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IN THE AMOUNT SDR 78.8 MILLION  
(US\$122 MILLION EQUIVALENT)

TO THE

UNITED REPUBLIC OF TANZANIA

FOR THE

BIG RESULTS NOW IN EDUCATION (BRNEd) PROGRAM

June 16, 2014

Education Unit, Human Development Sector  
East & Southern Africa Region  
Eastern Africa Country Cluster 1, AFCE1  
Africa Region

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**TANZANIA**  
**CURRENCY EQUIVALENTS**  
Exchange Rate Effective (as of April 30, 2014)

Currency Unit US\$1.00	Tanzania Shilling (T Sh) T Sh 1636.51
Currency Unit US\$1.00	Special Drawing Right (SDR) SDR 0.64529035

(Weights and Measures  
Metric System)

**GOVERNMENT FISCAL YEAR**  
**JULY 1 – JUNE 30**

**ABBREVIATIONS AND ACRONYMS**

3R	Reading, Writing, and Arithmetic
ADEM	Agency for the Development of Education Management
BEST	Basic Education Statistics in Tanzania
BRN	Big Results Now
BRNEd	Big Results Now in Education
CAS	Country Assistance Strategy
CASPR	Country Assistance Strategy Progress Report
CB	Cost-Benefit
CMU	Country Management Unit
CSEE	Certificate of Secondary Education Examination
DEO	District Education Officer
DFID	UK Department of International Development
DLI	Disbursement-Linked Indicator
DPL	Development Policy Loan
DTT	Department of Teachers Training
EGRA	Early Grade Reading Assessments
EMIS	Education Management Information System
ERC	Education Reform Compact
ESMF	Environmental and Social Management Framework
ESSA	Environmental and Social Management System Assessment
ISP	Implementation Support Plan
IDA	International Development Association
IFA	Integrated Fiduciary Assessment
ISM	Implementation Support Missions
GoT	Government of Tanzania
GPE	Global Partnership for Education
HBS	Household Budget Survey

IRR	Internal Rate of Return
KPI	Key Performance Indicator
LGA	Local Government Authority
MDU	Ministerial Delivery Unit
MoEVT	Ministry of Education and Vocational Training
MKUKUTA	<i>Mpango wa Pili wa Kukuza Uchumi na Kuondoa Umaskini Tanzania</i> (Second National Strategy for Growth and Reduction of Poverty)
NSGRP	National Strategy for Growth and Reduction of Poverty
NECTA	National Examinations Council of Tanzania
NKRA	National Key Result Area
NPV	Net Present Value
OGP	Open Government Partnership
PDO	Program Development Objective
PEDP	Primary Education Development Program
PEFA	Public Expenditure and Financial Accountability
PEMANDU	Performance Management and Delivery Unit
PforR	Program-for-Results
PMU	Project Management Unit
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PPRA	Public Procurement Regulatory Authority
PMO	Prime Minister's Office
PMO-RALG	Prime Minister's Office, Regional Administration and Local Government
PDB	President's Delivery Bureau
PDV	Present Discounted Value
PSLE	Primary School Leaving Examination
RBA	Rapid Budget Analysis
RDU	Regional Delivery Unit
SDI	Service Delivery Indicators
SEDP	Secondary Education Development Program
SIDA	Swedish International Development Cooperation Agency
SIG	School Incentive Grant
STEP	Student Teacher Enrichment Program
TA	Technical Assistance
TB	Tender Board
TDC	Transformation Delivery Council
TIE	Tanzania Institute of Education

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Country Director:	Philippe Dongier
Sector Manager:	Sajitha Bashir
Sector Director:	Tawhid Nawaz
Task Team Leader:	Arun R. Joshi/Shwetlena Sabarwal

**UNITED REPUBLIC OF TANZANIA**  
**Big Results Now in Education Program**

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## PAD DATA SHEET

*United Republic of Tanzania*  
*Big Results Now in Education Program*

### PROGRAM APPRAISAL DOCUMENT

*Africa Region*

Basic Information			
Date:	June 16, 2014	Sectors:	Education (100%)
Country Director:	Philippe Dongier	Themes:	Education System Performance Primary and Secondary Education Governance
Sector Manager/Director:	Sajitha Bashir/ Tawhid Nawaz		
Program ID:	P147486		
Team Leader(s):	Arun R. Joshi/ Shwetlena Sabarwal		
Program Implementation Period:			
Start Date:	July 10, 2014	End Date:	June 30, 2018
Program Financing Data			
<input type="checkbox"/> Loan	<input type="checkbox"/> Grant	<input type="checkbox"/> Other	
<input checked="" type="checkbox"/> Credit			
<b>For Loans/Credits/Others (US\$M):</b>			
Total Program Cost :	US\$416 million	Total Bank Financing :	US\$122 million
Total Co-financing:	US\$294 million	Financing Gap:	0

<b>Financing Source</b>	<b>Amount</b>
BORROWER/RECIPIENT	US\$164 million
IDA: New	US\$122 million
IDA: Recommitted	
Others (SIDA)	US\$30 million
Others (DFID)	US\$100 million
Financing Gap	0
Total	US\$416 million

Borrower: United Republic of Tanzania

Responsible Agency: Ministry of Education and Vocational Training

Contact: Prof. Sifuni Mchome Title: Permanent Secretary

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No

<b>Expected Disbursements (in USD Million)</b>										
Fiscal Year	2015	2016	2017	2018						
Annual	51	27	27	17						
Cumulative	51	78	105	122						
<b>Program Development Objective(s)</b>										
Improve education quality in Tanzanian primary and secondary schools.										
<b>Compliance</b>										
<b>Policy</b>										
Does the program depart from the CAS in content or in other significant respects?							Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the program require any waivers of Bank policies applicable to Program-for-Results operations?							Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Have these been approved by Bank management?							Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Is approval for any policy waiver sought from the Board?							Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Does the program meet the Regional criteria for readiness for implementation?							Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
<b>Overall Risk Rating: Substantial</b>										

<b>Legal Covenants</b>				
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>	
The Recipient has agreed with the Association and Co-financiers upon a 4-year BRNEd Budget Framework, coded against specific budget lines in the Recipient's Budget.		Effectiveness		
The Recipient shall prepare an operational manual containing detailed institutional, administrative, financial, environmental and social, technical and operational guidelines and procedures for the implementation of the Program.		No later than three months after the Effective Date		
The Recipient shall (a) carry out an audit of contracts procured in the preceding FY and furnish said audit to the Association; and (b) ensure that the findings of said audit are taken into account in the Annual Performance Assessment for the FY to which said audit relates.		No later than six months after the end of the FY to which said audit relates	Each year	
No withdrawal shall be made for any DLR referred to in the table in Paragraph A.2 of Section VI Schedule 2 of the Financing Agreement unless and until the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved and verified in accordance with the Verification Protocol.				
<b>Description of Covenant</b>				
<b>Team Composition</b>				
<b>Bank Staff</b>				
<b>Name</b>	<b>Title</b>	<b>Specialization</b>	<b>Unit</b>	<b>UPI</b>
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Denis Maro Biseko	Sr. Public Sector Specialist	Country Risk	AFTP5	
Donald Paul Mneney	Sr. Procurement Specialist		AFTPE	
Gisbert Joseph Kinyero	Procurement Specialist		AFTPE	
Esther Leoning	Infrastructure Specialist		GPOBA	
Ruma Tavorath	Sr. Environmental Specialist		SASD1	
Sanjay Srivastava	Lead Environmental Specialist		AFTN3	
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<b>Name</b>	<b>Title</b>	<b>Office Phone</b>	<b>City</b>
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# I. STRATEGIC CONTEXT

## A. Country Context

1. **Tanzania has sustained steady economic growth since 2000, averaging 7 percent.** Although the global financial crisis of 2009 impacted economic growth negatively, the rate of GDP growth in 2012 stood at 6.9 percent, which is close to the historical average over the past decade and significantly higher than the rate achieved in neighboring countries. In the past decade, the most dynamic sectors have been construction, mining, and communications.<sup>1</sup> Per capita GDP growth decreased from 4.3 percent in 2008 to 3.6 percent in 2011.<sup>2</sup> Fiscal policy has been largely prudent accompanied by strong growth in tax revenues.

2. **Economic growth has not translated into a corresponding reduction in poverty.** According to the 2007 Household Budget Survey (HBS), the incidence of poverty has declined only marginally from 35.7 percent in 2001 to 33.6 percent in 2007. The 2011/2012 HBS estimates 28.2 percent of mainland Tanzanians are impoverished; however, this number is not comparable to previous years given a change in measurement methodology. Tangible improvements were recorded in ownership of consumer non-durables, housing quality, and social indicators such as enrollment in primary education.

3. **To sustain economic growth and make it more inclusive, Tanzania needs to address key development constraints.** These include addressing infrastructure bottlenecks, improving the business environment, increasing agricultural productivity and value addition, improving service delivery to build a healthy and skilled workforce, and managing urbanization. Slower population growth is needed to eventually reap a demographic dividend. The country needs to continue to fight corruption and strengthen transparency and accountability across sectors and at all levels of service delivery, especially in the context of future exploitation of natural gas reserves.

4. **As part of its effort to transition the country from a low to a middle-income economy, Government of Tanzania adopted a comprehensive system of development implementation<sup>3</sup> in 2013.** This initiative is focused on seven critical sectors, including energy, agriculture, water, education, transport, resource mobilization, and business environment, to rapidly advance the nation's development in accordance with the 2015 Millennium Development Goals (MDGs), the Five Year Development Plan 2011-16 and the 2025 Tanzania Development Vision. Education features prominently as a core ingredient of this strategy for socioeconomic transformation.

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<sup>1</sup> National Bureau of Statistics (2011) National Accounts of Tanzania Mainland 2000-2010, Tanzania Ministry of Finance. [http://www.nbs.go.tz/takwimu/na/TzMainland\\_NA\\_2000-2010.pdf](http://www.nbs.go.tz/takwimu/na/TzMainland_NA_2000-2010.pdf)

<sup>2</sup> World Bank (2013) Tanzania Economic Update: Raising the Game. <http://documents.worldbank.org/curated/en/2013/12/18620924/tanzania-economic-update-raising-game-can-tanzania-eradicate-extreme-poverty>

<sup>3</sup> This is based on a model of development that has proven successful in Malaysia

5. **Within the education sector, there has recently been a national outcry about declining examination results and poor learning outcomes.** In 2012, only 30.7 percent of those who sat for the Primary School Leaving Examination (PSLE) exams passed, down from 58.3 percent in 2011. At secondary level, the pass rate for the Certificate of Secondary Education Examination (CSEE) has also declined in the last few years. Results from the latest round of Uwezo student assessments (2012) and baseline for Reading, Writing, and Arithmetic (3R) assessment (2014) show very low student competencies in terms of reading and numeracy skills.

6. **In February 2013, the President launched the “Big Results Now in Education” (BRNEd) program which is expected to fast track the improvement of quality of basic education service delivery.** The program has been designed with the specific objective of producing tangible improvements in student learning outcomes at primary and lower-secondary levels in the short-term.

## **B. Sectoral and Institutional Context**

7. **The Tanzanian educational system includes 2 years of pre-primary, 7 years of primary (Standards I-VII), 4 years of lower secondary (Forms 1-4), 2 years of upper secondary, and 3 or more years of tertiary education.** Mainland Tanzania and Zanzibar provide education separately through their respective governments. The official school commencement age is 7 years for primary and 14 years for lower secondary level. Due to the elimination of primary school fees and introduction of subsidized secondary education, the central government bears most of the costs of education provision.

8. **Tanzania has made strong progress in expanding access to education.** Beginning in 1999, Tanzania adopted its Vision 2025, which included a strong emphasis on expanding educational access. Through the Primary Education Development Program (PEDP) it eliminated tuition fees and expanded schools throughout the country. As a result, primary school enrollment increased from 4.8 million to 8.4 million between 2001 and 2010, and won a Millennium Development Goal Award in 2010 for its success at expanding primary school access. Tanzania increased its primary net enrollment ratio from 49 percent in 1999 to 95 percent in 2011 and added more students in the primary education system than any of its eight neighboring countries.<sup>4</sup> As a result of the large cohorts graduating from primary schools, the country embarked on the Secondary Education Development Program (SEDP), with emphasis on building schools in every ward. Enrollment in secondary schools has almost quintupled, with the net secondary enrollment ratio increasing from 3 percent in 2001 to 30 percent in 2011.

9. **The private sector currently plays a small role in education provision.** While private primary education enrollment has doubled since 2008, the private sector serves less than 3 percent of primary and around 15 percent of secondary school students.<sup>5</sup> The

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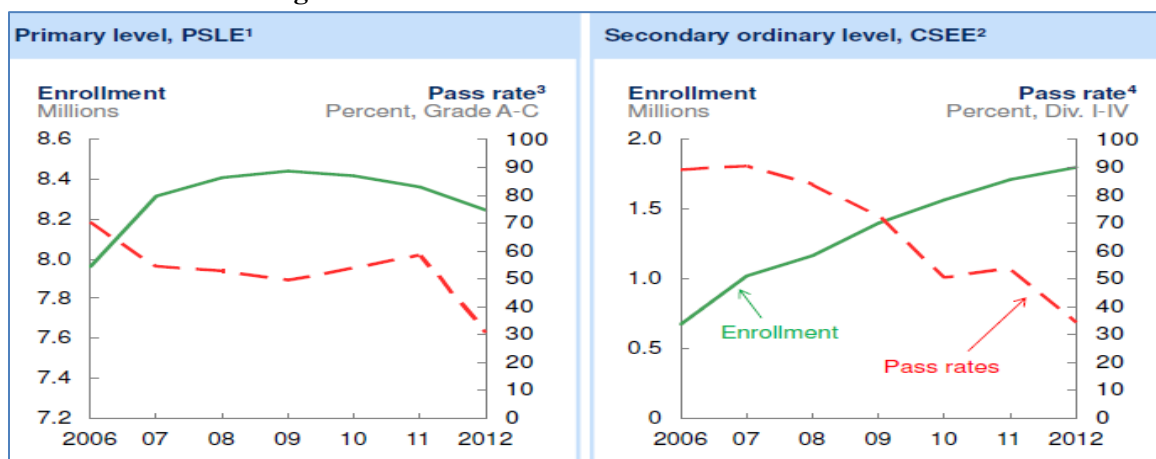
<sup>4</sup> UNSTATS (2013) Millennium Development Goals Indicators. <http://mdgs.un.org/>

<sup>5</sup> Government of Tanzania (2013) Basic Education Statistics of Tanzania (BEST).

government and development partners including the World Bank are currently exploring opportunities for leveraging the private sector and encouraging growth.<sup>6</sup>

10. **Learning outcomes at primary and lower secondary level are low and have been declining in recent years.** Uwezo (2013) reports that many students in the final grade of primary in 2012 lacked basic literacy and numeracy skills sought in the second grade: 47 per cent could not read basic English stories; 26 per cent could not read basic Kiswahili stories and 11 per cent could not perform simple multiplications. In recent years, pass rates from Primary and Secondary levels have been also declining (see Figure 1). Analysis shows that the decline cannot be attributed to expansion of access alone. There are critical issues of quality in education service delivery that underpin low and declining learning outcomes and have prompted a national outcry in the country.

