania) to Musongati (Burundi). The line is intended to serve mainly exploitation of huge deposits of Nickel that have been discovered at Musongati and the exploration contract has been awarded to M/s Burundi Musongati Mining (BMM). Further to the mining inputs and outputs, the line will link and give Burundi and neighboring DRC access to the port of Dar es Salaam and facilitate their imports and exports.

The existing Railway line from Dar es Salaam to Uvinza(at present is one meter gauge) and the construction of new Railway line Uvinza to Musongati will be a standard gauge, and will create the most efficient transport route to Musongati between the Port of Dar es Salaam and Burundi.

The Railway Project area will be mainly in Kigoma region (Tanzania) about 150 Km and Makamba region (Burundi) about 50 Km with total distance being about 200 kms built preferably to AREMA latest standards (inter-operability) mainly for freight (mining inputs/outputs, agricultural inputs/outputs, and other freights including passenger) and allow for the following maximum speed:

- ✓ 120 km/h for design train speed for passenger and /or
- ✓ 80 km/h for freight trains.

1.2 General objectives

The overall objective of this project is to accommodate the increasing cargo being moved from the Port of Dar es Salaam to Burundi and vice versa. It will promote sustainable mobility along the Central corridor, through the construction of new railway line from Uvinza to Musongati. The construction of the railway line will unlock trade between neighbouring countries of Burundi including their agricultural and mineral rich areas.

1.3 Specific objectives

The specific objectives of this project are to implement and develop the railway infrastructure from Uvinza to Musongati. This will require to review the Feasibility study and detail engineering design in order to prepare for Construction of the proposed new line.

2.0 JUSTIFICATION FOR USE OF PPF FINANCING

The Government National Budget is unable to meet the growing needs of infrastructure development both at preparation and implementation level.

It was planned to conduct a Detailed Engineering Design after the above Study through our respective Government financing in the Financial Year 2016/17 but the budget constraints encountered did not allow the work to be carried out as expected.

3.0 ECONOMIC JUSTIFICATIONS AND RATIONALE FOR THE TARGETED PROJECT/STUDY PROGRAM

The project will help to promote sustainable mobility along the Dar es Salaam-Uvinza-Musongati Corridor.

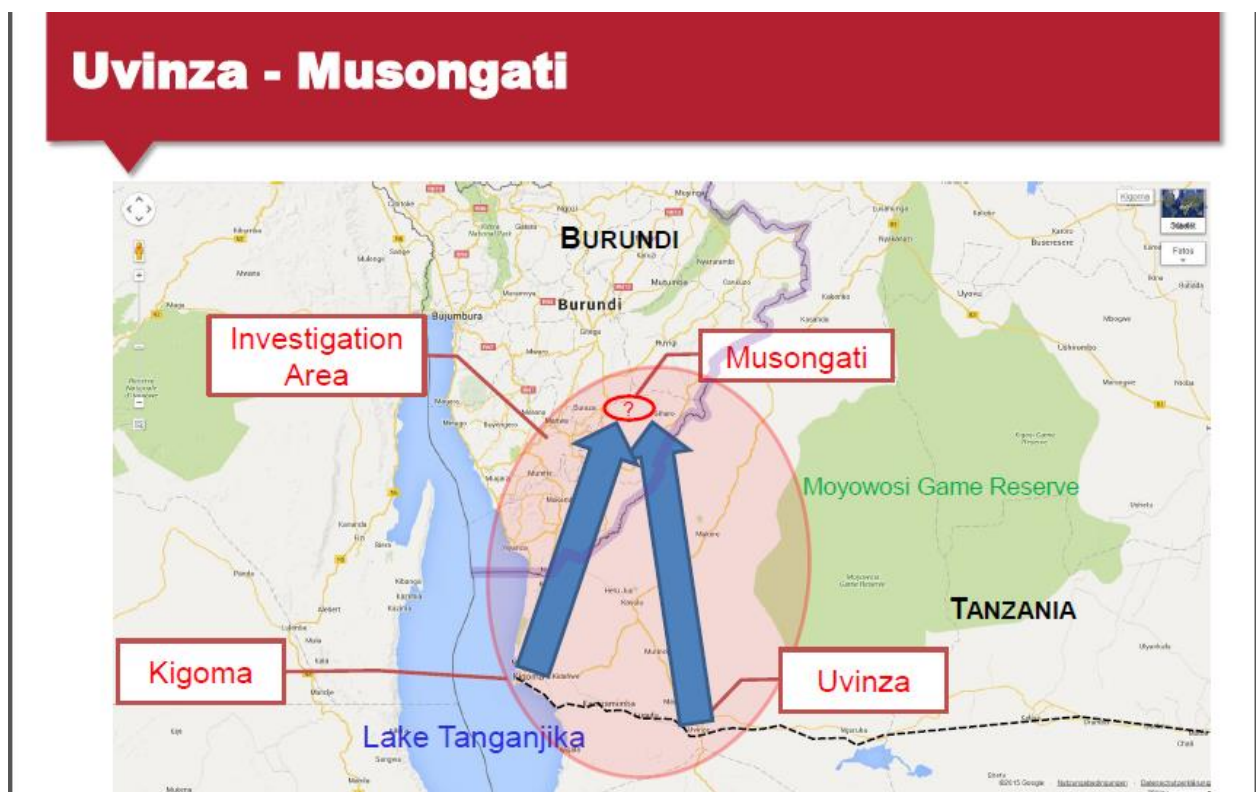
The economic justifications include:

