

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF FINANCE AND ECONOMIC AFFAIRS**



MILLENNIUM CHALLENGE ACCOUNT – TANZANIA

Works contract for Laela - Sumbawanga road signed

Today 29th April 2010, Millennium Challenge Account-Tanzania (MCA-T) and Aarsleff-BAM International Joint Venture has signed the works contract worth \$97 million to upgrade the Laela- Sumbawanga Road (95km) to bitumen standard. The signing ceremony was witnessed among others by the TANROADS Chief Executive Officer Mr. Ephraem Mrema. This is the second major works contract to be signed, since the signing of the \$698.1 million grant extended by the USA Government through the Millennium Challenge Corporation (MCC). President George W. Bush and President Jakaya Mrisho Kikwete signed the Compact Agreement on the 17th February, 2008. The Compact is a five years development package focused on infrastructure development projects impacting on poverty eradication. Covered sectors are transport, energy and water. The first works contract was signed in December 2009 to upgrade Tanga Horohoro road (65 km) to bitumen standard.

According to the MCA-T Chief Executive Officer, Mr. Bernard Mchomvu, “Aarsleff -BAM International joint venture won the works tender through a competitive bidding which commenced with the pre-qualification process involving firms from Africa, America, Asia, Middle East and Europe.” The desire of MCA-T is to see to it that work on the ground starts latest by June but the actual date will depend on the mobilization period that may be needed. Based on the engineering works analysis, it is estimated that construction work will take 32 months to complete. At the same time, compensation payments for the people affected by the Laela - Sumbawanga Road Project will be effected soon.

Upon completion, the road will stimulate economic activities, including agricultural production, improve access of the people to basic social services and also will enhance the exploitation of tourist potentials in Rukwa Region. It is important also to note that Sumbawanga town is a main trade link with Zambia and Democratic Republic of Congo through Kasanga port in Lake Tanganyika.

We have confidence that the Aarsleff-BAM International Joint Venture has the capacity to undertake the assignment timely and as per specifications. All needed supervisory machinery is in place. In addition to TANROADS as the MCA-T implementing entity, we also have a Consulting firm to give the supervision on site. M/s Egis BCEOM of France is the Works Supervising Consultancy firm.

On the other hand, we have other packages which are at advanced stages towards the bidding for works phase. These include Tunduma -Ikana, (64km), Ikana- Laela (64km) and for the Mtwara corridor we have Songea-Namtumbo road and Peramiho Junction-Mbinga road. For the Zanzibar new Cable Project, signing is scheduled to take place on 30th April in Zanzibar. The Energy Sub-stations covering the six Regions of Mbeya, Iringa, Dodoma, Morogoro, Tanga and Mwanza is also at bidding process. It is our desire to see to it that most of the Compact projects considered free from any serious environmental concerns are implemented as quickly as possible. For sure, the year 2010 will see more construction activities in the country.

In conclusion, on behalf of the Tanzania Government I would like to express our much gratitude to the American people and in particular MCC for extending its valuable support and technical assistance to MCA-T from the time the Tanzania Compact package got the MCC approval to this day when we are signing this works contract.



MCA-T Chief Executive Officer, Mr. Bernard Mchomvu (C) and Representative of Aarsleff-BAM International Joint Venture Mr. H.W. Kloeze (1st R) signing the contract. 1st left is the MCA-T General Counsel, Dr. Medard Kalemani, witnessing the signing event.



MCA-T CEO hands over a signed document to Representative of Aarsleff-BAM International Joint Venture to signify starting of implementation. The event was witnessed by Chief Executive of Tanzania National Roads Agency (TANROADS) Mr. Ephraem Mrema (1st Left), Mr. B.Jorgensen (1st R) and senior officers from TANROADS and MCA-T