

**PROGRAM-FOR-RESULTS INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.:PIDC0103854

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Program Name	Additional Financing for Tanzania Education Program for Results
Region	Africa
Country	Tanzania
Sector	Education
Lending Instrument	Program-for-Results
Program ID	P162470
Parent Program ID	P147486
Borrower(s)	The United Republic of Tanzania
Implementing Agency	Ministry of Education, Science and Technology (MOEST); President's Office – Regional and Local Government (PO-RALG)
Date PID Prepared	3/15/2017
Estimated Date of Appraisal Completion	3/14/2017
Estimated Date of Board Approval	05/23/2017
Appraisal Review Decision	The Decision Review meeting authorized the team to proceed with appraisal.

I. Introduction and Context

A. Country Context

1. **Tanzania has been making progress towards the goals laid out in its Five Year Development Plan 2016-2021 (FYDP II) focused on industrialization, with the expansion of key industries contributing to GDP growth of almost 7 percent per annum over the past decade.**¹ This growth has been driven by the diversification and expansion of key economic sectors in industry and construction and in services.

2. **There has been a gradual shift in employment away from agriculture to industry and services over the past decade.** The share of agriculture in total employment has shrunk by 13.5 percent points since 2001 when over 80 percent were employed in agriculture. On the other hand, the shares of industry and services have expanded by 3.6 percentage points and 9.9 percentage points respectively. Employment growth in services has accelerated over the 2006-2014 period compared to the past, with around 10 percent annual growth in services such as wholesale and retail trade, restaurants and hotels, transport, storage, and communication.

¹ Unless otherwise noted, figures are from the Country Economic Memorandum (CEM), 2014.

3. **Very few Tanzanians have access to stable wage employment, especially youth.** According to Integrated Labor Force Survey (ILFS) 2014, youth aged 15 to 24 years have the highest incidence of unemployment at 9.4 percent, with urban unemployment among this age group being even higher, at 20 percent, compared to 4 percent rural unemployment. However, these figures do not include significant underemployment, which typically is much higher than unemployment in many sub-Saharan African countries (SSA). Across Tanzania, only 11 percent of workers are engaged in the formal sector. The remainder are engaged in low income activities on farms or in self-employment in informal trading and services activities in cities.

B. Sectoral and Institutional Context of the Program to be supported

4. **In order to attain its industrialization and development goals Tanzania needs to raise its current skills mix.** The need for more mid- and higher level skills in the labor force is reflected in the high percentage of Tanzanian firms identifying skills as a major constraint to their business, 40 percent compared to the SSA average of 23 percent. Currently, 84 percent of the population is classified as low skilled, 13 percent as medium skilled and only 3 percent as high skilled workers. Attaining middle-income status will thus require a transformation of the population's current skill composition to 55 percent low skilled, 33 percent medium skilled and 12 percent high skilled.

5. **Improving basic education quality is a building block for further skills development, skills upgrading and ultimately, productive employment and self-employment.** For example, a completed primary education appears to be the minimum qualification for even household enterprises to be successful. For individuals, low basic education achievement levels and low overall quality combined act as a constraint to further skills acquisition, particularly job specific skills, and can translate into a lifetime of low earnings and high poverty.

6. **In 2013, the Government launched the Big Results Now (BRN) initiative for six critical sectors to advance the implementation of the first Five Year Development Plan (FYDP I 2011-2016) and the Millennium Development Goals (MDGs).** As part of the BRN initiative, Big Results Now in Education (BRNEd) was introduced in February 2013 to fast-track improvements in learning outcomes in primary, Standard 1-7; and lower secondary, Form I-IV.

7. **The Big Results Now branding and temporary oversight structure was dissolved by the Government in late 2015/2016 and the BRNEd PforR was subsequently renamed Education Program for Results (EPforR) in October 2016.** Key achievements of the EPforR include (i) improved student reading and math performance at primary level and examination pass rates in primary Standard 7 and secondary Form IV, (ii) increased resource flows to schools, and (iii) timely and better quality data availability for monitoring and planning.