**Figure 1: Trends in Enrollment and Exam Results**



Source: Government of Tanzania (2013), Education National Key Result Area Lab Report

11. **Low and falling learning outcomes demonstrate the education system’s struggle to create effective service delivery mechanisms.** Rapid enrollment expansion has placed primary and secondary school systems under increased pressure. Evidence also points to serious service delivery failures that need to be addressed in the short and medium term. The key service delivery issues are summarized below.

***Lack of adequate accountability and incentive mechanisms***

12. **Low rates of teacher time-on-task are major problems in education service delivery in Tanzania.** The Service Delivery Indicator survey (SDI, 2011) shows that about one in four teachers is absent from school on any given school day. Even when in school, the teachers are absent from the classroom more than half of the time. On average, students in primary schools in Tanzania are taught for two hours a day, and

<sup>6</sup> The World Bank is currently undertaking a Systems Benchmarking study (SABER) on Engaging the Private Sector.

students in urban areas are taught for just one and a half hours a day (instead of the 5 hours and 20 minutes required of primary school teachers.)

13. **Teachers and school administrators are not incentivized to improve delivery.** Findings from an analysis of teacher policies<sup>7</sup> shows that in Tanzania entry requirements, teacher pay, and working conditions may not be appealing for talented candidates, signaling teaching as a low-status profession. In addition, this analysis demonstrates clear policy gaps in terms of teacher motivation. Specifically, professional development of teachers is not systematic and there are no clear rewards linked to good performance. In addition, school leaders have few incentives to improve student achievement. While there are wide disparities within regions and districts, local administrators have no direct incentive or guidance on how to minimize disparities or improve overall achievement.

14. **Communities are insufficiently informed and empowered to advocate for better education.** Despite wide variation in the quality of education between schools and regions, stakeholders including parents and communities are not able to compare their school to peers or the nation as a whole. In the past three years, Uwezo has conducted learning assessments in Tanzania, which have yielded troubling results. Uwezo's results have sparked a national debate about the quality of education in Tanzania. However, Uwezo's findings are sample-based, and do not provide a complete picture which could inform the quality of learning in each community.

#### *Poor working conditions for teachers and administrators*

15. **Poor working conditions have left many teachers discouraged and unmotivated.** Relevant sources<sup>8</sup> suggest low teacher morale due to poor living conditions, unappealing salaries, and forced out-of-field teaching (due to teacher shortages in core subjects). Some teachers also complained about respect by the Local Government Authorities (LGAs).

#### *Insufficient Support and Unequal Resource Distribution*

16. **Many teachers lack the capacity to teach the subjects required.** The enrollment expansion led to a shortage of qualified teachers and has necessitated lowering qualification thresholds for teachers. This is particularly true for certain subjects including English, Mathematics, and Science. As a result, a large portion of the teacher workforce lacks the skills necessary to effectively teach these important subjects. Not surprisingly, these are the very subjects where student performance is lowest.

17. **Limited student achievement measurement hinders the system's ability to identify and help weak students.** The only two high stake examinations are the PSLE

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<sup>7</sup> From the SABER (Systems Approach for Better Education Results) exercise on teachers (2012)

<sup>8</sup> A series of Focus Group discussions were held with teachers as a part of the BRN design process and SABER-Teachers study was conducted.

and CSEE occurring at the end of primary and lower secondary, respectively. Without assessments at earlier grades to discern system-wide performance, Tanzania is unable to predict, flag, and respond to learning outcome issues early on. The examinations are used to regulate the size of continuing cohorts, not to measure system performance.

18. **Heads of schools lack the skills necessary to manage schools better and help teachers improve learning.** While heads of school lack incentives to improve education delivery, they also lack the skills to do so. Before 2013, only some heads of school received additional training (through the Agency for the Development of Educational Management, ADEM) and it primarily was geared towards administration, not supporting teachers to improve learning outcomes.

19. **High inequality can be observed across districts in public spending per capita on education.** In terms of resource allocation, student teacher ratio in primary schools is lower than 30 in some districts and close to 80 in others. The government's capitation grant system is meant to provide supplementary per-student financing of TSh 25,000 per secondary student. However, system-level issues have led to severe inefficiencies and disparities in availability of capitation grants. In fiscal year 2012-2013, Tanzania funded capitation grants at approximately 56 percent of what was originally committed and some districts received eleven times more per student funding than others.<sup>9</sup>

20. **Limited school-level data constrains effective system-level planning and management.** While Tanzania has many of the building blocks of a national education management information system (EMIS) in place, it has not successfully delivered reliable nationwide school-based data. As a result, it is unable to strategically deploy teachers, accurately dispense student-based financing, or conduct strategic regional and national planning. Limited monitoring data also results in expenditure inefficiencies: leakage (defined as the share of resources intended for schools, but not received by them) represents 37 percent of the capitation grant budget.<sup>10</sup>

### *The Government's Response*

21. **The Government of Tanzania has an overarching Education Sector Development Plan (ESDP) and sub-sectoral plans for Primary Education (PEDP), Adult and Non Formal Education (AENFED), Secondary Education (SEDP), Technical and Vocational Education and Training (TVETDP), Folk Education (FEDP) and Higher Education (HEDP) levels.** The ESDP and the sub-sectoral plans are revised and updated periodically. Assessment of the current plans shows that they cover historically ongoing activities in the sub-sectors, and do not specify priorities in their budget requirements.

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<sup>9</sup> World Bank (2014) Secondary Education Development Program II November 2013 Aide Memoire.

<sup>10</sup> Ibid.

22. **The ESDP Strategy has guided the sector towards growth, quality, and efficiency for 17 years.** The government launched the ESDP in 1997 which has been extended to 2017. Its objective is to substantially increase enrollment, quality, and efficiency in all levels of education. The government coordinates external assistance from development partners through the ESDP. The strategy defined in the ESDP is enacted through programs focused on the primary, secondary, and higher education levels, respectively.

23. **The Primary Education Development Program has greatly expanded access.** PEDP began in 2001 and is currently in its third phase, to be completed in 2016. Reflecting the principles of the ESDP, it expanded school access and increased school retention at the primary level. While enrollment remains high, pass rates have been consistently declining. Quality also varies greatly by district: primary completion rates vary by as much as 40 percentage points between districts.

24. **In 2004, Tanzania launched the Secondary Education Development Program.** Between 2004 and 2009, SEDP expanded public secondary education access with a minimal decline in pass rates while attempting to improve quality. The program included teacher training to help increase the number of teachers entering the profession. Despite some success in improving education quality through this intervention, overall measures of student learning continue to decline. Learning outcomes are lowest in districts where the expansion in enrollment was greatest, suggesting that the past disparity in access has translated into a disparity in learning.

25. **The reforms in primary and secondary education have similar stories of mixed success.** While the past decade of reforms succeeded in increasing access for the majority of Tanzanians, it has struggled to maintain or improve the quality of education provided. If quality continues to decline, Tanzania risks having a workforce incapable of meeting the nation's needs.

26. **In 2012, the government worked on devising a strong and focused strategy to urgently address quality issues in the primary and secondary education system.** In October 2012, an education retreat - with participation from the Minister of Education, key delegates from Ministry of Education and Vocational Training (MoEVT) and Prime Minister's Office, Regional Administration and Local Government (PMO-RALG), and development partners - was held in Washington D.C. The objective was to chart out the key reform themes to improve learning outcomes in Tanzania. The retreat involved discussions on global evidence around different education interventions and relevant country examples, and triggered a major paradigm shift among key government counterparts away from focusing on education inputs and towards focusing on results through reforms in accountability, incentives, and assessments. As an outcome of this process, the Government of Tanzania and eight development partners signed the Education Reform Compact (ERC) in December 2012, which focused on improving education results throughout the service delivery chain. Discussions from ERC have fed into the design of a new kind of education program in Tanzania.



27. **In February 2013, the President launched the “Big Results Now in Education” (BRNEd) program, based on the ERC.** Over the course of a six week retreat (titled BRNEd lab) in Tanzania, 34 representatives from government offices, development partners, and stakeholders worked through a participatory process to determine the priority interventions that could be implemented within two years or less and would improve education results. For guidance on implementation, the Government received assistance from the Government of Malaysia (which implemented a similar series of education reforms) to help develop a clear and practicable implementation plan. At the end of the retreat, the government provided a report on the key issues to address, interventions to address them, and highly detailed and measurable plans to implement the reforms. To ensure the BRNEd activities are implemented, two new management structures were created: the President’s Delivery Bureau (PDB), which is an independent unit in the President’s office for implementing the Big Results Now program; and the Education Ministerial Delivery Unit (MDU), which is responsible for providing independent monitoring of implementation of BRNEd and providing weekly implementation reports to the Minister of Education. The Minister and Permanent Secretary publicly took oaths to implement the plan, and a ceremony was held where every District Education Officer (DEO) took a similar oath.

28. **The primary rationale for the BRNEd program is to urgently arrest the declining trend in student learning outcomes at primary and secondary levels and reverse it.** Program rationale was also informed by the following considerations: (a) in order to impact learning outcomes in the short-term, a process of evidence-based prioritization was needed which BRNEd design process has provided; (b) this prioritization yielded focus areas around which initiatives targeted at improving student learning needed to be designed, this has been done by the BRNEd design process; and (c) these initiatives will be implemented as a priority under the BRNEd program with clear implementation plans and close monitoring.

29. **With the BRNEd program, the government’s approach to planning, prioritizing/ budgeting and monitoring has undergone a major change.** In the BRNEd Program, the traditional approach to planning and budgeting has been replaced by a more rigorous process of identifying challenges, setting goals, prioritizing key activities based on evidence, developing specific intervention details and extremely detailed implementation plans (called ‘3-foot plans’), including budget requirements for the specific interventions, and operationalizing a strong monitoring process from the central to the local levels. Through the six weeks of extensive consultations (in dedicated forums called ‘education labs’) with various stakeholders, the government’s BRNEd Program has prioritized improving education quality at the primary and secondary levels as its main focus for the coming four years.

30. **The BRNEd program is expected to fast track the improvement of quality of basic education service delivery.** This in turn is expected to produce tangible improvements in student learning outcomes. In the longer term, BRNEd is expected to

lay the foundation of an outcome-based performance culture in the education sector in Tanzania. The main guiding principles for BRNEd are high potential impact on learning outcomes and fast delivery. The latter is necessitated by the need to urgently address low and falling learning outcomes. The more long-term, system-level interventions will remain a part of the broader government agenda and the groundwork laid out by BRNEd will provide a further impetus for their implementation. The proposed Program-for-Results (PforR) has been designed to support the implementation of Government's BRNEd program.

31. **The overall objective of the BRNEd program is to improve student learning outcomes at primary and secondary education level in Tanzania.** Within the next four years, BRNEd implementation is expected to yield the following:

- In the initial stages of program implementation: System level improvements in the form of more efficient utilization of financial and human capital resources at both central and local levels
- By the middle of program implementation: Tangible improvements in actual education service delivery through improved accountability and incentive mechanisms at the school level
- By the end of program implementation: Tangible but realistic improvements in student learning outcomes (note global evidence suggests that improvements in student learning in response to targeted education interventions are often modest and might manifest with a time-lag)

### **C. Higher Level Objectives to which the Program Contributes**

32. **The overall objectives of the BRNEd, as well as this PforR, are consistent with and contribute to the National Strategy for Growth and Reduction of Poverty (MKUKUTA II, 2010/11-2014/15).** This strategy focuses on four clusters: (i) strengthening performance through transparency; (ii) motivating stakeholders through incentives; (iii) improving teacher conditions; and (iv) providing support where needed most.

33. **Objectives are also closely aligned with World Bank Group's Country Assistance Strategy 2012-2015<sup>11</sup>,** Access to and quality of education are a part of key outcomes laid out in the Country Assistance Strategy (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 operation will contribute to elements (iii) and (iv) of this strategy. The recent CAS Progress Report (CASPR) further emphasizes public service delivery as a critical area of focus for GoT's on-going effort in reducing poverty and promoting shared prosperity.

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<sup>11</sup> Report No. 60269-TZ, May 9, 2011

34. **The operation builds on World Bank’s Learning for All education strategy.** The strategy focuses on building a high-quality knowledge base and strengthening education systems. As demonstrated by the approach of the ERC and BRNEd design, the Government’s program has engendered a marked shift away from mere input provision and towards clear alignment with global evidence on what works to improve education outcomes. The BRNEd also focuses on strengthening the education system itself by paying particular attention to the incentives of stakeholders involved in education delivery. It does so largely by building on improving the effectiveness of the existing structures within the education system<sup>12</sup>.

35. **Given program focus on improving education outcomes in Tanzania, it is well-aligned with the World Bank goals of ending extreme poverty and boosting shared prosperity.** The latest poverty statistics suggest that 38 percent of Tanzania’s population lives below US\$1.25 a day. This population is expected to benefit disproportionately from this operation given: (i) poor education quality affects the poor disproportionately; addressing quality will directly improve equity; (ii) it is the poor who are especially harmed by poor service delivery and hence suffer from poor outcomes, hence improving education service delivery would benefit them more; (iii) program is focused on improving financial and human resources for schools in poor areas; and (iv) activities such as remedial education (STEP) are targeted at lagging students who often come from poorer backgrounds.

#### **D. Rationale for Program for Results and Bank Involvement**

36. **The new PforR financing instrument provides an excellent fit for supporting the government’s BRNEd program.** The PforR instrument is strongly justified on the following grounds.

37. **The government’s program is well-defined, clearly developed, and has strong commitment from the highest levels.** Building on the ERC, the program design includes detailed implementation plans, strong championship from the President of Tanzania, a robust monitoring system that ensures accountability of key implementers, and adequate technical and financial support from the government and development partners.

38. **The PforR presents several design and implementation advantages over alternative instruments.** These advantages include (i) supporting the government to engender a ‘results-oriented’ program and implementation culture to improve learning outcomes; (ii) adopt a direct, incentive-driven approach to achieve the development objectives; (iii) leverage and strengthen existing central and local government systems, including public financial management, social and environmental systems management, and procurement management; and (iv) align incentives along different levels of the education service delivery chain (and ensure consistency with BRNEd interventions that link additional resources to performance). The results of the Bank’s comprehensive

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<sup>12</sup> The only new structures created by the program are the temporary committees charged with overseeing and monitoring the implementation of the reforms.

background assessments; client's commitment to technical and institutional capacity building; and the client's familiarity with the use of disbursement against results-based indicators and PforR instrument<sup>13</sup>, help further justify the use of the PforR instrument.

39. **Aside from catalyzing results-based financing, the Bank's involvement is expected to bring tangible value-added in several key domains.** The Bank's technical expertise, global knowledge, and leverage will be critical in shifting focus away from inputs towards increased efficiency of existing expenditures through service delivery improvements. In addition, the Bank will provide technical support, consensus-building, and donor harmonization around system and institutional changes which are expected to yield returns in the longer term. Given its wide experience with results-based financing in social sectors, the Bank is also seen as a credible partner that can help institutionalize results-based development culture with the use of the new PforR instrument. Given the above, a PforR allows the financing necessary to incentivize implementation of the Tanzanian Government's own thoroughly developed program.

## **II. PROGRAM DESCRIPTION AND RESULTS FRAMEWORK**

### **A. Program Scope**

40. **This Program for Results (PforR) will support the government's broader program, Big Results Now in Education (BRNEd).** PforR support is aligned to the entire BRNEd program of expenditures, with the exclusion of construction activities. The government's program (BRNEd), the program for IDA support (PforR), and the rationale for program boundaries are described below.

