

## PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC23833

<b>Project Name</b>	TZ-Zanzibar Improving Student Prospects Project (P153277)
<b>Region</b>	AFRICA
<b>Country</b>	Tanzania
<b>Sector(s)</b>	Primary education (30%), Secondary education (70%)
<b>Theme(s)</b>	Education for all (100%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P153277
<b>Borrower(s)</b>	The United Republic of Tanzania
<b>Implementing Agency</b>	Ministry of Education and Vocational Training
<b>Environmental Category</b>	B-Partial Assessment
<b>Date PID Prepared/ Updated</b>	30-Mar-2015
<b>Date PID Approved/ Disclosed</b>	27-Jun-2015
<b>Estimated Date of Appraisal Completion</b>	23-Dec-2015
<b>Estimated Date of Board Approval</b>	11-Mar-2016
<b>Concept Review Decision</b>	Track II - The review did authorize the preparation to continue

### I. Introduction and Context

#### Country Context

Zanzibar is a semi-autonomous region of the United Republic of Tanzania, with a population of 1.4 million. Over the past decade, Zanzibar's economic growth has averaged about 7 percent per annum. Despite these gains, progress on poverty reduction has been slow, and nearly half the population continues to live below the poverty line. This has been attributed to high rates of food inflation and population growth. The high population growth rate of 2.8 percent, in particular, is seen to be undermining the island's prospects for economic growth and poverty reduction.

Economic prospects for young people in Zanzibar are bleak. Youth unemployment rate (15-35 years old) on the island is 31.3 percent. Youth also constitute the majority share of the underemployed and economically inactive. There is growing concern that Zanzibari youth are not participating in the high growth sectors of the economy, due, in part, to poor alignment of their skills with the demands of a modern economy. Future growth and poverty reduction will depend on how well Zanzibar equips its youth. With a median age of 17 years, Zanzibar has a young population

implying strong potential for demographic dividends. To this end it is crucial to reduce the currently high rates of non-activity among adolescents and youth. This will positively impact their economic returns and demographic choices through increased income and reduced fertility.

### **Sectoral and Institutional Context**

Zanzibar is partway through its transition to a new education system which includes 12 years of compulsory education. These are subdivided into three levels: pre-primary (2 years), primary (6 years), and secondary (4 years). After the secondary level students move to the advanced secondary level (2 years). Student flow through the system before advanced secondary is managed through three high-stakes exams. These include: (i) exit exam from primary (Standard 6 Exam); (ii) exam during secondary (Form 2 Exam); and (iii) exit exam from secondary (Form 4 Exam). English has been introduced as the language of instruction in Math and Science from Standard 5 (instead of Form 1) in an effort to raise students' English competency before entering secondary education.

A major reason for the new system is to improve the quality and relevance of school education. Several indicators suggest that at present future prospects of students in the education system are poor. These include: (i) low skills attainment in primary and secondary levels and (ii) a large share of students dropping out during and just after the secondary level.

Skills attainment through school education remains very low. According to SAQMEQ 2007 almost 73.4 percent of Standard 6 students were below beginning numeracy. Low skills attainment is also reflected in exit exams where average student scores in math were only 10.3 percent in primary exit exam and 6.5 percent in high-stakes exam during secondary (Form 2 exam). The corresponding rate for physics was 23 percent. In 2012, only about 757 students passed at least seven subjects and were eligible to enroll in advanced secondary.

In particular, there is a huge shortage of skills in math and science. This is largely because very few students are able to pass secondary school exit exams in Math and Science (see above). Consequently, enrollment in science and technology courses at the post-secondary level remains extremely low. Such low acquisition of science and math competencies is seen by the government as a significant constraint to: availability of future science and math teachers (leading to a vicious cycle of low acquisition of science and math skills for younger cohorts), earning potential of secondary school graduates, job creation for local population; meeting workforce needs for business growth and innovation, and overall growth prospects of the economy. This is articulated in MKUZA II wherein the RGoZ attaches high priority to teaching Science, Math, and the use of information communication technology as an avenue for improving human capital resources and creation of job opportunities.

Due in part to low skills acquisition, majority of students drop-out during secondary education. In 2012-2013, almost 64 percent of students dropped out before completing secondary education. Transition from second to third year of secondary was only 54.6 percent in 2013 and from secondary to advanced secondary was only 8.4 percent. Students who drop-out before completing secondary education are unable to tap into the high economic returns of secondary education in the labor market and have high likelihood of becoming underemployed or non-active. For women, these high drop-out numbers could signify early marriage and teenage pregnancy.

### **Relationship to CAS**

The National Strategy for Growth and Reduction of Poverty in Zanzibar (MKUZA II,

2010/11-2014/15) focuses on three clusters: (i) growth and reduction of income poverty; (ii) improvement of quality of life and social wellbeing; and (iii) good governance and accountability. The proposed project is expected to contribute to all three of these clusters.

It is also closely aligned with World Bank Group's CAS 2012-2015. Access to and quality of education are a part of key outcomes laid out in the CAS which emphasizes four strategic objectives: (i) promote inclusive and sustainable private sector-led growth; (ii) build infrastructure and deliver services; (iii) strengthen human capital and safety nets; and (iv) promote accountability and governance. The project will contribute to elements (iii) and (iv) of the CAS.