8. **Government commitment to the program remains strong and the core initiatives supported by the EPforR remain and are fully aligned with the Government's basic education program as reflected in the draft Education Sector Development Plan (ESDP) 2016-2021, as well as the wider development agenda as reflected in FYDP II - Nurturing Industrialization for Economic Transformation and Human Development.**

9. **The proposed Additional Financing (AF) will support the ESDP 2016-21, focusing on the continued implementation of key education quality reforms to improve primary and secondary school performance initiated under the original EPforR.** The ESDP forms the policy and expenditure framework for all Government education investments for the next five years. Specifically, the AF will support part of the ESDP program on *Quality of Basic and Secondary Education*. The objective of this ESDP program is improved and equitable learning outcomes for all in basic education² and upper secondary education. This is closely aligned with the original and AF Program Development Objective (PDO) of improving education quality in Tanzanian primary and secondary schools. Building on the achievements under the original BRN program, the ESDP program includes initiatives in several priority areas: System-level reforms; Learning Environment and Curricula; In-service Training; Teacher Motivation; School Leadership; and School Quality Assurance (QA).

10. **In particular, the program builds on the improvements to teacher knowledge and motivation supported by the original EPforR program by strengthening systems of school leadership and QA.** In particular, this consists of giving head teachers, communities and Local Government Authorities (LGAs) more concise information on school performance in an easy to understand School Report Card format, along with recommendations - implementable at the school level - to improve performance, and the necessary continuous school-level support and motivation for implementation of these recommendations.

11. **The ESDP incorporates measures to carefully manage and realize the expansion of the basic education system following the introduction of the Free Basic Education Policy (FBEP) in December 2015.** FBEP universalizes 11 years of basic education, from pre-primary up to lower secondary through eliminating (i) informal fees at the pre-primary and primary levels and (ii) formal tuition fees at the lower secondary level. This has led to a massive influx of new students into schools in 2015/16 and 2016/17. This rapid expansion of the system's capacity poses a substantial challenge in logistical terms, but even more so in sustaining and further improving student achievement gains made in the first two years of implementation of the original EPforR.

C. Relationship to CAS/CPS and Expected Bank Added-Value

12. **The EPforR and AF will support all three key pillars of the Country Partnership Framework (CPF) FY18-22 currently expected to be approved this year.** The three CPF pillars include: (i) diversify growth and enhanced productivity; (ii) boost human capital and social inclusion; and (iii) make institutions efficient and accountable. The AF will strengthen support to basic education quality and primary student retention and transition to lower secondary school, which will boost human capital and inclusion; but also serve as basis for further skills development and on-the-job training as critical elements for enhanced productivity. Furthermore, the AF support to the QA system will contribute to greater transparency of roles and responsibilities, thus supporting institutions to become more efficient and accountable.

² For the AF, 'basic education' includes primary and lower secondary.

D. Rationale for Financing Instrument Choice

13. **The PforR financing instrument provides an excellent fit for the Additional Financing support to the EPforR program to support ESDP.** The PforR instrument has proven successful for the original EPforR. The original operation remains highly relevant and based on experience to date, the PforR modality can be leveraged to strengthen systems and capacity. The proposed AF will use the existing, well-performing implementation and monitoring arrangements of EPforR to continue to deliver results. With an extended closing date from June 30, 2018 to January 31, 2020, the additional financing to the PforR operation will enable the achievement of scaled up and additional Disbursement Linked Results (DLR) and provide continued support to the Government over this critical time period of major education system transformation.

14. **The EPforR has performed well to date.** Implementation Progress (IP) and Development Objectives (DO) were rated Satisfactory or Moderately Satisfactory in the last two Implementation Status Reports (ISRs). Three out of the four PDO indicators have already achieved their end targets at the time of the Mid-term Review (MTR). The AF supports improvements to the QA system and continuing provision of adequate resources to schools, enabling the maintenance of quality gains despite increasing enrolments and allowing for the continuation of satisfactory progress towards revised targets.

II. Program Development Objective(s)

15. The Program Development Objective (PDO) is to improve education quality in Tanzania's primary and secondary schools.

A. Key Program Results

16. **The proposed AF will provide intensified support to the key results areas of the original EPforR program:** (i) Improved mastery of 3R (reading and numeracy) skills in Grade 2 students, (ii) improved teacher performance, as well as an additional key results areas, and (iii) improved performance in Form IV examinations.