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<sup>13</sup> World Bank (2012) Urban Local Government Strengthening Program, Report No: 72452-TZ.

**Table 1: Boundaries of the program supported by PforR**

Item	Government Program	Program supported by PforR
Title	BRNEd program [a well-defined sub-set of the overall Basic Education (primary and secondary) program]	BRNEd program
Objective	Improve education quality in Tanzanian primary and secondary schools.	Improve education quality in Tanzanian primary and secondary schools
Activities	Nine activities: 1. Official school ranking 2. National 3R assessment 3. School incentive scheme 4. Teacher motivation (non-financial performance incentives for teachers & clear backlog of claims ) 5. School improvement toolkit 6. 3R teacher training 7. Student-Teacher Enrichment Program (STEP) 8. Capitation Grants 9. Basic facilities construction	Same as government program but excluding Activity 9 - ‘Construction of Facilities’
Geographic scope	Tanzania Mainland	Tanzania Mainland

***Government’s BRNEd Program***

41. **BRNEd is a focused, transformative, and clearly-defined program contained within government’s overall basic education program (primary and secondary) for all of Tanzania Mainland.** Instead of developing new mechanisms for monitoring and supporting education delivery, BRNEd design leverages existing structures, institutions, and arrangements to provide targeted incentives and support. The implementation of the BRNEd program is expected to fast track the improvement of quality of basic education service delivery, which in turn is expected to produce tangible improvements in learning outcomes of students. In the longer term, BRNEd is expected to lay the foundation of an outcome-based performance culture in Tanzania’s education sector. The PforR instrument will be a key catalyst for mainstreaming this culture.

42. **BRNEd program design is based on extensive analytical work and consultations.** As mentioned above, a cross-functional team of experts and stakeholders identified key challenges within the Tanzanian education system and developed related solution areas. This was done on the basis of the existing body of analytical and policy work and led to a process of prioritization which identified interventions that are likely to produce the greatest impact on student learning in the shortest possible time.

43. **BRNEd is a prioritized transformation program built on four integrated levers to enhance quality in education:** (i) strengthen performance of schools and improve the system's transparency; (ii) motivate teachers and schools through incentives; (iii) improve teacher conditions; and (iv) provide support where needed. The results chain surrounding BRNEd is described in Annex 4.

44. **BRNEd includes nine initiatives which comprise a well-defined program of expenditures within the overall basic education program.** These initiatives are summarized below:

*To strengthen performance of schools and improve the system's transparency*

- i. Official school ranking for primary and lower secondary schools: The intervention will rank all schools by exam results every year and make the rankings public to raise accountability and provide better visibility for all. This effort is also expected to improve community engagement in education issues.
- ii. National (sample-based) 3R assessment for primary schools: There is no formally accepted 3R (reading, writing, arithmetic) assessment in early grades in Tanzania. The result is that early grades lack a necessary focus on learning and students move up the grades without mastering the basic 3R skills. To address this issue, this intervention will involve implementation of 3R assessment in Standard II for a randomly selected sub-sample of primary schools in the country.

*To motivate teachers and schools through incentives*

- iii. School Incentive Grant (SIG) for primary and lower secondary schools: The intervention will introduce annual monetary and non-monetary incentives (in the form of widely publicized recognition awards) to schools which have most improved their performance in national examination results over the previous year.
- iv. Teacher motivation for primary and secondary schools: The BRN aims to kick-start large-scale teacher perception transformation in Tanzania, starting with recognizing the teachers through non-monetary incentives and clearing outstanding claims.

*To address insufficient support and unequal resource distribution*

- v. School improvement toolkit for primary and lower secondary schools: Lack of training and management experience prevents many head teachers/head of schools from improving quality in school. Within this intervention, a practical toolkit that includes best practices to manage a school is created, and will be distributed to every head teacher and head of school. In addition, each head teacher and head of school will be trained to drive quality improvement.
- vi. 3R teacher training for primary schools: After running the 3R assessment and determining the regions which need most support, a teacher training program for Standard I and Standard II teachers will be conducted. This training will focus on how to teach these basic skills effectively. 6,000 (out of 16,000) schools in 40 (out of 136) low-performing districts will receive training through the cascade model.

- vii. Student teacher enrichment program for primary and secondary schools: Classrooms are overcrowded, and lower performing students lack adequate attention to address learning needs. Many teachers lack basic skills and tools for effective teaching, such as lesson plans. To turn this around, BRNEd will implement the Student Teacher Enrichment Program (STEP) in primary and secondary schools to train teachers to identify and support low performing students. There will be diagnostic tests to determine which students need most support and the areas where they are lacking the most knowledge. Teachers will be trained on these specific aspects of the curriculum and on conducting classes for low performing students. These teachers will conduct additional classes for these students.
- viii. Timely delivery of adequate capitation grants for primary and secondary schools: Timely receipt of capitation grants is critical for helping schools meet their operating expenses. However, sufficient books and material do not reach schools due to process inefficiencies and budgetary constraints. To address this issue, this intervention will involve strengthening the monitoring and delivery systems to ensure successful and timely capitation grant delivery to schools.

***To improve access to basic education***

- ix. Tracking of construction of basic facilities in secondary schools.

45. **The BRNEd program does not include some activities in the basic education program.** These are: support for ongoing curriculum revisions; regular teacher training; early childhood and adult education program; and payment of teacher salaries. Initiatives in these important areas continue to be supported by the Government's overall basic education program and other projects/ programs supported by the Development Partners, including Global Partnership for Education (GPE) and SEDP II.

***PforR Support***

46. **PforR support will extend to the entire BRNEd program of expenditures, with the exception of 'construction activities'.** The scope of PforR support and how it fits within the Government's BRNEd program and overall basic education program is described below.

**Figure 2: Program Scope**

Government Basic Education Program	
<b>BRNEd</b>	
Official School Ranking 3R Assessment School Incentive Scheme Teacher Motivation School Improvement Toolkit 3R Teacher Training STEP Capitation Grants	P for R
Construction	
<b>Non-BRNEd</b>	
Regular Teacher Training (pre-service & in-service) Curriculum Reform Early Childhood Education Adult Education Teacher Wages	

47. For four years (2014-2018), BRNEd (excluding construction) is expected to cost US\$416 million. The program of expenditures for BRNEd and its fit with the overall basic education budget is described below.

**Table 2: Total Basic Education Expenditures (US\$)**

	Year 1	Per Year Cost (Year 2-4)	Total for Four Years
<b><i>BRNEd Program (excludes construction)</i></b>	<b><i>118,693,774</i></b>	<b><i>99,136,983</i></b>	<b><i>416,104,724</i></b>
Official School Ranking	645,920	539,494	2,264,400
3R Assessment	524,280	437,896	1,837,970
School Incentive Scheme	1,243,876	1,038,927	4,360,657
Teacher Motivation	19,246,711	16,075,492	67,473,188
School Improvement Toolkit	351,368	293,474	1,231,791
3R Teacher Training	2,630,640	2,197,198	9,222,235
STEP	18,242,033	15,236,352	63,951,088
Capitation Grants	75,808,945	63,318,150	265,763,394
<b><i>Other</i></b>	<b><i>1,090,985,405</i></b>	<b><i>1,090,985,405</i></b>	<b><i>4,363,941,620</i></b>
Construction	3,870,465	3,870,465	15,481,860
Wages	765,936,514	765,936,514	3,063,746,054
Other Recurrent	321,178,426	321,178,426	1,284,713,706
<b><i>Grand Total</i></b>	<b><i>1,209,679,179</i></b>	<b><i>1,190,122,388</i></b>	<b><i>4,780,046,344</i></b>



48. The typology of costs supported by IDA financing includes: capitation grants and costs, teaching and learning supplies (including textbooks, laboratory equipment, classroom supplies etc.), examination costs and expenses, training materials and costs, administrative expenses and clearing of outstanding teacher claims. A detailed list of cost typologies associated with each BRNEd initiative is presented in Annex 11.

49. **In addition to IDA financing, the BRNEd program will be supported by funding from DFID and SIDA through parallel financing.** IDA financing will cover US\$122 million, DFID financing US\$100 million and SIDA financing US\$30 million. All the remaining financing will come from the government.

**Table 3: BRNEd Sources of Financing (US\$)**

Funding Estimates 2014-2018	
<b>BRNEd</b>	<b>416,104,724</b>
IDA (PforR)	122,000,000
DfID	100,000,000
SIDA	30,000,000
Government (other)	164,104,724*
*: About 15,481,860 from this amount comes from IDA financed SEDP II and will be used for construction (November 2013 SEDP II Aide Memoire)	

### ***Rationale for Program Boundaries***

50. **The only BRNEd activity not included as part of the PforR support is ‘construction of facilities’.** The reason for excluding this activity is that, construction of facilities is currently being supported under the ongoing IDA financed SEDP II program.

51. **Teachers are a critical part of the BRNEd results framework.** However, based on discussions with government counterparts, it was decided to exclude teacher salaries from program boundaries. This is because PforR support is aligned to the BRNEd program and not to the overall basic education program. The BRNEd program is designed as a ‘prioritized action plan’ to urgently improve learning outcomes. Payment of teacher salaries is one of the regular activities undertaken by MoEVT and PMO-RALG and expected to continue as a part of the overall education program, which would occur irrespective of the BRNEd program. However, the results framework for the PforR has been framed with the assumption that teacher salaries will continue to be paid on time. Based on past trends, this appears to be a reasonable assumption.

### **B. Program Development Objective**

52. **The Program Development Objective (PDO) is to improve education quality in Tanzanian primary and secondary schools.** This objective is fully aligned with the key priorities of the government’s basic education program and - in particular – the specific objectives of the BRNEd program.

### C. Program Key Results

53. **Progress towards the achievement of PDO will be measured through the following indicators:** (i) national average performance of Grade 2 students in reading (measured by Kiswahili oral reading fluency); (ii) national average performance of Grade 2 students in numeracy (measured by competency in level 1 subtraction); (iii) percentage of teachers found in classrooms during unannounced visit in primary and secondary schools; and (iv) percentage of teachers with minimum knowledge in Mathematics and Languages in primary schools.

54. **Improvements in student performance on PSLE and CSEE examinations will be a higher order objective of the program.** These are key results indicators of the overall BRNEd program but are considered unsuitable for inclusion as PDO indicators due to concerns around attribution, realism, and volatility. They will, however, be tracked closely throughout the life of the program and technical assistance will be directed towards development of National Assessment Framework which will lead to strengthening the test items, grading policy, data decomposition within the PSLE and CSEE assessment systems.

55. **Disbursement Linked Indicators (DLIs)** have been designed to serve as triggers for performance-based payments within the program. They are expected to incentivize the government (at central and local levels) to improve performance in areas that are critical for improving learning outcomes but appear to be weak and/or poorly functioning in background assessments. They are a blend of outcome, output, and process indicators (key actions needed to address specific constraints to achieving development objectives). More broadly, they are expected to lay the foundation of systemic results-based management approaches and systems for education service delivery in Tanzania. As disbursements are linked to the achievement of tangible and verifiable results, this approach provides the government with incentives to achieve key program results and improve performance.

56. **Other key guiding principles for design of DLIs are:** (i) linking incentives to key points within the BRNEd program results chain (see Annex 4); (ii) focusing incentives as closely as possible to key actors accountable for their attainment; (iii) simplicity and manageability in the number and framing; and (iv) likelihood of being achieved in the time-frame and within the span of control of government.

57. **The six clusters of DLIs include** (details in Annex 3):

- i. Ensuring that a robust system-level framework for a results-based financing model has been established (DLI 1).
- ii. Ensuring that resources flow in an adequate and timely fashion to schools (DLI 2):
  - a. DLI (2.1) which will disburse on verification of compliance with BRNEd budget disbursement.
  - b. DLI (2.2) which will disburse on verification of primary and secondary schools receiving capitation grants on time.

- iii. Improved results monitoring and data management at different levels of service delivery (DLI 3): DLIs (3.1) and (3.2) which will disburse on verified school-level data monitoring and analysis at the central and district levels respectively.
- iv. Ensuring equitable teacher deployment across and within districts: DLIs (4.1-4.3).
- v. Ensuring effective implementation of key BRNEd interventions (DLI 5): DLI (5.1 and 5.2) linked to performance-based school incentive grants (SIG) and DLI (5.3 and 5.4) linked to STEP program.
- vi. Incentivizing PDO achievement in terms of 3R assessment results: DLI (6.1 and 6.2).

58. **Realistic targets have been set for improvements in learning gains (measured through 3R assessment of Grade 2 students) as a result of program implementation over the four year period.** Establishment of these targets has been underpinned by the following considerations: (i) learning achievement (captured through PSLE/CSEE pass rates) has been declining in recent years. If we take continuing declines in education quality as the baseline and compare the targets against that lower future baseline, the targeted gains are more ambitious than they first seem; (ii) global evidence strongly suggests test scores are very hard to move substantially over short periods of time. The analysis carried out for the establishment of these targets is summarized in the technical assessment.

59. **The operation will also track intermediate indicators** whose attainment is not required for disbursement but which are associated with key processes, outputs, and outcomes within the theory of change (see Annex 4). In order to reduce additional reporting requirements and fragmentation in implementation focus, to the extent possible, these intermediate indicators are aligned with the key performance indicators (KPIs) of government's BRNEd program.

#### **D. Key Capacity Building and Systems Strengthening**

60. **Operating structures instituted as a part of the BRNEd program allow for longer term institutional building and systems strengthening.** Specifically, National Key Result Area (NKRA) steering committee and President's Delivery Bureau have a clear mandate to engender a culture of enhanced accountability, more rigorous planning/budgeting, evidence-based design, and real-time results monitoring within MoEVT and PMO-RALG. These bodies will provide ongoing support and guidance to implementing agencies throughout BRNEd implementation. For the government as a whole, the culture of 'Labs' - as a platform for focused, evidence-based, and highly consultative intervention and implementation design - is expected to continue over the medium term.

61. **The Government is also directly financing support and capacity building for program implementation.** Capacity building and support during implementation will be forthcoming from: (i) the Performance Management and Delivery Unit (PEMANDU); and (ii) Open Government Partnership (OGP). This support is expected to continue over the BRNEd implementation period.

62. **The operation is also expected to help improve the capacity of participating ministries and agencies to plan, execute, evaluate and adjust the content of their programs.** This will occur through the government financed BRNEd design and preparation process, the use of DLIs as a part of the PforR operation, and through TA/capacity building activities described below. Over time, it is expected that this will lead to a change in operating culture and to the institutionalization of a more results-based approach to public sector management and the delivery of public services.

63. **In addition, a number of BRNEd initiatives include provisions for direct and focused capacity building at local levels of education service delivery.** This will be done through extensive training and capacity building of district education officers, head-teachers, and teachers.

64. **Technical assistance (TA) for the program will also be provided through parallel financing from DFID.** The scope of TA has been defined on the basis of comprehensive technical, fiduciary, and environmental and social assessments. These assessments take into account program scope, existing Government systems, and other sources of capacity building. Further details are provided in the Technical Assessment. The full TA package is costed tentatively at US\$7 million.

