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PRESS RELEASE

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Two Years of MCA-T Compact Signing

17th February 2008 to 17th February 2010.

1. INTRODUCTION

Tanzania Compact signing event becomes two years old on 17th February 2010. Our Excellencies, President Jakaya Mrisho Kikwete and the former President of the United States of America; George W. Bush signed the five-year grant, \$698.1 million (MCC) Agreement in Dar es Salaam with the view to stimulate economic growth and increase household incomes through targeted investments in transportation, energy, and water.

On the other hand, Millennium Challenge Account –Tanzania (MCA-T) as the mandated Entity to supervise day to day activities of the Compact implementation has been working in very close consultation with the Millennium Challenge Corporation to ensure for a successful implementation of the Compact. Following the fulfillment of basic conditions prescribed in the Compact Agreement, Tanzania moved to the Compact Implementation phase known as “Entry into Force” on September 17th 2008, a milestone which was done through an exchange of letters to signify the official commencement of the five years of Compact Implementation period as per the enabling law.

Since the signing of the Compact Agreement, substantial progress has been made towards the start of actual construction activities. Given the fact that major infrastructure projects by nature need longer time to complete all preparatory activities before the start of actual implementation of works, it is only now that we are entering the construction phase. This report is intended to inform all interested people on where we are now for each project and also to state in brief on the 2010 main milestones.

2. INDIVIDUAL PROJECT IMPLEMENTATION STATUS

TRANSPORT SECTOR PROJECTS

Tanga –Horohoro road;

This activity will involve upgrading from gravel to asphalt concrete a stretch of 65km of the highway connecting Tanga and Horohoro at the Kenyan border.

A total of 2.7 billion shillings have been paid as compensation for PAPs along the road.

M/s Sino Hydro Corporation Ltd of China has been awarded the works contract at an amount of TSh 69,894,175,181.00. The works will take 27 months to complete the construction works based on the contract Agreement signed on 22nd December 2009. The site was handed over to the Contractor on 4th February 2010. Mobilization of equipment is already in progress.

M/S Intercontinental Consultants and Technocrats Pvt Ltd from India is discharging the consultancy services for supervision of works.

Songea-Namtumbo and Peramiho –Mbinga road

This is part of the Mtwara-Mbamba Bay road and the respective two sections covered are comprised of a stretch of 61 km between Songea and Namtumbo and a stretch of 78 km between Peramiho junction to Mbinga town. These will be upgraded from earth to double bituminous surfacing.

Final list of project affected people (PAPs) for compensation along the two road sections is now being concluded. The Supervision firm, Egis BCEOM stand secured as from September 2009. Procurement process towards bidding for works for the two sections is in the final stages and for the Songea-Namtumbo the bidding documents are already with the pre-qualified bidders.

Tunduma-Sumbawanga road.

This road has been divided into three sections. Tunduma –Ikana, (64km), Ikana – Laela (64km), and Laela Sumbawanga (96.5km).

Accomplished task include detailed engineering designs, resettlement action plan and procurement of a supervising firm.

The bidding documents for Laela- Sumbawanga (96.5km) section were issued to pre-qualified bidders on 2rd February 2010 and the deadline for submission of bids is 16th March 2010. Other bidding documents are undergoing the normal approval process as provided by MCC.

Pemba Rural roads

A total of 35 km of selected rural roads in north region of Pemba Island in Zanzibar will be rehabilitated to bitumen standard.

A consulting firm, MS Intercontinental Consultants and Technocrats PVT Ltd has been assigned the task of preparing Feasibility study and review and updating the detailed engineering designs including tender documents. The consultant has submitted a draft Feasibility study report in December 2009.

Mafia Airport project.

Request for Proposal (RFP) for the consultancy service for design and build are at semi final stages for invitation.

ENERGY SECTOR PROJECTS

Energy sector projects are composed of three activities namely The Hydro Project, The Cable Project and Transmission and Distribution project. These three energy activities have been arranged into five (5) designs and build contract packages to be implemented; these include:

- 8MW Malagarasi hydropower and Kigoma Transmission and Distribution network
- Zanzibar Interconnector Submarine Cable
- Zanzibar Interconnector 132kV Overhead Lines
- Twenty four substations (23 in Mainland and Mtoni S/S in Zanzibar)
- Distribution Network Rehabilitation and Extension in Six Regions (Tanga, Morogoro, Iringa, Mbeya, Dodoma and Mwanza).

All technical studies, surveys and preliminary designs and performance specifications and Technical documentations for all five design & Build contract packages under the three energy activities have been completed.

Invitation for Bids (IFB) I for design & Build works contracts for Zanzibar Interconnector Submarine Cable and the twenty four substations were advertised on 24th October 2009 and 16th November 2009 respectively. Bid opening dates for the above are scheduled for 5th March 2010 and 9th April 2010 respectively.

Invitation for bids for Design & Build works contracts for the Distribution Network Rehabilitation and Extension in Six Regions and for the Zanzibar Interconnector 132kV Overhead Lines are expected to be advertised end of February 2010 and mid April 2010 respectively. The Malagarasi Hydropower and Kigoma T&D Project has been delayed due to some environmental concerns at the project site. However the Bidding documents were ready for launching since September 2009. An alternative package is being worked out as energy to the Kigoma people is a high priority item in terms of both development and poverty reduction.

WATER SECTOR PROJECTS

The components of water sector projects include the expansion of Lower Ruvu Treatment plant, non revenue water, and improvement of Morogoro water supply system.

Request for Pre-qualification of contractors was issued on January 29, 2010 for Lower Ruvu and Applications will be submitted on March 15, 2010. For Morogoro water Project Pre-qualification of contractors was issued on February 17, 2010 and Applications will be submitted on April 9, 2010.

The procurement process of contractors for Non revenue water (NRW) works will commence in mid March 2010.

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Millennium Challenge Account-Tanzania (MCA-T) is an autonomous and independent Government Entity established to implement a \$698 million grant that will reduce poverty by improving infrastructure and thereby promoting economic growth. MCA-T is supported by Millennium Challenge Corporation (MCC), a United States government agency designed to work with developing countries. For more information visit www.mca-t.go.tz or www.mcc.gov