III. Program Description

A. Description

17. The PDO of the original Education Program for Results, *to improve education quality in Tanzania's primary and secondary schools* will be maintained. Changes to the program activities include: (i) addition of four new foundational DLRs; (ii) addition of two new DLRs on QA; (iii) addition of a DLR to incentivize improvements in numeracy for grade 2 students; (iv) addition of two DLRs on student survival and girls' transition rates; (v) addition of a Disbursement Linked Indicator (DLI) on policy, planning and innovation; (v) addition of a DLR on provision of textbooks; (vi) dropping of the original DLR on Student Teacher Enrichment Program (STEP) as it is already achieved; and (vii) scaling up of several key existing DLRs as well as adjustments to targets and measurements of certain original DLRs as agreed at the MTR to strengthen incentives

for results. Foundational DLRs will be completed in 2017/18 and in some cases by December 2017; the recurring DLRs will be disbursed in 2017/18 and 2018/19.³ The results framework will be slightly modified to include the new DLRs and minor changes to key performance indicators.

Table 1: Government Program and Revised EPforR and AF Scope

			Original Govt. Program (BRN-Ed)	Original BRNEd PforR	Revised EPforR AF
	Objective: Improve education quality in Tanzanian primary and secondary schools				
ESDP Priority Program 2: Quality of Basic and Secondary Education (Government Program)	ESDP Area	Activity Supported by the Program			
	Objective: Improved and equitable learning outcomes for all in basic and secondary education	<i>System-Level</i>	Foundational activities (original)	✓	✓
Foundational activities (new)					✓
Timely release of funds			✓	✓	✓
Official school ranking ¹			✓	✓	
Policy, Planning and Innovation Capacity					✓
<i>Learning Environment and Curricula</i>		Capitation grants	✓	✓	✓
		Teaching and learning materials			✓
<i>In-service Training</i>		3R training ²	✓	✓	
		STEP ²	✓	✓	
<i>Teacher Motivation</i>		Teacher motivation (clear backlog of claims)	✓	✓	✓
		School Incentive Grants (SIG) for performance	✓	✓	✓
<i>School Leadership and Quality Assurance</i>		School Improvement Toolkits ²	✓	✓	
		Quality Assurance Inspections			✓
		School Report Cards			✓
Other basic education expenditure		<i>Construction</i>		✓	
	<i>Wages</i>				

1. Official school ranking activities continue but require no financial support from program.

2. These activities are completed and mainstreamed into regular in-service teacher and headteacher training.

³ DLR 8.2 is disbursed in 2018/19 only.

18. **The original EPforR closes on June 30, 2018, but will be extended to January 31, 2020 with the AF to enable the achievement of the scaled up and additional DLRs and provide continued support to the government over this critical time period of major education system transformation.** The Government expects to meet the AF DLRs by June 30, 2019; the closing date is set to allow seven months for verification of DLR achievement.

New Foundational DLRs

DLR 1.1 Approved a School Quality Assurance operations manual. The DLR supports the updating of key tools and manuals for the QA system, including: tools and operational manuals for school inspectors; introduction of guidelines for district and sub-district education officials⁴ for in-service support to schools to promote student learning. This Foundational DLR is expected to be achieved by December 2017, enabling roll-out of School Report Cards during the 2017/18 Program year (Year 4).

DLR 1.2. Approved an updated National Teacher Deployment Strategy that includes agreed formula for deployment of new teachers across LGAs. The surge in enrolment has led to very high pupil-teacher ratios in many schools. The development of this updated Teacher Deployment Strategy will (i) provide a framework for sustainable financing of teacher transfer costs for reallocation; (ii) include transparent and objective criteria and a formula for the distribution of newly recruited teachers; and (iii) eliminate any school-level practices, inconsistent with policy, such as using teachers to teach more than one subject in primary schools

DLR 1.3 Approved a Strategy for primary and secondary students with special needs. Tanzania has made progress on inclusive education, but children with special needs are underrepresented in the formal school system. The DLR supports the development in 2017/18 (Year 4) of a comprehensive Strategy for ensuring equitable participation by, and outcomes for, students with special needs, including provision of accessible facilities and adequate training and deployment of teachers with special education certification. The strategy will include costing, financing and monitoring indicators for its operationalization.

DLR 1.4 Approved a School Construction Strategy. The size of Tanzania's schools is large, with an average primary school enrolment of 518 and 77 students per classroom, and the average distance primary pupils travel to schools is 4.4 km. The Government is currently revising its school construction guidelines, which are expected to be completed by December 2017. The DLR in 2017/18 (Year 4) supports the operationalization of these guidelines through a detailed Strategy, with input from independent construction specialists, approved by the Government.