65. **TA support falls under three main categories:** (i) TA for implementation readiness; (ii) TA for longer-term implementation support; and (iii) TA for results monitoring and support to student assessment system. The TA is expected to be leveraged in a timely fashion and is designed in a way so as not to become a source of delay in the execution of program activities or realization of DLIs (all BRNEd interventions have been designed, implementation plans are finalized, and in some cases implementation has begun). The details of the arrangements for the TA component will be specified in the Operational Manual. Information about the TA is summarized below:

### **TA Design (TA provided by DFID)**

#### **I. TA for implementation readiness (up to December 2014)**

Implementation readiness is critical to ensuring achievement of the expected results. The PforR instrument requires effective preparatory work to be successfully implemented. While DLI 2 covers budget commitments overall, one of the most common roadblocks to budget disbursement is a lack of appropriate line-items in the budget. These allow for funds to flow to the MoEVT and PMO-RALG for agreed upon activities. In addition, technical assessment reveals issues around resource inequity and inefficiency at the district level. There is wide variation in the education budget execution rates for individual districts. There is also substantial regional variation in capitation grant levels for both primary and secondary schools. To mitigate these risks and ensure implementation readiness, this TA will help with: (i) the development of sector-wide framework for priority budget disbursement, including sub-national fund flows; (ii) the development of the Program Operations

Manual to cover workflows and detailed processes for meeting DLI targets; and (iii) the undertaking of initial communications, accountability, and awareness work. This TA will be provided before program effectiveness and will need to be deployed in tandem with the Education MDU in MoEVT and associated unit in PMO-RALG.

## **II. TA for longer-term implementation support (2015-2017)**

(i) *Comprehensive package of capacity building and communications*: regional, district, LGAs, and wards. Program TA will provide capacity building aimed at: (a) stakeholder influence mapping and identification of implementation bottlenecks as well as specific capacity gaps – using all available and relevant data sources; (b) raising awareness about the DLI linked incentives, results reporting mechanisms, and BRNEd activities; (c) gaps identified in the system will be supported through capacity development sessions to be undertaken at various levels of delivery - including adaptive leadership and applied communication at the central and local levels - but with an emphasis on results-oriented training at the local implementation level. This includes: familiarizing implementation-level actors with program results framework, operational manual, and monitoring systems; (d) following the results-oriented trainings, network analysis and problem identification sessions, the need to show results quickly will be high. It is proposed that focused teams be created to work on 120-day pilot initiatives aimed towards achieving select results; (e) to support the 120 day initiatives, process coaches will need to be mentored and trained. A twinning and apprentice model (for the initial pilot districts) is proposed. Upon scale up, further support will be provided to the appropriate government institutions to manage their cadre of process coaches. This support will leverage models being developed by the WB Leadership Learning and Innovation Group.

(ii) *Continuation of periodic BRNEd ‘check-ins’ and explicit mechanisms for adaptive implementation*. Technical assessment shows that BRNEd has detailed implementation plans but these plans can be strengthened by building-in mechanisms for adaptive implementation. Making explicit and formalizing the continuation of periodic BRNEd ‘check-in’ will act as a means for periodically reviewing progress since the initial BRNEd lab completed in early 2013. It will be important for the BRNEd change agents to be able to acknowledge if progress is not advancing as planned on a regular (perhaps 6 monthly) basis. This check-in process will be a particularly important risk mitigation measure to BRNEd in advance of, and shortly following, elections in early 2015: (a) a check-in before elections would record amongst leadership the achievements and expected progress under the BRNEd, which would then be communicated to the public, other ministries and stakeholders and ultimately help ensure continued support and action on BRNEd beyond 2015; and (b) a check-in in the period following the elections would serve as a forum for undertaking a prioritization and strategizing exercise for the remaining two years under this program.

(iii) *Impact evaluation*. For certain innovative interventions/activities, like (a) STEP training and (b) performance-based recognition awards for teachers, TA will be provided for rigorous impact evaluations that yield results during the course of implementation. These results will be used to refine design and implementation

before national scale-up. Process for impact evaluation and improvement will follow the BRN methodology approach.

**TA for results monitoring and support to student assessment system (2014/15-2017/18)**

(i) *EMIS strengthening*. This TA includes support to improve quality, efficiency, and reliability of school-level data collection. It will also help strengthen mechanisms for data accessibility and use for planning. The fully-strengthened EMIS system is expected to be in place by February 2015.

(ii) *TA for Student Assessment*. Additional measures are needed to improve the national student assessment system, including the validity and reliability of PSLE and CSEE test items that bring about comparable results. This concern stems from the high degree of volatility of test results in the last few years. TA will be provided to National Examinations Council of Tanzania (NECTA) and Tanzania Institute of Education (TIE) for: (a) developing the National Assessment Framework; (b) aligning question items to a benchmarked student competency framework along with the National Assessment Framework, and c) assistance with technology-intensive data analyses practices around student assessments and psychometrics.

(iii) *TA for generating direct beneficiary feedback*. Assessments reveal that at present Government M&E systems do not include any mechanisms to obtain data from ultimate beneficiaries – teachers, students, and parents. To this end, TA will be provided to help leverage modern technologies for collecting data from ultimate beneficiaries. This support will leverage ideas and delivery models being developed by the WB Governance Global Practice.

**Table 4: TA Costing (in US\$ million, approximate amounts)**

Source	Amount
<i>TA for implementation readiness</i>	
Workflow, operations manual development, prioritized budget framework	0.5
Communication, awareness, and accountability work	0.5
<i>TA for longer-term implementation support</i>	
Capacity building at central and local implementation level(s)	1
Check-ins and adaptation	1
Impact evaluation	1
<i>TA for results monitoring and support to student assessment system</i>	
EMIS strengthening	1
Student assessment	1
Beneficiary feedback	1
<b>Total</b>	<b>7</b>

### III. PROGRAM IMPLEMENTATION

#### A. Institutional and Implementation Arrangements

66. **Like all other education programs, the BRNEd Program will be implemented by the MoEVT and PMO-RALG.** In order to ensure swift and focused implementation, BRNEd-specific implementation mapping has been created (see Figure 3) – with clear roles and responsibilities, reporting, and accountability channels. Under this mapping, BRNEd implementation will be mainstreamed through MoEVT and PMO-RALG.

67. **The MoEVT is responsible for the overall implementation of the education sector programs in the country, sets standards, trains teachers, and conducts examinations. PMO-RALG, through the Local Government Authorities (LGAs), is responsible for coordinating, providing technical support, and allocating resources for the actual implementation of the primary and secondary education programs.** Funds for development and recurrent expenses (including capitation grants) are transferred from the Treasury to the LGAs, and from the LGAs to the school accounts. LGAs ensure proper accounting at the school level. The BRNEd will use this core structure for the implementation of its activities.

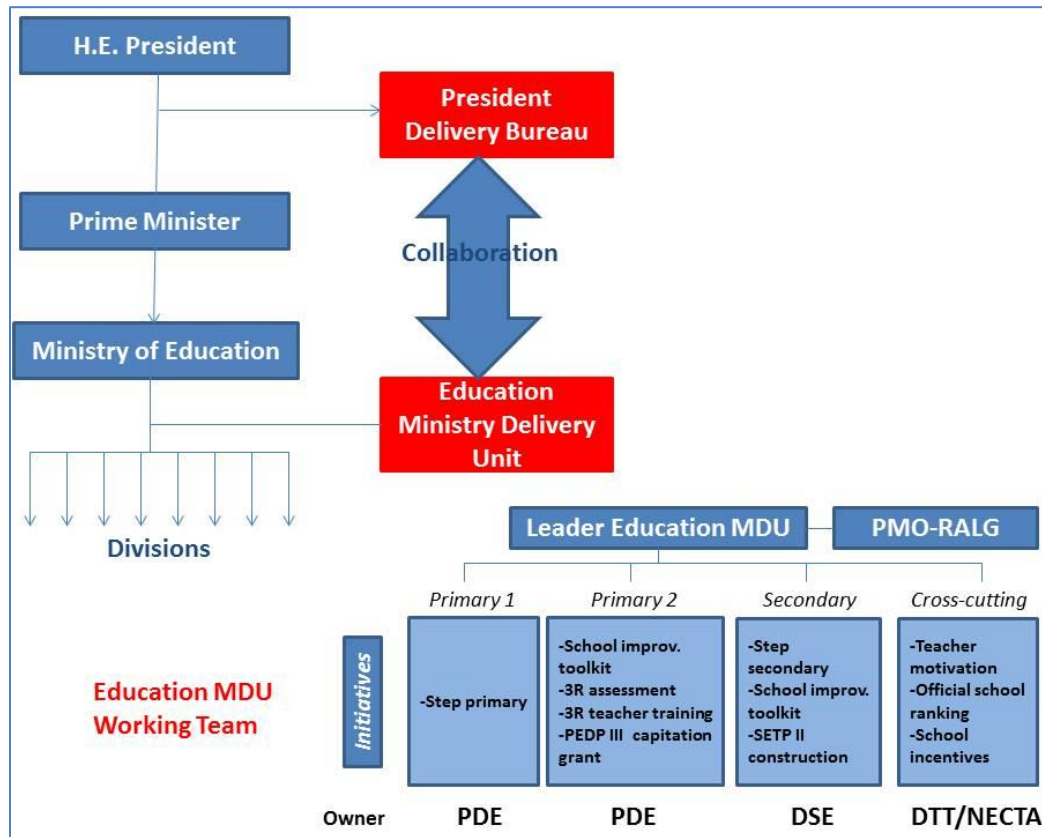
68. **The NKRA Steering Committee chaired by the Minister of Education is the second highest body for BRNEd operation guidance and reform issues.** The Steering Committee oversees the allocation, implementation, and use of funds for BRNEd program. The Committee meets once a month to: (i) get a progress update from each of the assigned working teams; (ii) make decisions and provide guidance to the program implementing teams; (iii) resolve conflicts; and (iv) oversee all other matters related to NKRA.

69. **The Education Ministry Delivery Unit (MDU) is responsible for overall program management and monitoring.** It comprises staff from MoEVT and PMO-RALG. Under the aegis of the Head of the Education MDU from MoEVT, teams of delivery unit ‘catalyzers’/working teams are responsible for the day-to-day program coordination. This ensures effective coordination and linkages between operations supported by various relevant units. Details of the implementation coordination responsibility mapping are provided in the Figure 3 below. PMO-RALG has an MDU to coordinate BRNEd activities within its mandate and report to MoEVT MDU for further processing at the Steering Committee and Transformation Delivery Council (TDC) levels.

70. **President’s Delivery Bureau (PDB) oversees program delivery through collaboration with the Prime Minister’s Office (PMO) and other relevant ministries.** It will play a key role in the delivery system in (i) problem-solving and solution generation through providing advice, recommendations and feedback; (ii) facilitating development of performance contracts for ministers for purposes of accountability for results; (iii) ensuring coherent priority-setting and facilitating development of

implementation plans; and (iv) reporting on progress/actions on these to the Transformation Delivery Council (TDC).

**Figure 3: BRNEd Implementation Arrangement – Central Level**



*Note: DTT refers to the Department of Teachers Training*

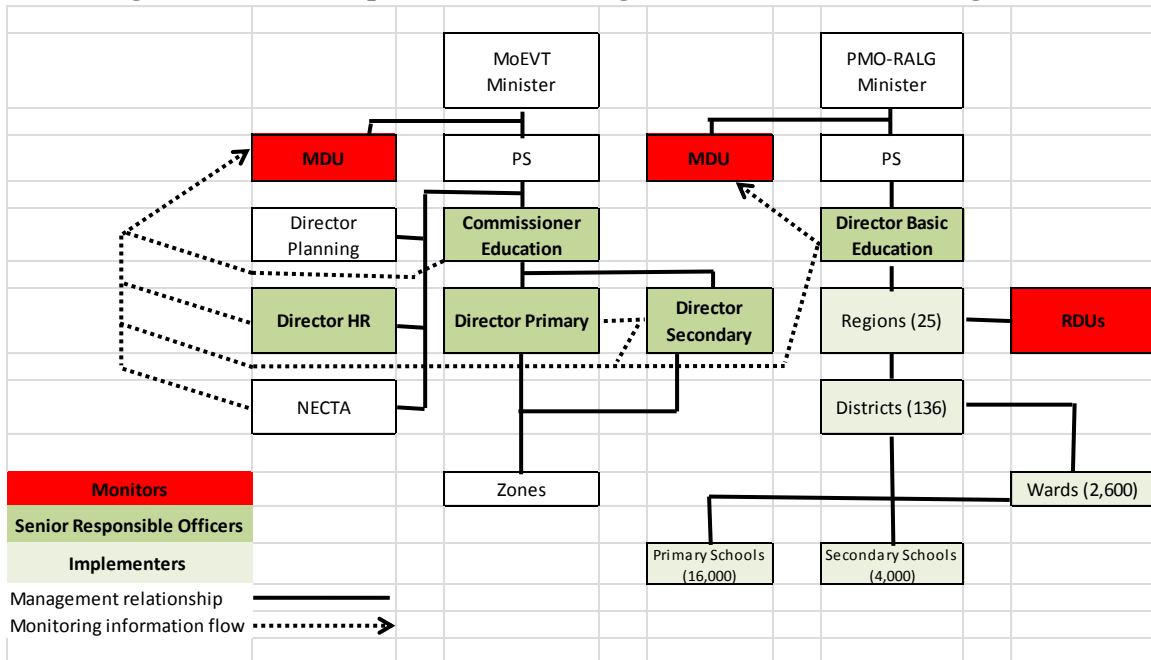
71. **In line with Tanzania’s decentralized education service delivery system, local governments will implement the nine BRNEd interventions.** Senior officials from relevant ministries will provide overall oversight and guidance on the specific interventions:

- Commissioner for Education on Official school ranking;
- Commissioner for Education on National 3R assessment;
- Director for Education Coordination PMO-RALG on SIG, 3R teacher training, STEP, Teacher motivation, School improvement toolkit (jointly with Director HR), and construction and capitation grants.

72. **The MDU and Regional Delivery Units (RDUs) will play a monitoring role and ensure flow of information to and from the national level.** Figure 4 below summarizes BRNEd’s local implementation arrangement.



**Figure 4: BRNEd Implementation Arrangement – Local Level Arrangement**



73. **Detailed implementation plans that define specific tasks, deadlines, budgets, and responsibilities have been prepared for each of the BRNEd activities to ensure timely execution.** These ‘three-foot plans’ were prepared in the BRNEd lab, improved subsequently, and are being used for monitoring program progress. Staffing and training within MDU and PDB are already underway with multi-year TA support from PEMANDU. An example of a three-foot implementation plan is provided in the Technical Assessment.

74. **PDB is championing the BRNEd efforts and technical assistance for implementation is being provided by the Malaysian Prime Minister's Performance Management and Delivery Unit (PEMANDU).** This has initiated the beginnings of a true South-South collaboration for knowledge and skills transfer, particularly throughout the BRN lab process, in relation to problem-identification and solving, prioritizing areas for urgent action, creating detailed (“3 feet”) implementation plans and also supporting the set-up of delivery units, based upon their own successful governmental experience. The government has signed a contract with PEMANDU for continuing technical assistance to support BRNEd implementation and is expected to include provision of full-time staff seconded from the Malaysian government into the BRNEd MDUs.

