

## Signing of Japanese ODA Loan Agreement with the United Republic of Tanzania –Road Improvements to Promote Economic Activity and Economic Unification with Nearby Regions–

Today, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of the United Republic of Tanzania in Dar es Salaam to provide up to 7.659 billion yen for the Road Sector Support Project II.

This project will improve approximately 188 kilometers of roadway, the entire length connecting Mayamaya in Dodoma Region and Bonga in Manyara Region, and approximately 203 kilometers of roadway, the entire length connecting Mtambaswala and Mangaka in Mtwara Region along with Tunduru in Ruvuma Region. The project will also provide assistance for organization strengthening at the Tanzania National Roads Agency (TANROADS). These measures will stimulate the economy in Tanzania and contribute to economic integration with surrounding regions.

The Mayamaya-Bonga road is a portion of the Northern Corridor of Tanzania, described by the Government of Tanzania as a vital corridor for stimulating economic exchange with Kenya, Zambia and other nearby countries, but in addition to many hills and curves, road conditions along the Mayamaya-Bonga road are very poor, making passage difficult, particularly in the rainy season. The improvements to this road will upgrade the inland route from the south to the north of Tanzania, which is expected to improve transportation, and in turn, stimulate economic activities.

The Mangaka-Tunduru road is the only unpaved portion of the Mtwara Corridor, which connects the Port of Mtwara, the export base for southern Tanzania, with inland Tanzania, Zambia and Malawi, and the unimproved state of the road inhibits the flow of goods through the port. Southern Tanzania, where the Mtwara Corridor passes, has a high potential for agricultural products, natural resources and other industries, and it is expected that development of the region will promote economic development for the country as a whole and lead to improved livelihoods in the south, where the poverty rate is high.

The Mtambaswala-Mangaka road connects the Mtwara Corridor and Unity Bridge on the Tanzania-Mozambique border. As the road is not yet paved, the bridge is not able to function adequately. Improvement of the road is expected to boost trade between Tanzania and Mozambique.

Located in the center of East Africa, Tanzania shares a border with eight countries and provides intermediary transportation routes for itself and its neighbors. In addition to the target road sections of this project being vital for economic growth in Tanzania as described above, they form a portion of an international corridor with a high development priority in various African international road network designs and are therefore crucial for the construction of international routes.

This project is being conducted under the Accelerated Cofinancing Facility for Africa (ACFA) based on Enhanced Private Sector Assistance for Africa (EPSA for Africa), and JICA's loan will be allocated for civil works costs on the roads along both target sections.



Dr. William Mgemwa, Minister of Finance, shakes hands with Yasunori Onishi, Chief Representative, JICA Tanzania Office, after the signing.

### Reference

#### 1. Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Road Sector Support Project II	7,659	0.01	(See note [1])	40	10	General untied[2]

#### 2. Project Summaries

##### Executing Agency

Tanzania National Roads Agency (TANROADS)  
Address: Third Floor, Airtel House, Ali Hassan Mwinyi/Kawawa Roads Junction, P.O. Box 11364, Dar es Salaam, Tanzania  
Phone: +255-22-292-6001, fax: +255-22-292-6011

##### Planned Implementation Schedule

- (i) Completion of project: July 2016 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including construction monitoring): January 2012 (already sent)[1]
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction:  
Procurement package title: Civil Works for Mayamaya-Bonga Lots A and B, and Mtambaswala-Mangaka-Tunduru Lots 1, 2, and 3  
Release date: November 2012 (already released)

##### Notes

- [1] Not included in the loan. AfDB assistance will be provided based on their procurement rules as per the AFCA implementation guidelines.
- [2] Implemented based on the AfDB procurement rules as per the ACFA implementation guidelines.