- It will lead to a reliable, cost-effective, efficient and seamless railway transport system, thus reducing travel time for passengers and goods from and to Burundi to the Coast of the Indian Ocean
- It will provide efficient and affordable transport services, which will promote trade, regional economic integration and the development of mining, manufacturing and agriculture within the Corridor area
- It will increase transport safety and protection of the environment
- It will allow the interoperability with the old central line.
- It will promote equal access to social and economic development opportunities along the route, by providing high capacity infrastructure that will increase and improve trade and market facilities;
- It will improve the quality of the National and Regional Rail Network and improve connectivity to all areas of the Region;
- It will allow safe and efficient movement of goods and people around, through and between centres of economic activity in the region resulting in the reduction of travel times and vehicle operating costs;
- It will lead to reduced transportation costs and improved access to markets, social and health services and employment opportunities for residents within the zone of influence of the proposed Railway Project.

4.0 PROJECT DESCRIPTION

The project is located in Kigoma Region, Tanzania and Rutana-Makamba Provinces in Burundi. It will traverse through towns, farmlands, grasslands, other perennial and non-perennial crops and mountainous areas, depending on the selected alignment. The Project location area is shown in the figure below.

The proposed Railway line will, according to the Terms of reference, connect the mining area in Musongati with the existing central railway line from Dar es Salaam to Kigoma.



4.1 Description of preparatory activities for which advances are requested

The consultancy services shall be executed in two phases as follows:

Phase 1:

- reviewing of the feasibility study,
- Environmental and Social Impact Assessment

- Preliminary Design
- preparation of bidding documents for transaction Advisory.

Phase 2:

- Preparation of a Detailed Engineering Design, Resettlement Action Plan and Production of prequalification and Bidding Documents for civil works.

4.2 Description of the expected Impacts/outputs and their linkages to the targeted project or program

This development project is expected to have the following impacts in the project area:

- Reduction in the cost and travel times for the movement of passengers and goods especially the mining products;
- Reliable link between the centres of economic activity in the region;
- A safe, secure, environmentally sustainable, reliable and dependable transport system that meets the immediate and long term needs of this growing region;
- Enhanced regional and national integration; and
- A favourable environment for people leaving around the project area.

5.0 COST ESTIMATES FOR THE PREPARATORY ACTIVITIES

5.1 Detailed cost estimates

| Technical Service | Activities | Cost estimate(USD) |
|------------------------------------|--|--------------------|
| feasibility study | reviewing of the previous feasibility study and capacity building of Joint Task Force Members on railway system, | 750,000 |
| | Environmental and Social Impact Assessment | 400,000 |
| | Preliminary Design | 650,000 |
| | preparation of bidding documents for transaction Advisory | 100,000 |
| Detailed Engineering Design | Preparation of a Detailed Engineering Design, Resettlement Action Plan and Production of prequalification and Bidding Documents for civil works. | 2,500,000 |

5.2 Financing Plan

| Activities | Period | Cost estimate(USD) |
|--|---------------|---------------------------|
| reviewing of the previous feasibility study and capacity building of Joint Task Force Members on railway system, | 2 Months | 750,000 |
| Environmental and Social Impact Assessment | 4 Months | 400,000 |
| Preliminary Design | 4 Month | 650,000 |
| preparation of bidding documents for transaction Advisory | 3 Months | 100,000 |
| Preparation of a Detailed Engineering Design, Resettlement Action Plan and Production of prequalification and Bidding Documents for civil works. | 10 Months | 2,500,000 |
| TOTAL | | 4,400,000 |

5.3 Cost Estimates by Components

| Component | | Cost (USD) |
|------------------|---|-------------------|
| 1 | Phase 1: Review of Feasibility Study | 1,900,000 |
| 2 | Phase 2: Preparation of a Detailed Engineering Design, Resettlement Action Plan and Production of prequalification and Bidding Documents for civil works. | 2,500,000 |
| Total | | 4,400,000 |

6.0 MODE OF PROCUREMENT OF SERVICES AND LIMITED GOODS

6.1 Mode of procurement of services

Method of selection: Quality- and Cost-Based Selection as per **Applicable Guidelines**: Rules and Procedures for the Use of Consultants dated **May 2013** available on www.afdb.org

7.0 IMPLEMENTATION SCHEDULE

The study is expected to take about 23 months from the time of commencement upon securing financing.