75. **Further discussions on implementation support emphasize the need to build-in explicit mechanisms for course correction - if and where needed - and adaptation of implementation to ensure DLIs continue to be achieved until program completion.** BRN ‘mini-labs’ will continue periodically as a means for ‘checking-in’ on progress since the initial BRN lab, as well as adapting at strategic moments, where appropriate, to stay on track to meet target results and DLIs. Strategic communications

initiatives will follow on from these events to inform the public, other ministries participating in BRN and stakeholders of progress made to ensure continued support, momentum and action on BRNEd.

76. **Program support will also include capacity building at the central and local implementation level – region, district, local government authorities, and wards – through program TA.** This will help provide this capacity building aimed at: (i) implementation-level stakeholder mapping and identification of implementation bottlenecks; (ii) familiarizing implementation-level actors with program results, operational manual, and monitoring systems; and (iii) designing mechanisms at the local level to enhance the effectiveness of training of trainers model, use of data for planning, and effective utilization of capitation grants. This TA will be provided in the first two years of program implementation.

77. **BRNEd program implementation officially began in July 2013 following the government’s financial cycle.** So far, good progress has been made on two activities, official school ranking based on NECTA 2013 results has been released, and a sample-based 3R assessment has been completed. Tools for the STEP and School Kit intervention have been developed and are being distributed to primary and secondary schools. Monitoring tools for BRNEd implementation are being operationalized and first round of results reporting to PDB and TDC was undertaken in October 2013.

78. **Following PforR program effectiveness, six-monthly joint Implementation Support Missions (ISMs) will be held in the period November–December and June – July each year.** The objective of these missions are to monitor progress, address implementation and financial issues, where necessary proposing adjustments to DLI and verification processes for consideration by the GoT. While the November – December mission will be lighter touch and integrated where possible with the Annual Joint Education Sector Review process, the June- July mission will be more robust and address issues around performance and verification.

79. **Explicit mechanisms are being designed to harmonize dialogue and co-ordination between the three development partners supporting BRNEd PforR.** DFID is expected to play an important role in helping manage day-to-day coordination during the period between ISMs through its Education Adviser based in Dar es Salaam. Working in close collaboration with World Bank and SIDA colleagues at Headquarters and in the Country Offices, this will include representing funding partners on all policy and implementation related matters and oversight of issues related to the deployment of the technical assistance and capacity building package being financed through DFID support. The Education Advisor is expected to keep the World Bank and SIDA informed of Program progress and will ensure consultation during important Program related decision making. The World Bank will continue to be represented in all relevant discussions on the Program by the Education Specialist based in the Country Office and the Task Team Leader based in Washington DC will continue to lead the overall Program.

## **B. Results Monitoring and Evaluation**

80. **There are three major monitoring systems that will yield information on PDO, intermediate, and disbursement-linked indicators.**

81. **The National Education Management Information System** is maintained by the MOEVT. Data for EMIS is collected through an annual school census<sup>14</sup>, and includes information on: school infrastructure and assets, enrollment, availability of learning material, staff, expenditure, and income.

82. **Data on student performance is maintained by NECTA<sup>15</sup>.** Data from NECTA assessments include results data from (i) PSLE and (ii) CSEE.

83. **The BRNEd program has its own M&E system to monitor the ‘three-feet plans’ and indicators.** The BRNEd program has already established a set of key performance indicators covering all nine interventions of the program. This set of indicators will be tracked on a weekly and monthly basis first by the MDU team within the MoEVT, and then collated by the newly established President’s Delivery Bureau (PDB) to produce a public Annual Report on progress against results targets in the previous year. It forms the basis for the performance management system of the Tanzanian government. These indicators also include assessment of Grade 2 students in Reading, Writing, and Mathematics.

84. **BRNEd monitoring data will be triangulated with direct beneficiary feedback.** Modern technologies will be leveraged to collect real-time data from ultimate beneficiaries (head-teachers, teachers, students, parents, school boards/committees are key in the M&E systems of the program). This information will be integrated into the program results framework. It will also be used to obtain insights into beneficiary perceptions about program implementation (in particular teacher morale), identify implementation gaps and deficiencies, and mitigate potential gaming risks around PSLE/CSEE pass rates and 3R assessments (for instance, artificial improvement of pass rates by disallowing weaker students from taking the exams).

85. **Impact evaluations have been built into program implementation plans.** For certain innovative interventions, like (i) STEP training and (ii) performance-based recognition awards for teachers, a phase-in approach of implementation will be used. These will provide built-in learning opportunities within program design which can be exploited to refine design and implementation before national scale-up. It will also generate crucial data on implementation quality for specific program interventions.

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<sup>14</sup> Annual School Census started from 2003. However, due to changes in the database software, all data prior to 2006 was lost during the conversion from COBAL to SQL

<sup>15</sup> [www.necta.go.tz/index.php](http://www.necta.go.tz/index.php)

86. **Strengthening of the government’s education M&E system is expected through the Open Government Partnership (OGP).** Tanzania joined the international OGP for improved service delivery initiative in 2012 and has made education one of the priority sectors through which OGP will be mainstreamed over the next few years. As a part of this work, an Open Data road-map is being developed which will include the creation of an Education Dashboard which will bring together - in a linked, accessible, and visualized manner - data from various education databases. It will also help establish an updating mechanism to maximize the utility of these dashboard data.

87. **Under program support, the government’s M&E systems will be strengthened further.** Using program TA support (through parallel financing from Development Partners), the overall EMIS system will be enhanced on multiple dimensions and NECTA’s technical capacity will be strengthened. This is in addition to TA support for establishing direct beneficiary feedback mechanisms and impact evaluation.

88. **Disbursements for the PforR modality will be made on the basis of verified results attainment.** Verification will be undertaken in ways that are both credible and sustainable by using, to the fullest extent possible, existing government systems for oversight and monitoring. In this way, the operation will contribute to strengthening these systems. The verification protocols vary according to the nature of the DLI. For DLIs related to financial releases (DLI 2), data management (DLI 3), verification of MoEVT reports/frameworks (DLI 4.1, 5.1, 5.3, and 6.1) and 3R assessment (DLI 6.2), verification of results achievement will be undertaken directly by the Bank team with support from other donor partners. For all other DLIs, verification will be undertaken by an independent firm hired by MoEVT through funding provided under DFID-financed TA support. For school-level DLIs (DLIs 4.2, 4.3, 5.2 and 5.4), verification protocol would include unannounced visits by the independent firm to a random sub-sample of schools for the purpose of direct data collection. Verification protocol is summarized in Annex 3, Table 9.

89. **Specific details related to the flow of funds, in terms of paying for results, will be detailed in the Operational Manual.** The Operational Manual will contain detailed information on procedures to be followed at each stage of the transaction cycle, including commitments, transaction verification and approval, payments and reporting.

## **IV. ASSESSMENT SUMMARY**

### **A. Technical**

90. *Strategic relevance.* The program aims to improve the quality of basic education in Tanzania which is fundamental to the country’s long-term development. In addition to responding to the priorities of the country, this Program can contribute directly to the welfare and development of the poorest segment of the population, and the promotion of shared prosperity.

91. *Technical soundness.* The overall BRNEd package appears technically sound and there is a clear results chain connecting it to the PDO (see Annex 4). To this end, the activities to be supported have been chosen on the basis of their potential effectiveness (as judged by global and national evidence), fast delivery, and implementation feasibility (based on local context and existing systems).

92. An ongoing process of experiential and experimental learning from implementation and feedback is critical to maximizing the likelihood of achieving results. This process will help ensure that intervention design adapts itself to the local context, existing implementation systems, and lessons learnt vis-à-vis effectiveness.

93. Overall, the assessment shows that the BRNEd program design is technically sound but for success there is a need to complement this design with an adaptive approach, strong implementation support, robust results tracking and follow-up, and realistic targets around learning outcome gains. Detailed technical assessment of each BRNEd activity is presented in the technical assessment.

94. Risk of non-implementation of BRNEd activities is low given that detailed implementation plans have been drawn up for all activities and at least two BRNEd activities (official school ranking and sample-based 3R assessment) are already being implemented. To the extent possible, residual risks on this front are being mitigated through the use of DLIs and TA. There are DLIs directly linked with the implementation of four critical BRNEd activities (3R Assessment, School Incentive Grants, STEP, and timely and full release of capitation grants). TA will be provided to ensure effective implementation of other BRNEd activities (3R Teacher Training and School Improvement Toolkit).

95. *Expenditure framework.* The medium-term financial conditions appear sound with stable GDP growth and declining inflation in 2012/13. Among various priority areas, education remains the largest spending sector in the government budget. The Primary and Secondary education expenditure framework, particularly the BRNEd program, adheres fully to the government priorities of improving education quality. The connection between sector priorities and planned budgets is moderately strong and is expected to get stronger in the next budget cycle.

96. There are concerns, however, over resource inequity and inefficiency at the decentralized level. There is a wide variation in the education budget execution rates for individual districts. There is also great regional variation in capitation grant levels for both Primary and Secondary education.

97. **Technical Assistance (through parallel financing from Development Partners) and use of DLIs will help remedy these weaknesses.** The TA will help with the establishment of a framework for BRNEd budget disbursement. DLIs will directly incentivize efficient implementation, both at national and district levels through: (i) adherence to the prioritized budget framework and (ii) full and timely release of

capitation grants to schools. Work on this front has begun and specific budget lines, coding, and respective ceilings for the BRNEd program have been agreed upon.

98. *Economic rationale.* There is a strong case for public provision and evidence of high returns for program activities. Quality education provision produces important positive externalities. Economic studies have shown that education provision can provide economic benefits to society greater than the sum of its benefits to individuals – by providing a rich environment for innovation and scientific discovery, education can accelerate overall economic growth. Public provision can also be justified on the grounds of equity. Public expenditure in education is a powerful instrument to help address socio-economic inequalities. A detailed Economic Analysis has been carried out, and is summarized in Section IV. B and presented in Annex 6.

99. *Results measurement.* Additional measures are needed to strengthen the assessment system so as to provide a robust mechanism for measuring learning outcomes. This risk will be mitigated through the following measures:

- Technical Assistance to NECTA and Tanzania Institute of Education (TIE), financed through parallel financing by DFID to help: (i) develop the national assessment framework; (ii) align question items to a standard-based framework of what every child should be able to do at each performance level in each grade in line with the National Assessment Framework; and (iii) assist with technology-intensive data analyses practices around student assessments and psychometrics.

100. **Key risks identified through the technical assessment will be mitigated through a combination of TA<sup>16</sup> and DLIs.** These are summarized below:

**Table 5: Technical Assessment: Key Risks and Mitigation Strategies**

Risk	Mitigation
<i>Technical Design</i>	
Insufficient financing to implement BRNEd activities and resource inequity and inefficiency at the district level	<ul style="list-style-type: none"> <li>• TA for establishing detailed BRNEd budget framework</li> <li>• DLI for agreement on and adherence to BRNEd budget framework</li> <li>• DLI on full and time release of capitation grants from district to schools</li> </ul>
Uncertain effectiveness of some proposed BRNEd activities	<p>TA to build-in explicit mechanisms for adaptive implementation including:</p> <ul style="list-style-type: none"> <li>• Periodic BRNEd check-ins,</li> <li>• Impact evaluations that yield lessons for improved design and implementation early in the program</li> </ul>

<sup>16</sup> TA financed through parallel financing from development partners

Risk	Mitigation
<i>Risk of non-implementation of certain BRNEd activities</i>	
School Incentive Grants	DLI
National 3R Assessment	DLI
STEP	DLI
3R Teacher Training, and School Improvement Toolkit	TA and capacity building at local implementation levels
Timely Delivery of Adequate Capitation Grants	DLI
<i>Results Monitoring</i>	
Validity and Reliability of PSLE and CSEE test items for meaningful/comparable results overtime.	Increasing validity and reliability of PSLE and CSEE test items for comparable results in a designed National Assessment Framework by: <ul style="list-style-type: none"> <li>• TA to NECTA for benchmarking student assessment instruments</li> </ul>
M&E Capacity	<ul style="list-style-type: none"> <li>• TA for enhancing EMIS system</li> <li>• A DLI associated with collection, dissemination, and use of high quality school-level reliable EMIS data</li> </ul>
Lack of data from ultimate beneficiaries	<ul style="list-style-type: none"> <li>• TA for development of mobile-based system for generation of real-time feedback data from stakeholders and beneficiaries</li> </ul>

## B. Economic Analysis

101. **To measure economic impact, private returns to BRNEd in terms of expected improvements in schooling completion rates are examined.** The principal outcome expected from program interventions is a higher completion rate at Primary (PSLE) and Secondary (CSEE) level. According to the results chain (see Annex 4), these rates are expected to respond to improvements in access to teaching and learning materials, improved teacher quality due to pedagogical training, and increased teacher effort through strengthened incentives among other interventions.

102. **Cost-benefit (CB) analysis of BRNEd using the Present Discounted Value (PDV) method suggests that the program is justifiable on economic grounds** with a Net Present Value (NPV) of \$529,677,806, Benefits to Cost Ratio of 2.48 and corresponding to an estimated internal rate of return (IRR) of 19%. Further, this return is considered to be a lower bound, given that: (i) only (private) outcomes for the students are considered as part of the benefits of the program, and (ii) we have attempted to be conservative in our assumptions in all cases where discretion was exercised in this analysis.

103. **PDV and IRR remain positive and economically justifiable under a comprehensive sensitivity analysis.** Sensitivity of calculated NPVs, IRRs and benefits to cost ratio to our initial assumptions is determined on: improvements in pass rates (due, for instance, to only partial disbursement under the operation); the implicit discount rate; the employment rate (due to future economic shocks); and estimated marginal wage effects by level of education (consistent with the program being only partially successful in converting inputs into educational results). The last analysis is the most stringent sensitivity analysis performed since five parameters are being changed at once. Details presented in Annex 6.

104. **Program implementation is likely to yield important social benefits, which have not been considered as a part of the analysis.** These include increased participation in public life, potential reductions in risky behaviour and disease propagation, inter-generational effects not considered in individual returns, and peer and neighbour effects in learning outcomes.<sup>17</sup> The program will also increase job-satisfaction among teachers and provide other community level benefits.

105. **Aside from catalyzing results-based financing, the Bank's involvement is expected to bring tangible value-added in several key domains.** The Bank's technical expertise, global knowledge, and leverage will be critical in shifting focus away from inputs towards increased efficiency of existing expenditures through service delivery improvements. In addition, the Bank is expected to provide an effective platform for marshaling technical support, consensus-building, and donor harmonization around system and institutional changes which are expected to yield returns in the longer term. Given the above, this operation allows for not only the financing but also the support and partnership necessary to incentivize implementation of the GoT's own thoroughly developed program.

### **C. Fiduciary**

106. **An Integrated Fiduciary Assessment (IFA) involves the assessment of governance and anti-corruption mechanisms, procurement and financial management systems.** An IFA for the BRNEd was carried out on the MoEVT, PMO-RALG and a sample of participating Local Government Authorities (LGAs) and Schools in line with Operational Policy/Bank Procedure (OP/BP) 9.00, Program-for-Results Financing. A special survey was designed for assessing the financial management and procurement performance of LGAs and Schools. During October and November, 2013, teams visited a representative sample of 12 LGAs and 22 Schools to collect this information. The assessment takes into consideration the survey results; Controller and Auditor General's Report for LGAs and Central Government for FY12; Tanzania PEFA report for 2006, 2010 and 2013; Annual Performance Evaluation Report of the Public

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<sup>17</sup> For a discussion of such effects in the context of other African countries refer to (respectively) della Porta (2000), Agüero and Bharawadj (2011), Nimubona and Vencatachellum (2007) and Duflo et al. (2011).