Given its focus on improving the future economic prospects of students in the education system, the project will support the World Bank goals of ending extreme poverty and boosting shared prosperity. The project aims to reduce rates of inactivity and underemployment among Zanzibari youth. Through this channel the project is likely to directly reduce poverty by improving the economic returns to school education. The welfare gains may accrue not only to these young men and women, but also to their families and children. Secondary education of girls is also linked to reduced fertility which is expected to be a critical ingredient for Zanzibar's poverty reduction efforts. Also high quality education is linked with productivity growth, both of which contribute to shared prosperity. Within project M&E special efforts will be made to track the progress of the most disadvantaged.

## **II. Proposed Development Objective(s)**

### **Proposed Development Objective(s) (From PCN)**

The proposed PDO is to: improve the future economic prospects of students in the school system. Improved future economic prospects will be measured by: improved transition to advanced secondary and improved labor market relevance of school education.

### **Key Results (From PCN)**

The key results indicators will be fully defined during the consultative project design process (see section III.A). Based on preliminary discussions with Ministry of Education and Vocational Training (MoEVT), progress towards PDO achievement is likely to be measured through the following indicators (See PCN Background Document for proposed results chain):

- Share of students sitting for Form 2 and Form 4 exams who remain active after one year (are participating in education or labor market activities after one year)
- Student performance in Math and Science in Form 4 exams

During project preparation if a results-based financing (RBF) approach using disbursement-linked indicators (DLIs) under the Investment Project Financing (IPF) modality was to be used, some of the intermediate output and outcome indicators would become the DLIs. This approach is under consideration because following considerable input provision for secondary schools under ZBEIP, the government is keen to build on these successes by shifting focus away from inputs and towards results.

## **III. Preliminary Description**

### **Concept Description**

The project will focus on improving the future economic prospects of students in the school system

by using a two-tier approach that (i) addresses key system-level failures; and (ii) provides targeted support directly to students near high drop-out points to help them stay in school and/or improve their labor market opportunities.

While specific interventions will be identified through consultative multi-stakeholder discussions, the overall approach has been developed in consultation with the government. Under this approach, addressing system-level failures will include a focus on: improving teacher effectiveness (particularly through improved content knowledge, pedagogy, and supervision), timely delivery of adequate capitation grants, strengthening of Education Management Information System (EMIS), and construction of science labs. Targeted support to students near high drop-out points will entail a strong focus on student cohorts in Standard 6 and Forms 1-4 when most of the drop outs happen. This support will mainly be to reduce rates of drop-outs (especially before secondary completion) and non-activity. Interventions could include: assessment of reading, writing, and arithmetic skills (3R); provision of remedial education; encouragement and support for increased enrollment in science subjects; and support for labor market transition (information on market returns, support for networking, and apprenticeship opportunities in labor market).

This two-tier approach is expected to yield returns in the short term in the form of improved student prospects (learning, economic, and social outcomes), but also promote high-performing, systems that will generate returns over the medium to long term.

#### Financing Instrument

The proposed project will be financed through an Investment Project Financing (IPF) modality in which the team will explore the option of a results-based financing (RBF) approach using disbursement-linked indicators (DLIs). Under this approach a subset of results indicators will be chosen as DLIs; each DLI will have an agreed monetary value and will serve as triggers for performance-based payments within the project. DLIs are expected to help shift focus away from inputs and towards results.

#### Project Design Process

In order to maximize the transformative potential of future education programming, government of Zanzibar wants to introduce a new type of design process for the proposed project. This change is being informed by past experiences and lessons learnt from successful development initiatives in other contexts. The new design process is titled 'Results for Prosperity Education Lab' (R4P ELab) and is engineered to ensure that the proposed project will have: broad-based buy-in, clear targets, focused direction, and a strong outcome-based performance culture.

The MoEVT Concept Note for the R4P ELab describes it as: an intense problem-solving environment within a dedicated physical workspace with a full time team working in iterative manner towards delivering results. The R4P Education Lab (ELAB) will bring together representatives from across the line ministries, private sector, donor partners, non-government organizations, teachers union, and civil society. Together this Lab team will focus on generating implementable solutions to identified problems. These discussions will be informed by: (i) outputs from a review of the sector; (ii) a current situational analysis, and (iii) available national and international evidence on effectiveness of various solution approaches and interventions. The total lab team is expected to comprise of about seventy people working together over a five-six week period.

The main outputs of the R4P ELAB will be: (i) new Multi-sector Education Plan (MEP) 2015/16 – 2020 with specific objectives; (ii) design of the new education project to achieve these objectives; and (iii) detailed implementation plans associated with the new education project. The precise scope of Bank support to the new MEP and related education project will be finalized based on discussions during and immediately after the ELAB.

#### IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12		x	
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

#### V. Financing (in USD Million)

Total Project Cost:	50.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
<b>Financing Source</b>		<b>Amount</b>	
BORROWER/RECIPIENT		0.00	
International Development Association (IDA)		50.00	
Total		50.00	

#### VI. Contact point

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