| Technical Service | Report | Report Time Line (Weeks after commencement of project) |
|---------------------------------|---|--|
| Review of the Feasibility study | Executive Summary | 1 |
| | Corridor Analysis Report and site Visit by Employer in Tanzania and Burundi | 4 |
| | Presentation of the Corridor analysis report | 1 |
| | Scoping Report | 1 |
| | Traffic and Market Study Report | 6 |
| | Economic and Financial Report | 6 |
| | Investment Report | 2 |
| | Preliminary Engineering Design Report | 4 |
| | Alignment Design | 2 |
| | Permanent Way Design | 2 |
| | Signalling and Telecommunications Design | 2 |
| | Power Supply Design | 3 |

| | | |
|------------------|--|---|
| | Final Environmental & Social Impact Statement | 4 |
| Detailed Design | Architecture and Structure Design | 5 |
| | Operations and Maintenance Concept | 5 |
| | Book of Drawings | 4 |
| | Environmental and Social Report | 4 |
| | Geotechnical and Materials Investigation Report | 7 |
| | Hydrological and Hydraulic Report | 4 |
| | Survey Report | 5 |
| | Draft Detailed Design Report and Bidding Documents | 5 |
| | Project Costing Report | 4 |
| | Final Detailed Design Report and Bidding Documents | 4 |
| Land Acquisition | Resettlement Action Plan | 4 |
| | Valuation Report | 2 |

8.0 CONCLUSIONS AND RECOMMENDATIONS FOR BANK'S CONSIDERATION

8.1 Conclusions

This project is important for the development of the Central Corridor's potentials, as well as the surrounding country's economy and trade. For this purpose there is a serious need for the construction of railway line which a basis for the infrastructure development in Central Corridor region.

Rail transport is strategic for economic development and poverty reduction. The implementation of the Project will offer a safe, secure, environmentally sustainable, reliable and dependable transport system

linking hinterland countries to the Indian Ocean, which will enhance trade at the regional and national level.

8.2 Recommendations

In an effort of enhancing regional and national integration and promote trade between Burundi and Tanzania, the Government of Burundi and the Central Corridor Transit Transport Facilitation Agency recommend to the African Development Bank for consideration of approval and financing of the Detailed Feasibility Study and Detailed Engineering Design Study of this strategic as part of the Central Corridor and subsequently secure financing for the Civil Works.

ANNEX I

| ID | Task name | Project Timeframe (Months) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----|--------------------------------------|----------------------------|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|--|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | |
| 1 | Project Approval | █ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Signature | █ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Effectiveness | █ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Publication of Project GPN | | █ | █ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Prequalification of Bidders | | | | █ | █ | █ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Bank Approval of Bidding Document | | | | | | █ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | Launching of Tenders | | | | | | | █ | █ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | Bidding, Bid Evaluation and Approval | | | | | | | | | █ | █ | █ | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | Contract Award | | | | | | | | | | | | █ | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | Contract Implementation | | | | | | | | | | | | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | |
| 11 | Defects Liability Period | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

ANNEX II

| N° | Project Name | Project Objectives | Project preparation activities required to be financed by IPPF | Financing Window (SDM or IPPF) | Implementation Timeline (Short Term, Medium Term, or Long term) | Project Ownership / Countries involved | Institutional Arrangements and Project Readiness | | | | Funding of preparation activities | | | | Estimated Project Investment Cost (US\$ millions) |
|----|----------------------------|--|---|--------------------------------|---|--|---|---|---|--|-------------------------------------|---|---|--|---|
| | | | | | | | Priority (PIDA, Regional Master Plan, Executing Agency Master Plan) | Existence of project specific MOU or Regional agreement | Designated Executing Agency / Experience with IPPF/ AfBD& DFIs procedures | Project status (Scoping Study, PCN &TOR) | IPPF Funding Needed (US\$ millions) | Counterpart funding - 5% (US\$ million) | Co-financing from other project preparation facilities (US\$ million) | Total Preparation Cost (US\$ millions) | |
| 1 | Uvinza- Musongati Rail Way | The overall objective of this project is to accommodate the increasing cargo being moved from the Port of Dar es Salaam to Burundi and vice versa. It will promote sustainable mobility along the Central corridor, through the construction of new railway line from Uvinza to Musongati. The construction of the railway line will unlock trade between neighbouring countries of Burundi including their agricultural and mineral rich areas. | <ul style="list-style-type: none"> Phase 1: Feasibility Study, Environmental and Social Impact Assessment, and Preliminary Design for the Railway Project; Phase 2: Preparation of a Detailed Engineering Design, Resettlement Action Plan and Production of prequalification and Bidding Documents for Civil Works | IPPF | Medium Term | Burundi and Tanzania | Regional | MoU | Ministry of Transport, Public Works and Equipment | Feasibility Study | 4,180,000 | 220,000 | 0 | 4,400,000 | |