Procurement Regulatory Authority (PPRA); the Procurement and Value for Money Audits Reports of selected LGAs; the Baseline Study Report on Enhancement of Procurement Capacity of Local Government Authorities; the ongoing study on Procurement Capability Assessment of two Lower Local Government Authorities in Kongwa District; and specific assessments done on MoEVT, PMO-RALG and the tracking of Development Partner Funds at LGAs through the Government of Tanzania Epicor Integrated Financial Management Information System.

**107. The IFA was done to assess the Program's institutional and implementation arrangements, fiduciary management capacity and implementation performance.** The legal and regulatory framework for this Program's fiduciary systems was found to be comprehensive and in line with international principles and standards for public procurement and financial management. The assessment also considered how existing systems handle the risks of fraud and corruption.

**108. Financial Management risks for the Program have been examined along different dimensions.** Key risks include the challenge of dealing with under-funding of GoT's development budget, which involves securing funds dedicated to the BRNED program. Other challenges involve strengthening accounting and internal audit staff skills especially at the LGAs so staff can produce quality accounts and conduct quality audits; strengthening audit committees in order to monitor how audit issues are being addressed; addressing the challenges faced by the Epicor system including revising the chart of accounts in order to track funding from Development Partners, which it cannot do at present especially at the LGAs; ensuring that discrepancies between funds transferred from the LGAs to schools are eliminated through putting in place transparency measures which display amounts transferred at both LGA and school levels; addressing the challenge of delays in receiving financial reports from the schools and LGAs which will be addressed through capacity building of the persons involved; and strengthening auditing arrangements for schools as it will be a challenge for the Controller and Auditor General to audit given the number of schools involved in the program. This will be mitigated by contracting out the audit to private external audit firms that are acceptable to IDA.

**109. Procurement risks have been identified and appropriate mitigation measures designed.** The assessment carried out for the sample LGAs reveals that there are legally established Tender Boards (TBs) and Project Implementation Units (PMUs) to manage the procurement functions. However, deficiencies were noted. In some LGAs, the TB are not properly constituted, with fewer members than required. Furthermore, PMUs in some of the LGAs operate as committees with only a few staff working permanently with PMU and other staff brought in from the User Departments according to need. The assessment also revealed the following challenges for schools: (i) lack of a proper set up for the procurement function; (ii) lack of staff with knowledge in handling procurement activities; and (iii) absence of a system for proper keeping of records. Among the measures to be taken in mitigation of the risks include: (i) PPRA to provide guidance on the set up of the procurement function at Lower Local Government Authorities including

schools; (ii) PPRA to prepare a manual that provide guidance in the processing of smaller value contracts and arrange for training of staff handling procurement at Lower Local Government Authorities level; and (iii) basic training in procurement records keeping to be provided to staff responsible for procurement at Lower Local Government level.

110. **The Fraud and Corruption (F&C) risks have been identified and embedded as part of the broader fiduciary risks and mitigation measures.** In addition, F&C assessment involved a review of the complaint handling mechanism of the Program and how it can be strengthened. The Government of Tanzania (GoT) has also committed to implement the Program within the Bank's Anti-Corruption Guidelines.

111. **The conclusion of the integrated fiduciary assessment found that fiduciary risk was substantial.** However, the financial management and procurement systems are adequate to provide reasonable assurance that the program funds will be used for intended purposes. Mitigation measures need to be implemented to further strengthen the systems in order to achieve the principles of economy, efficiency, effectiveness, transparency and accountability required to achieve the desired results.

#### **D. Environmental and Social Effects**

112. **For environmental and social management, the operation employs a risk management approach, in which process requirements are adapted to the Program context.** An Environmental and Social Management System Assessment (ESSA), has been undertaken by the Bank to ensure consistency with six core principles outlined in the World Bank's Operational Policy 9.00 - Program-for-Results Financing - in order to effectively manage environmental or social effects so as to strengthen the performance of BRNEd.

113. **The ESSA process included extensive stakeholder consultations and disclosure of the ESSA Report following the guidelines of the World Bank's Access to Information Policy.** Feedback from stakeholders has been instrumental in designing and revising the Program Action Plan, indicators, and technical manual.

114. **While the BRNEd does not have direct or significant environmental or social footprints, its programmatic approach to education provides a significant opportunity to improve systemic implementation of environmental practices related to school functioning and operations.** The BRNEd also provides an opportunity to improve the existing grievance redressal and dispute mechanisms and consultation mechanisms, along with increasing awareness among all stakeholders about environmental health issues (related to water, sanitation and hygiene). The Program offers the possibility of improved skills and capacity, improved and updated technical guidelines along with increased coordination among various ministries, agencies and donor partners on environmental and social aspects.

115. **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 consultation processes. In addition, it recommends that the existing Environmental and Social Management Frameworks (ESMFs) under complementary Bank funded projects be used in totality to identify potential program impacts, mitigate them verifiably through monitoring while building capacity for environmental management within institutions, local governments and local communities. Additionally these ESMFs will enhance the practice of incorporating an environmental management process into development programs. Key measures to strengthen system performance for Environmental and Social Management are summarized in Annex 8.

## E. Integrated Risk Assessment Summary

**Table 6: Integrated Risk Assessment Summary**

<b>Risk</b>	<b>Rating</b>
Technical	Substantial
Fiduciary	Substantial
Environmental and Social	Low
Disbursement Linked Indicators	Substantial
Overall Risk	Substantial

116. **Overall, the program risk is assessed as substantial.** The strong political commitment and considerable momentum from the lab process, coupled with the DLI/incentive approach inherent to PforR, are key instruments for ensuring the achievement of the expected results. As outlined in the Integrated Risk Assessment Framework (See Annex 5) and based on the findings of the detailed technical, financial management, and environmental and social assessments, significant risk-mitigation measures have been included in the Program design. The Bank Program team, together with DFID and SIDA, will continue to provide technical support to BRNEd as needed and will continuously monitor performance to ensure that both anticipated and unanticipated risks are addressed as quickly as possible once they arise. The Program Action Plan (PAP) and Implementation Support Plan (ISP) will pursue a risk-based approach and will outline the main measures through which risks to the achievement of Program’s PDO will be mitigated.

117. **While capacity to implement the program is a substantial risk, relying on existing service delivery mechanisms is crucial for long-term system strengthening.** The implementation of the proposed PforR operation will be mainstreamed in MoEVT and PMO-RALG using existing institutional arrangements for funds flow and service delivery. While it is critical to provide the necessary support to ensure timely execution of the prioritized interventions, relying on existing decentralized responsibilities of Local Government Areas (LGAs) for basic education provision will allow capacity building within the system. PDB and MDU are engaged in resolving key issues for delivering, ultimately creating a results-based culture for the education sector in Tanzania. While full

impact may not be visible within the time frame of the PforR, the Program will establish a conducive environment and benchmarking of what works for improving education outcomes in the country. Further, there is a need for proper inter-ministerial and inter-departmental coordination to ensure effective implementation of the program. The potential risks affecting the proper and well-coordinated implementation of the program will be mitigated through: (i) the establishment of team of delivery unit ‘catalyzers’/working teams are responsible for the day-to-day program coordination and working under the aegis of the Leader of the Education MDU (PMO-RALG); and (ii) the Bank’s close collaboration with donor partners to jointly provide implementation support to BRNEd as required.

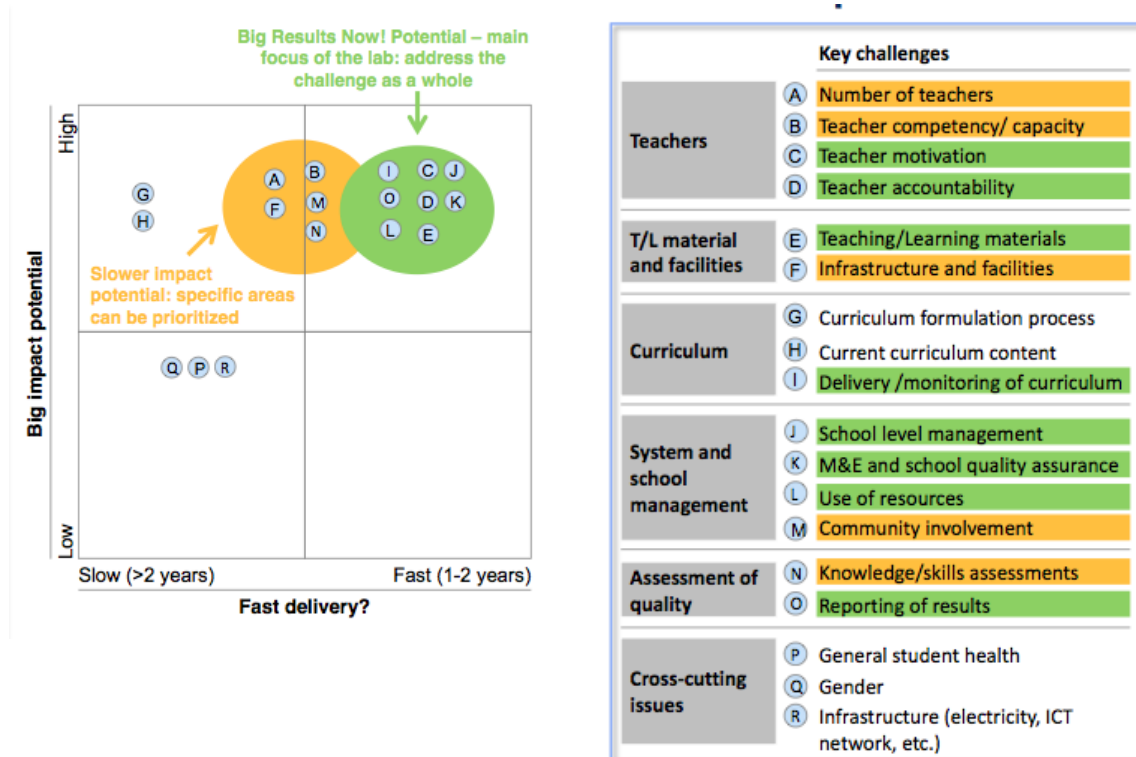
118. **Stakeholder risks are currently rated as substantial.** There are three main reasons why. The first risk is that country elections - scheduled for 2015 – might impact BRNEd implementation. The second risk is the weak management and supervision capacity of PMO-RALG and the temporary nature of PDB/MDU which could impede the implementation and monitoring of the Program in the long-term. The third risk is the relationship between MDU new appointees and public servants of the present education system. These risks are being mitigated. BRNEd implementation is unlikely to be compromised by elections given its high priority and visibility and the clearly documented gaps in education quality. In addition, continued support to MoEVT and PMO-RALG has been built into program technical assistance. The Government has committed to handling the recruitment in PDB and MDU in a transparent manner. The capacity needs of regions, districts, and PMO-RALG to deliver and supervise have been undertaken during the preparation, and the PDB’s key role is to actively engage in supporting capacity of all implementing ministries. A high level of interest from donors (mainly DFID and SIDA) in following a similar results-based approach in close synchronization with the PforR will ensure the alignment of donor funding mechanisms in supporting BRNEd.

119. **The risks related to delivery monitoring are substantial.** This is as a result of the challenge of monitoring delivery of education in large number of schools. While each BRNEd intervention has a comprehensive set of key performance indicators (KPIs) established to track progress, the results-focused approach of the PforR requires an efficient EMIS. This stresses the need for a more efficient reporting and monitoring system to be put in place.

## Annex 1. Detailed Program Description

1. *Program Objectives:* The Program Development Objective (PDO) is to improve education quality in Tanzanian primary and secondary schools. The PDO will be achieved by supporting the delivery of the Government’s Big Results Now in Education (BRNEd) program.
2. *Program Areas:* While the challenges identified for the scope grew out of the Education Reform Compact and are aligned with the MKUKUTA II, it focuses on a particular subset of priorities. During the design phase of BRNEd, the stakeholders assessed the education system’s challenges using two criteria: the ability to address challenges quickly and the magnitude of their impact (Figure below). Those largely meeting both criteria were selected as priority interventions.

**Figure 5: Prioritization of Education Challenges**



Source: Government of Tanzania (2013), Education NKRA Lab Report.

3. The activities chosen for the program were determined through a participatory process that included a variety of stakeholders, a broad group of government agencies, development partners, teachers unions, and other stakeholders. The participants met over a six-week retreat (entitled the BRNEd Lab). Initially they defined a set of key challenges (See Figure 6). Next, they identified what challenges could be implemented and create a substantial impact in two years or less. Those challenges that met both criteria were chosen to be the key components of the Big Results in Education Now program.

4. PforR support is aligned to the entire BRNEd program of expenditures, with the exclusion of construction activities. Hence the program consists of the following activities:

- Strengthening performance and improving transparency through: (i) ranking of primary and secondary schools based on exam results; and (ii) implementing a 3R skills assessment in Standard II of selected primary schools.
- Providing: (i) School Incentive Grant to best primary and secondary schools; and (ii) non-monetary incentives to, and clearing of outstanding claims for, primary and secondary school teachers.
- Supporting schools and addressing unequal resource distribution through, *inter alia*, (i) creation and distribution of a practical toolkit for primary and secondary schools; (ii) organizing 3R training for primary school teachers; (iii) implementing the Student Teacher Enrichment Program and; (iv) strengthening the Recipient’s monitoring and delivery system for timely delivery of capitation grant.

**Figure 6: List of BRNEd Initiatives**

Key challenges	Key initiatives	Rationale for the selection
Teacher accountability M&E & school quality ass. Reporting of results Community involvement	1 <b>Official school ranking</b> 2 <b>School incentive scheme</b>	<ul style="list-style-type: none"> <li>▪ Accountability and quality assurance are among the most important challenges for quality</li> <li>▪ Innovative ideas addressing accountability and M&amp;E are suggested as initiatives, with spillover effects on reporting of results and community involvement</li> </ul>
School level mgmt.	3 <b>School improvement toolkit</b>	<ul style="list-style-type: none"> <li>▪ The most cost efficient method for strengthening the school management identified is providing practical guidelines complemented with training</li> </ul>
Knowledge/skills assessments	4 <b>National 3R assessment</b>	<ul style="list-style-type: none"> <li>▪ Having no national assessment of 3Rs in the early grades allows poor performing students to move up the system. Having a basic assessment and baseline is fundamental for further improvement efforts</li> </ul>
Delivery /monitoring of curriculum Number of teachers Teacher comp./ capacity	5 <b>3R teacher training</b> 6 <b>STEP (Student Teacher Enrichment Programme)</b>	<ul style="list-style-type: none"> <li>▪ These challenges are too broad to address deeply in a single lab</li> <li>▪ The team developed a targeted approach with quick wins: <ul style="list-style-type: none"> <li>– Training existing teachers to support struggling students</li> <li>– Teacher training of 3R teaching skills</li> </ul> </li> </ul>
Infrastructure and facilities	7 <b>Basic facilities construction</b>	<ul style="list-style-type: none"> <li>▪ Focusing on new infrastructure will take time. Hence, the lab will focus on fast tracking SEDP II, an on-going “stuck” in process for ~3 years</li> </ul>
T&L materials Use of resources	8 <b>Capitation grants</b>	<ul style="list-style-type: none"> <li>▪ Timely release of capitation grants is key to provide necessary teaching and learning materials to students and schools</li> </ul>
Teacher motivation	9 <b>Teacher motivation</b>	<ul style="list-style-type: none"> <li>▪ Given the context, addressing teacher motivation is identified as a must for any quality improvement programme</li> </ul>

Source: Government of Tanzania (2013), Education NKRA Lab Report.