⁴ District and Ward Education Officers

New DLRs to Improve School Quality Assurance

The objective of the Government's QA initiatives, supported by two new DLRs, is to move away from one-off training with often little practical applicability towards a continuous, comprehensive school quality support structure and in-service training system at the local level.

DLR 8.1 Percentage of primary and secondary schools displaying School Report Cards based on Whole School Inspection. The DLR in 2017/18 (Year 4) and 2018/19 (Year 5) supports the completion of a full inspection of 75% of Tanzanian public schools during the period of the AF. Following the development of School Report Cards under DLR 1.1, to provide more concise feedback to schools and immunities on performance, the DLR supports the introduction and use of these Cards at schools receiving inspection. The DLR will be achieved according to the proportion of inspected schools displaying School Report Cards on school premises three to six months after inspections.

DLR 8.2 Increase in School Quality Score for selected schools to be inspected twice in consecutive years. This DLR in 2018/19 rewards the achievement of demonstrated improvements in Overall School Performance Scores in the following year's QA inspections at a nationally representative sample of schools. The objective is to incentivize the implementation of QA recommendations and measurable improvement in school quality. As part of the development of School Report Cards under DLR 1.1, an Overall School Quality Score will be developed as a single quantified indicator of school quality. The DLR will reward LGAs which demonstrate the biggest improvements in School Quality Score among a LGA-representative national sample of schools.

New DLR for improved distribution of textbooks

DLR 2.3: Percentage of schools providing evidence of receipt of textbooks showing subject and grade level. The Government is planning to prepare a comprehensive Textbook Strategy to address these issues, establish clear responsibilities, and thus effectively facilitate textbook availability and monitoring in schools. The DLR will support the operationalization of this Strategy by incentivizing improvements in the provision of textbooks to public primary schools. Specifically, the DLR will measure and reward the Government for the percentage of schools presenting evidence of receipt of textbooks, effectively incentivizing the entire chain of procurement, distribution and monitoring.

DLR for School Improvement Incentives

DLR 5.2 Number of primary and secondary schools that have received monetary School Improvement Grants (SIG) based on performance. Under the original program, the School Incentive Scheme provided monetary rewards to 120 primary and lower secondary schools which achieved improvements in students' national examination performance. This has proven to be an effective driver of school motivation to improve learning. The AF will further leverage the success of this DLR to incentivize schools to address the gender disparity in the performance of

girls in examinations. In the AF, the formula for the School Improvement Grants will be revised to give equal weight (50 percent) to both male and female examination scores in both the PSLE (primary) and CSEE (secondary) examinations.

New DLRs to Improve Girls' Transition to Secondary School and Overall Student Survival Rates

DLR 7.1 Percentage of LGAs/regions achieving year-on-year increase in aggregate primary and basic education survival rates. Student retention in basic education, while improving, remains low. To address incentives at the LGA level to provide adequate resources at the school level for student retention, the DLR rewards LGAs that show the greatest improvements in year-on-year average primary and basic education survival rates. Funds will be received by the LGAs who demonstrate the largest improvement in primary survival rate (from Standard 1 to Standard 7), and the LGAs within the region which demonstrate the largest improvement in basic education survival rate (from Standard 1 to Form IV).

DLR 7.2: Percentage of regions achieving year-on-year increase in girls' transition rate from primary Standard 7 to secondary Form I. Girls seem to be particularly disadvantaged in the transition from primary to lower secondary. The transition rate from primary to lower secondary Form I is 71 percent for boys compared to only 65 percent for girls. The DLR rewards LGAs in regions with the highest improvement in girls' transition from Standard 7 (primary) to Form I (secondary). In this way the DLR provides incentives for LGAs to support schools to improve both the learning outcomes of girls at primary level and secondary-level barriers to girls' participation such as a lack of sanitary facilities for girls and the limited number of female teachers available in lower secondary schools.

New DLI for Enhanced Policy, Planning and Innovation Capacity

DLR 9.1: Number of Policy, Planning and Innovation commissions granted. The Government requires the capacity to competitively identify opportunities for innovation in service delivery, such as the use of digital technology to reach out-of-school students. The DLR supports the commissioning of in-country capacity building of sectoral Policy and Planning units in the Ministry of Education, Science and Technology (MoEST) and the President's Office, Regional Administration and Local Government (PO-RALG) and associated institutions, and competitive awards for innovation in education service delivery. It is expected that approximately US\$1 million will support 'internal' capacity building within MoEST, PO-RALG, as well as in associated institutions such as National Examinations Council of Tanzania (NECTA) and Tanzania Institute of Education (TIE), and at the local level; while another US\$1 million will support innovation activities.