5. **Official school ranking for primary and lower secondary schools.** To help inform the public and the education system on student outcomes, schools will be ranked

based on the PSLE and CSEE examination results. While student results were already publicly available on the NECTA website<sup>18</sup>, they were not published in a way that clearly communicated school-level achievement. Schools are ranked according to their overall pass rate and how much their pass rate has improved since the previous year. The Government has already begun implementing the publication of NECTA results which is available online through the Open Data Initiative.<sup>19</sup> Data from 2012 and 2013 have been published and are available as lists of school rankings and, at the district level, on an interactive map.<sup>20</sup> The next step is to ensure that the rankings are made accessible to schools, parents and community members in a way all stakeholders and communities can access.

6. **National (sample-based) 3R assessment for primary schools.** To address the lack of information about student learning before leaving primary school, Tanzania created the 3R assessment. Unlike the PSLE and CSEE, which is aimed to manage the pool of students continuing education, the 3R assessment is designed as a tool to diagnose learning achievement and issues throughout the system. The 3R assessment is to be provided annually to a representative sample of 10 percent of schools of Standard II students. The assessment is designed to determine student knowledge and mastery of reading, writing, and arithmetic.

7. **School Incentive Grant (SIG) for primary and lower secondary schools.** In addition to reporting the overall results, the government will provide rewards for schools with impressive results. One hundred primary schools with the highest PSLE pass rates will receive an honorary award. The 300 and 2700 primary schools with highest improvement will receive awards of 3-5 or 1-2 million TSh, respectively. In secondary, the top 100 schools will receive “school of the year” awards. The top 100 and 900 secondary schools with improvement in their pass rates from the year before will receive 7-10 or 2-4 million TSh in rewards, respectively. The government is still identifying methods to minimize gaming of the exam results.

8. **Improve Teacher Conditions for primary and secondary schools.** The government intends to provide non-monetary awards to teachers in schools with high scores or improvement in student assessments.

9. **School Improvement Toolkit for primary and lower secondary schools.** A handbook and training has been designed by the Agency for the Development of Educational Management (ADEM), a quasi-independent agency of the government focused on improving the quality of heads of school. The training and handbook are designed to improve the overall quality of school management, and are intended to reorient heads of school towards improving learning. Between October and December 2013, ADEM had already trained 3,000 school leaders of the 19,035 intended to receive training.

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<sup>18</sup> <http://www.necta.go.tz>

<sup>19</sup> <http://www.necta.go.tz/opendata/opendata.html>

<sup>20</sup> <http://www.necta.go.tz/opendata/brn/index.php?mp=5>

10. **3R Teacher Training for primary schools.** To help improve the outcomes of student mastery of reading, writing, and arithmetic, 12,300 teachers in at least 40 districts will be trained in how to improve their continuous assessments in these subjects.

11. **Student Teacher Enrichment Programme (STEP) for primary and secondary schools.** To empower teachers lacking the basic knowledge and skills need to teach effectively, STEP will work to institutionalize a culture of identifying and supporting low performing students. Teachers will learn how to utilize test examinations and continuous assessments to determine student knowledge; conduct item analysis to understand knowledge gaps, and provide after-school “STEP classes” to students needing extra assistance. In addition, teachers will receive training in these core courses and analysis. 17,000 primary school teachers across 40 districts and 8000 teachers in 11 districts will receive extra teacher training. In addition, teachers will be provided with past PSLE and CSEE examinations to utilize as study and preparation materials for students.

12. **Timely delivery of adequate capitation grants for primary and secondary schools.** In an effort to improve the local decision-making and control, Tanzania has been moving towards providing funds directly to schools and the heads of schools, school boards, and teachers determine their best use together. Capitation grants were designed to provide an equal amount of funding for every student enrolled in schools. Previously, the government has faced several problems with this program: (i) the program is costly and the government did not prioritize grants when tax revenues were less than predicted in the budget; (ii) there was only partial success in providing equal per-student amounts between districts and between schools within districts; (iii) lack of clear communication with heads of schools, making it difficult for schools to budget and spend the money efficiently; and (iv) by not purchasing inputs (such as textbooks) in bulk, the education system as a whole paid a much higher average price for them. The government has sought to address some of these problems by levying a new tax on mobile phones, enact greater monitoring systems to accurately determine and implement per-student financing. Hopefully more reliable revenue streams will improve the reliability of funds going to schools, and in turn school budget planning. It is unclear how the government plans to address higher prices faced by low-quantity purchasing.

13. **Tracking of construction of basic facilities at lower secondary schools (*not included in PforR support*).** While the focus of this work is about improving the quality of education provided, which usually focuses on improving the effectiveness of teaching, the lack of minimum facilities remains a barrier to access (and to some extent quality) in some of the most resource-poor areas of the country. To redress this, a total of 1,200 schools will receive some basic construction. This is largely funded by the SEDP II program.



## Annex 2. Results Framework

**Program Development Objective: improve education quality in Tanzanian primary and secondary schools**

Area	Outcome indicators
a) Improve mastery of 3R (reading and numeracy) skills in Grade 2 students	Improvement of national 3R performance of Grade 2 students in a.1) Reading (measured by Swahili oral reading fluency) a.2) Numeracy (measured by competency in level 1 subtraction)
<b>b) Improved teacher performance</b>	<b>b.1) Percentage of teachers found in classroom during unannounced visit in primary and secondary schools</b> <b>b.2) Percentage of teachers with minimum knowledge in Mathematics and Languages in primary schools</b>

### Program Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	Cumulative Target Values					End Target	Frequency	Data Source/ Methodology	Responsibility for Data Collection
				YR1	YR2	YR3	YR4					
National average for reading correct words per minute in Oral Reading Fluency (ORF) sub module of EGRA assessment among Grade 2	<input type="checkbox"/>	Words per minute	17.9	17.9	18.9	20.9	21.9	21.9	Annual	Sample-based national 3R assessment	M&E unit in the MoEVT	

students																				
National average on Level 1 Subtraction sub module of EGMA assessment among Grade 2 students	<input type="checkbox"/>	Correct Answers per Minute	5.5	5.6	5.7	5.8	6.0	6.0	Annual	Sample-based national 3R assessment	M&E unit in the MoEVT									
Percentage of teachers found in classroom during unannounced visit (primary & secondary schools)	<input type="checkbox"/>	Percentage	47.0	47.0	49.0	49.0	53.0	53.0	Once in 2 years	School visits	SDI survey									
Percentage of teachers with minimum knowledge in Mathematics and Languages (primary schools)	<input type="checkbox"/>	Percentage	42.0	42.0	45.0	45.0	51.0	51.0	Once in 2 years	School visits	SDI survey									

### Intermediate Results Indicators

Indicator Name	Unit of Measure	Baseline	Cumulative Target Values					Frequency	Data Source/ Methodology	Responsibility for Data Collection
			YR 1	YR 2	YR 3	YR 4	End Target			
% of districts submitting school-level EMIS data in revised format ( <i>also a DLI</i> )	Percentage	0	10	20	50	80	80	Annual	School census	EMIS
Financing gap for BRNEd activities (as per agreed sector-wide framework)	Percentage	N/A	0	0	0	0	0	Annual	Comparison of ministry expenditures to sector-wide budget framework	Annual MoEVT, PMO-RALG and MoEVT expenditures
Average student to textbook ratio (primary & secondary schools)	Ratio (Students: Textbooks)	5:1	5:1	4:1	2:1	1:1	1:1	Annual	School census	EMIS
Official school ranking (performance-based) published	Yes/No	No	Yes	Yes	Yes	Yes	Yes	Annual	BRNEd reports & Indep Verification	MDU & PDB
No. of primary and secondary schools receiving performance-based incentive rewards ( <i>also a DLI</i> )	No. (non-cumulative)	0	0	1,000	2,000	4,000	4,000	Annual	BRNEd reports & Indep Verification	MDU & PDB
No. of schools receiving school improvement toolkit	No. (cumulative)	0	0	4,000	9,000	15,000	15,000	Annual	BRNEd reports	MDU
% of primary schools participating in 3R assessment	Percentage	0	10	10	10	10	10	Annual	BRNEd reports & Indep	MDU & PDB

Teacher awards announced yearly to high-performing teachers	Yes/No	No	No	Yes	Yes	Yes	Yes	Yes	Annual	BRNEd reports	MDU & PDB
Volume of outstanding teacher claims older than three months	Amount (Tsh)	25 billion	25	20	15	10	10	10	Annual	BRNEd reports	MDU
No. of teachers participating in the 3R training program	No. (cumulative)	0	2,000	5,000	9,000	12,300	12,300	12,300	Annual	BRNEd reports	MDU
No. of primary schools conducting STEP ( <i>also a DII</i> )	No. (cumulative)	0	0	2,000	5,000	11,000	11,000	11,000	Annual	BRNEd reports & Indep Verification	MDU
No. of secondary schools conducting STEP ( <i>also a DII</i> )	No. (cumulative)	0	0	400	1,000	3,000	3,000	3,000	Annual	BRNEd reports & Indep Verification	MDU
% of schools receiving capitation grants on time ( <i>also a DII</i> )	%	TBD <sup>21</sup>			60	80	80	80	Annual	BRNEd reports & Indep Verification	MDU & PDB
No. of districts where PTR is higher than 54 ( <i>also a DII</i> )	No.	TBD <sup>22</sup>							Annual	School census	EMIS
Direct program beneficiaries ( <i>World Bank core indicator</i> )	No. in million	0	9.7	9.9	10.04	10.13	10.13	10.13	Annual	BRNEd reports	MDU
Female beneficiaries ( <i>World Bank core indicator</i> )	%	0	50	50	50	50	50	50	Annual	BRNEd reports	MDU

<sup>21</sup> Baseline numbers are being established

<sup>22</sup> Ibid

### Annex 3: Disbursement Linked Indicators (DLIs)

**Table 7: Disbursement Linked Indicators**

Category (including Disbursement Linked Indicator as applicable)	Disbursement Linked Result (as applicable)	Amount of the Financing Allocated (expressed in SDR)	Disbursement Calculation Formula
<p>(1) DLI #1: Recipient has completed all the Foundational Activities</p>	<p>DLR#1.1: The Recipient's MoEVT, PMO-RALG and Ministry of Finance agreed with the Association and Co-financiers on a 4-year BRNED Budget Framework, coded against specific budget lines in the Recipient's Budget in FY2013/14</p> <p>DLR#1.2: The Recipient's MoEVT has reviewed and revised (i) EMIS staff job descriptions; aligned with appropriate civil service grading system; and (ii) finalized and approved school census format and guidelines and disseminated to all district education officers in FY2013/14</p> <p>DLR#1.3: The Recipient's MoEVT and PMO-RALG have agreed on a format for measuring and collecting verifiable data related to the transfer of Capitation Grants to schools in FY2013/14</p> <p>DLR#1.4: the Recipient's MoEVT has prepared a list of all primary and secondary schools on the Recipient's territory with information on location, number of students and teachers in FY2013/14</p> <p>DLR#1.5: The Recipient's MoEVT has prepared a format for (i) measuring and collecting verifiable data related to primary PTR at school and LGA level and disseminated a summary primary PTR report format, with guidance notes to all LGAs (including acceptable ranges between 35-50); and (ii) established baseline values for 2013-14 and, agreed upon with PMO-RALG, 4 year targets for primary school PTRs in FY2013/14</p>	<p>10,000,000 (of which 2,000,000 is for each DLR)</p>	
<p>(2) DLH#2: Recipient has evidenced timely and adequate resource flows for the Program</p>	<p>DLR#2.1: The Recipient has released, quarterly, total levels of funds as per BRNED Budget Framework;</p> <p>FY2014/15</p> <p>FY2015/16</p> <p>FY2016/17</p> <p>FY2017/18</p>	<p>20,000,000 (of which 1,250,000 per quarter over 16 quarters)</p>	<p>The amount allocated is pro-rated in terms of percentage of funding released.</p>

	DLR#2.2: The Recipient has quarterly released full amount of Capitation Grants (CG) to schools within each LGA FY2014/15 FY2015/16 FY2016/17	3,900,000 (of which 325,000 per quarter over 12 FY quarter)	The amount allocated is calculated as follows: funding per quarter will be divided equally across 168 LGAs and thereafter funding per LGA will be pro-rated in terms of percentage of CG funds released in the LGA.
(3) DLI #3: The Recipient has produced an Annual Summary Education Performance Report (ASEPR) and an annual school-level EMIS data by each LGA	DLR #3.1: The Recipient has released an ASEPR in acceptable format; FY2014/15 FY2015/16 FY2016/17  DLR #3.2: The Recipient has made available online an annual school-level EMIS data FY2014/15 FY2015/16 FY2016/17	3,900,000 (of which 1,300,000 per year)  3,900,000 (of which 1,300,000 per year)	The amount allocated is pro-rated in terms of number of LGAs for which data exist.  The amount allocated is calculated as follows: funding per year will first be divided equally across 168 LGAs; funding per LGA will be pro-rated in terms of percentage of schools for which data is available online.
(4) DLI #4: Teachers have been deployed efficiently across and within districts	DLR #4.1: The Recipient has met the annual target for number of LGAs achieving the acceptable range for primary PTRs; FY2014/15 FY2015/16 FY2016/17 FY2017/18  DLR #4.2: The Recipient has met the annual target for number of primary schools achieving the acceptable range of primary PTRs in each LGA FY2014/15 FY2015/16 FY2016/17 FY2017/18	5,200,000 (of which 1,300,000 per year)  8,000,000 (of which 2,000,000 per year)	The amount allocated is pro-rated in terms of number of LGAs achieving the acceptable range for primary PTRs as compared to target.  The amount allocated is calculated as follows: funding per year will first be divided equally across 168 LGAs; funding per LGA will be pro-rated in terms of number of schools achieving the acceptable range for primary PTRs as

			compared to target.
(5) DLI #5: Number of schools receiving SIG as indicated in the Program design	DLR#5.1: the SIG and STEP Guidelines have been prepared; FY13-14	4,000,000 (of which 2,000,000 is for each guidelines)	
	DLR#5.2: The Recipient has met the annual target for number of schools that have received SIG grant; FY 2014/15 FY2015/16 FY2016/17	3,900,000 (of which 1,300,000 per year)	The amount allocated is pro-rated in terms of number of schools receiving SIG per annum as compared to target.
(6) DLI #6: Recipient has demonstrated an increase in student learning outcomes	DLR#5.3: The Recipient has met the annual target for number of schools that have conducted STEP activities FY 2014/15 FY2015/16 FY2016/17	3,900,000 (of which 1,300,000 per year)	The amount allocated is pro-rated in terms of number of schools conducting STEP activities per annum as compared to target.
	DLR #6.1: The Recipient's MoEVT has developed and agreed upon the 3R assessment tools with the PMO-RALG in FY2013/14	2,100,000	
	DLR #6.2: the Recipient has met the annual target of improvement in words per minute (wpm) in national 3R average FY 2014/2015 FY2015/16 FY2016/17 FY2017/18	10,000,000 (of which 2,500,000 pro-rated in terms of improvement in wpm)	The amount allocated is calculated as follows: Amount per year = Annual improvement in wpm from previous maximum * SDR 2,500,000; up to SDR 2,500,000. Annual improvement has to be at least 0.5 wpm to trigger payment.
TOTAL AMOUNT		78,800,000	