B. Role of Development Partners

19. **The Government program is currently supported by US\$252 million equivalent in financing from the following three Development Partners:** The Department for International

Development (DFID; £60 million equivalent to US\$100); Swedish International Development Agency (Sida; US\$30 million); and World Bank (US\$122 million equivalent, original PforR).

20. For the proposed AF, the World Bank is expected to provide support of US\$75 million equivalent. Sida and DFID are considering additional financing as well, with synchronized DLRs and Results Framework. The Bank will continue to work closely with Development Partners during preparation of the proposed Additional Financing for EPforR to ensure support is coherent, systematic, and adequate.

IV. Environmental and Social Effects

21. **The Environmental and Social Management System Assessment (ESSA) undertaken for the original program was updated for the proposed AF and the environmental and social risk remains low.** This process included extensive stakeholder consultations and disclosure of the updated ESSA. Feedback received from stakeholders during these consultations as well as field visits as part of implementation support missions of the original PforR and during the MTR has been integrated in designing the AF and the updated actions of the Program Action Plan (PAP). The ESSA identifies the key measures to be taken for improved environmental and social due diligence in the education sector through clear framework implementation, responsibilities for environmental and social management, coordination, technical tools, ensuring adequate staffing, and stakeholder consultation processes.

22. **The ESSA implementation is assessed to be on track and there are no substantive issues that require action.** An environmental and social safeguards mission was carried out in December 2016 to review progress made in the application of GoT procedures and guidelines to ensure environmental and social management as part of the program implementation. The updated assessment concluded that Tanzania, in general, has established a comprehensive set of environmental and social management systems to address the environment, health and safety, as well as social concerns related to the AF Program. The mission in December 2016 concluded that the environmental and social risk remains low, since the program does not finance school construction or any physical/civil works and there are no works linked to any of the DLRs.

23. **The School Construction Strategy (DLR 1.4) will include appropriate environmental and social management requirements based on the relevant national guidelines.** Additional guidelines for promoting sustainable and “greener” building designs, retrofitting existing schools with greener measures to allow better resource management and larger involvement of beneficiary communities for supervising works, payment to contractors, contribution to school facilities improvement, and maintenance of facilities will also be considered during the preparation of the School Construction Strategy. Moreover, the strategy will clarify agencies, roles and responsibilities for monitoring of the environmental and social management requirements in school construction.

24. **Remaining actions to be supported through PAP will include;** (i) establishment of a Grievance Redress Mechanism at LGA and School level, and (ii) inclusion of environmental focal point of MoEST as part of the program coordination team.

Grievance Redress and Citizen Engagement

25. **Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB’s Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

V. Financing (in USD million equivalent)

Funding estimates for AF (US\$ million equivalent)	Original program	AF
<i>IDA (PforR)</i>	122	75

VI. Implementation

26. **The proposed AF will use EPforR’s existing, well performing implementation and monitoring arrangements.**⁵ The program will be implemented by the Ministry of Education, Science and Technology (MoEST) and the President’s Office - Regional Administration and Local Government (PO-RALG). MoEST is responsible for overall implementation, setting of standards, and conduct of examinations, and PO-RALG, through LGAs, is responsible for day-to-day implementation of school-level activities.

27. Following the dissolution of the ‘Big Results Now’ program, overall strategic oversight of the EPforR has moved from the former National Key Results Area (NKRA) Steering Committee chaired by the Minister of Education to a new Senior Management Team, co-chaired by the Permanent Secretaries of both PO-RALG and MoEST. This new body provides better strategic direction and a more equitable voice for PO-RALG as a co-implementer of the program. M&E functions, formerly carried out by the BRN Ministerial Delivery Units, are now mainstreamed into MoEST.

⁵ These consist of a ministry-staffed program support team in MoEST and PO-RALG, under the overall supervision of the Director of Policy and Planning of MoEST. A quarterly senior management team meeting consisting of MoEST, PO-RALG, MoFP and development representatives provides overall guidance on implementation.

28. The Assistant Director of Programs and Budget,⁶ MoEST serves as the primary day-to-day program coordinator, with the Director of Basic Education Services, PO-RALG as the counterpart coordinator.

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⁶ Assistant director serves as Coordinator for the EPforR program.