**Table 8: Summary of DLI Pricing (in million US\$)**

	Y1	Y2	Y3	Y4	Total
DLI 1	15	0	0	0	15
DLR 2.1	8	8	8	8	32
DLR 2.2	2	2	2	0	6
DLR 3.1	2	2	2	0	6
DLR 3.2	2	2	2	0	6
DLR 4.1	2	2	2	2	8
DLR 4.2	3	3	3	3	12
DLR 5.1	6	0	0	0	6
DLR 5.2	2	2	2	0	6
DLR 5.3	2	2	2	0	6
DLR 6.1	3	0	0	0	3
DLR 6.2	4	4	4	4	16
Total	51	27	27	17	122



**Table 9: PforR DLI Verification Protocol Table**

<b>DLI</b>			
<i>Protocol to evaluate achievement of the DLI and data/result verification</i>			
	<i>Data source/agency</i>	<i>Verification Entity</i>	<i>Procedure</i>
DLI 1: Foundational Activities	Report on foundational activities by MOEVT	Independent firm (financed through DFID funded TA support)	Receipt and verification of report by MOEVT that all agreed foundational activities have been completed satisfactorily (details of compliance verification in Operations Manual)
<b>DLI 2: Timely and adequate resource flows</b>			
DLI 2.1: Total level of funding released against agreed BRNEd budget lines	The Integrated Financial Management Report (IFMR) prepared by Ministry of Finance	Bank	Review of IFMR
DLI 2.2: Total level of CG fund released from each LGA to schools within the LGA.	IFMR from Ministry of Finance. Data on LGA Bank Transfers to schools from PMO-RALG	Bank	Review/validation of LGA bank transfers for a list of randomly selected schools
<b>DLI 3: Data management</b>			
DLI 3.1: Production of Annual Summary Education Performance Report (ASEPR) as per agreed format (in operations manual).	ASEPR report from PMO-RALG	Bank	Review of ASEPR using EMIS data and other data sources
DLI 3.2: Production of annual school-level EMIS data set (in agreed format) by all LGAs	School level EMIS data from PMO-RALG	Bank	Review of school level EMIS data Confirmation that EMIS data have been made available on a public platform
<b>DLI 4: More efficient teacher allocations</b>			
DLI 4.1: Number of LGAs achieving 'Acceptable Range' for Primary PTRs against agreed targets.	National report on PTR published by MOEVT	Independent firm through validation of district-level data (financed through DFID funded TA support)	National report on PTR verified using EMIS data and PO - PSM validation

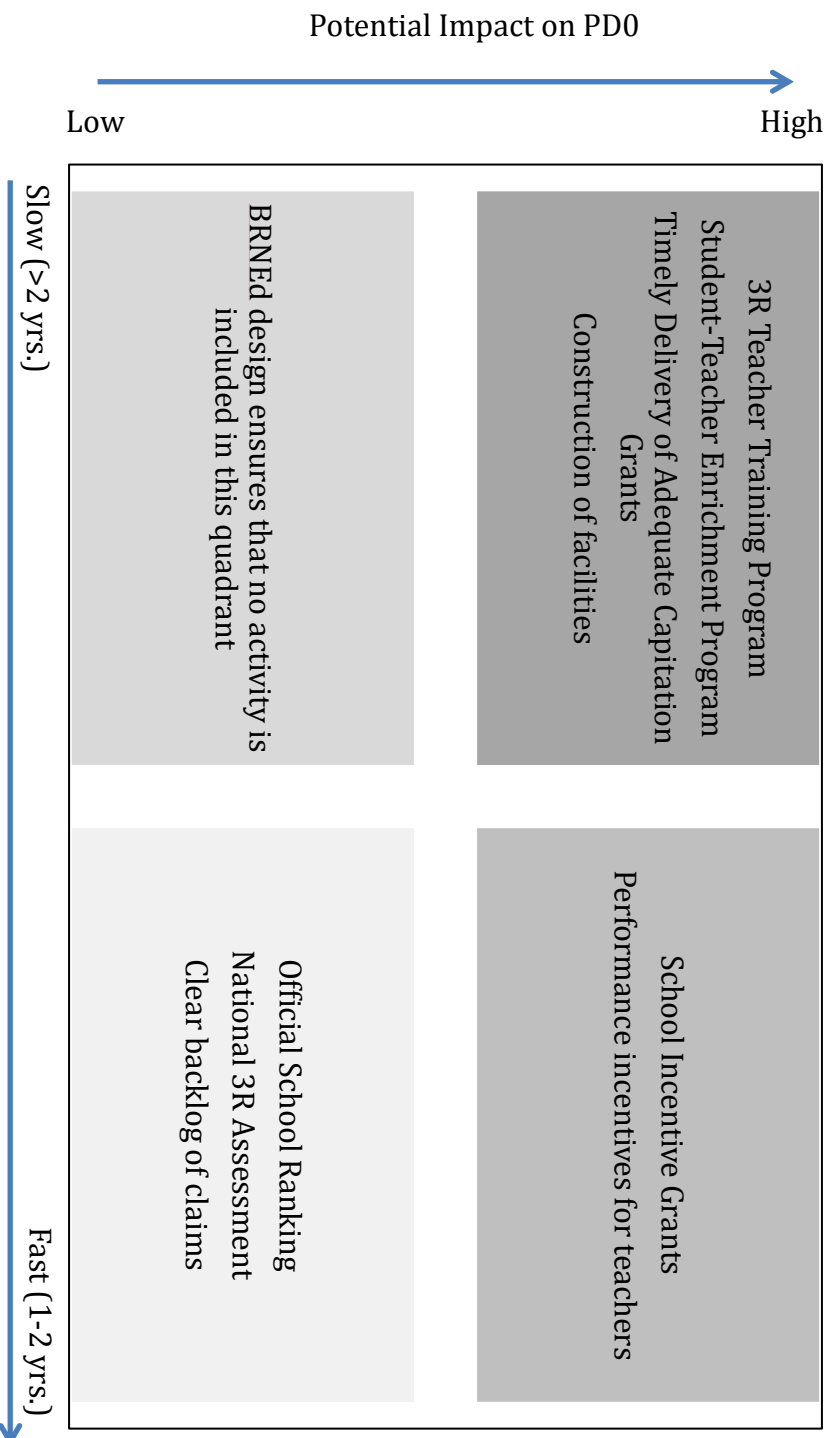
DLI 4.2: Number of primary schools achieving 'Acceptable Range' for Primary PTRs against agreed targets	Individual LGA reports on PTR by PMO-RALG	Independent firm through random checks in a sub-sample of schools (financed through DFID funded TA support)	Individual LGA reports on PTR verified using EMIS data and PO - PSM validation
<b>DLI 5: Implementation of BRNEd activities</b>			
DLI 5.1: Framework for SIGs and STEP established	Report by MoEVT	Bank	Review of framework
DLI 5.2: Number of schools receiving SIG/annum as per planned targets	Summary report on SIG published by PMO-RALG	Independent firm through random checks in a sub-sample of schools (financed through DFID funded TA support)	Review of SIG summary report Confirmation that list of schools for the SIG has been established. Confirmation that public award ceremonies have been corroborated through national media. Review of Documented Bank transfers to school
DLI 5.3: Number of Schools conducting STEP activities as per planned	Summary report on STEP prepared by PMO-RALG	Independent firm through random checks in a sub-sample of schools (financed through DFID funded TA support)	Review of STEP report and cross-checks with reports generated from MDU and PDB Unannounced visits to 200 schools to confirm incidence and quality of STEP training
<b>DLI 6: Increase in student learning outcomes</b>			
DLI 6.1: 3R tools established	Report by MoEVT	Bank	Review of tools
DLI 6.2: 3R Assessment	Report on 3R assessment by PMO-RALG	Bank	Review of 3R assessment report and cross-checks with any reports produced by contracted implementing agency (e.g. RTD) Validation of 3R assessment results with Uwezo results

## Annex 4: Results Chain

BRN Lever	Input/Activity	Intermediate Outcome	Final Outcome	Higher Order
<i>Strengthen Performance-Transparency</i>	Official School Ranking	School ranking released <b>(RF)</b>	Identification of lagging schools, students, and teachers [for better planning and focused attention]	
	National 3R Assessment	No. of schools participating in the 3R assessment <b>(RF)</b>		
<i>Motivate through incentives</i>	School Incentive Grants (SIG) – performance based	No. of schools receiving performance-based incentive rewards <b>(RF)</b> + <b>(DLI)</b> *	Increased teacher effort measured through classroom presence <b>(PDO)</b>	
	Non-financial performance incentives for teachers	Teacher awards announced yearly to high-performing teachers <b>(RF)</b>		
	Clear backlog of claims	No. of outstanding Teacher claims older than three months <b>(RF)</b>		
<i>Improve Teacher Conditions</i>	School improvement toolkit	No. of schools that receive the toolkit <b>(RF)</b>	Improved teacher proficiency 3R subjects <b>(PDO)</b>	Improved student learning outcomes in PSLE & CSEE examinations
	3R teacher training program	No. of teachers trained <b>(RF)</b>		
	Student -Teacher Enrichment Program (STEP)	No. of schools participating in STEP <b>(RF)</b>		
<i>Provide Support where required</i>	Timely Delivery of Adequate Capitation Grants	Percentage of schools receiving capitation grants on time <b>(RF)</b> + <b>(DLI)</b>	Improved textbook student ratio <b>(RF)</b>	

\*: All DLIs are included in RF

**Figure 7: Program Activities and PDO – Time Dimension**  
Note: Implementation of all activities will commence in 2014 (some have commenced already)



## Annex 5: Integrated Risk Assessment Framework (ORAF)

**Table 10: Program Integrated Risk Assessment Framework**

<b>1. PROGRAM RISKS</b>	
<b>1.1 Technical Risk</b>	<b>Rating: Substantial</b>
<p><b>Description :</b></p> <ul style="list-style-type: none"> <li>i. The BRNEd could lead to neglect of other complementary reforms necessary to transform the education sector (e.g. curriculum reform).</li> <li>ii. Inadequate counterpart funds for crucial activities that are part of the BRNEd.</li> <li>iii. Resource allocation inefficiency and inequity (primary, poorer rural areas) and pressures to spend on tertiary education.</li> <li>iv. Wrong hypothesis in theory of change, partly due to a general lack of consensus on school policy interventions to improve learning outcomes in developing countries and absence of systematic evidence on the right mix and weight of interventions and on the factors that have a consistent impact on achievements (e.g. teacher education, PTR). Short timeframe to establish a performance-based system and change school level power dynamics (School Committees, School Boards).</li> <li>v. Contextual factors may affect demand-side (pupils) and supply-side (schools) aspects and PDO and the four year implementation timeframe mean full impacts may not materialize. These factors include administration, investment trends, socio-demographic characteristics, lack of infrastructure, facilities, accommodation and basic services in remote areas, inefficiencies, malnutrition.</li> </ul>	<p><b>Risk Management:</b></p> <ul style="list-style-type: none"> <li>i. Program assessment has reviewed all proposed activities and discussed with the government all complementary activities that need to be considered in the short and medium term to transform the education sector.</li> <li>ii. The BRNEd interventions have been chosen based on potential for high impact and fast delivery. The team has reviewed budget requirements to implement BRNEd to assess the efficiency and sustainability of the proposed interventions.</li> <li>iii. Build pro-poor measures in line with Bank's poverty and equity mandates through the DLIs to provide incentives for Councils/LGAs to use resources more equitably for under-resourced/better performing schools.</li> <li>iv. BRNEd program design includes a mix of interventions developed after extensive review of international literature as well as evidence from studies and surveys in Tanzania on 'what works' to produce better learning outcomes. Program design also relies on judgment to balance the scope with the risks of the operation. The Theory of Change (TOC) is a living feature throughout implementation allowing for course-correction to accommodate new developments/learning to achieve the outcomes, with continued support from WB Leadership Learning and Innovation Group and Governance Global Practice. MTR will also provide an opportunity to adjust the program as appropriate, based on information captured by the results monitoring system.</li> <li>v. BRNEd implementation utilizes the existing decentralized structures, but the program envisages training, capacity building, and improved incentives and accountability for ensuring greater efficiency in implementation. PDB and MDUs with support from PEMANDU are engaged in resolving key issues for delivering and creating a results-based culture for the sector in Tanzania. The Program will help establish a conducive environment and benchmarking of what works for improving education quality/outcomes in Tanzania.</li> </ul>

	Resp: Bank and DP teams	Stage: Implementation	Due Date: Continuous	Status: Ongoing
<p><b>1.2 Fiduciary Risk</b></p> <p><b>Description:</b></p> <ul style="list-style-type: none"> <li>i. It is difficult to ensure that schools report back on capitation grants use on time; and to ensure that incentives disbursements take place on time.</li> <li>ii. Political influence and apparent misuse of resources perpetuate unequal/opaque capitation transfers.</li> <li>iii. The use of Program systems as per PforR instrument implies risks related to financial management, procurement, and fraud and corruption as documented under Annex 8 and the Integrated Fiduciary Assessment Report. Other risks relate to management and supervision capacity at local level. One main issue is the multiplicity of funding lines and limited discretion at Council levels making budget planning and execution challenging, and affecting predictability of funds for LGAs and schools.</li> <li>iv. Risk of low disbursement if DLIs are not achieved. Disbursements generally slow across Tanzania portfolio</li> </ul>	<p><b>Risk Management:</b></p> <ul style="list-style-type: none"> <li>i. PDB monitoring through the established/agreed BRNED KPIs.</li> <li>ii. Clear guidelines on required amounts and timing to specific schools are available and evidence on transfers is a DLI.</li> <li>iii. Financial management, procurement and fraud and corruption assessment in MOEVT and PMO-RALG and LGAs identified risks and their mitigation measures as shown under Annex 8 and the Integrated Fiduciary Assessment. These mitigation measures will need to be supported using a robust Technical Assistance component, an Implementation Support Plan (ISP), and independent financial and procurement as well as value for money audits whose scope will include LGA and school levels to determine fiduciary performance related to financial management linked to capitation grants, SIGs, and supervision (Year 1-4). The team is also working closely with PFM experts who have a good understanding of the flow of funds at all levels. As well the urban PforR is providing significant capacity building in financial reporting and procurement in PMO-RALG and across the local government system, from which this Program will benefit. GoT has a PFM Reform Program which is currently in its fourth phase that will also support the strengthening of the fiduciary systems for this program. Generally, Tanzania has made improvements in recent years in fiduciary systems including revision of the Procurement Act (increased independence of the Public Procurement Regulatory Authority - PPRRA), and strengthening the independent Controller and Auditor General. Although fairly new (started operations in July 2012), the national accounting system (integrated financial management information system - IFMIS) has the capacity to link the financial information with the physical progress, which would be ideal for the purpose of PforR disbursement upon results.</li> <li>iv. The DLI/incentive framework inherent to PforR is designed to create incentives to perform and thus disburse.</li> </ul>			<p><b>Resp: PDB</b>      <b>Stage: Implementation</b>      <b>Due Date: Continuous</b>      <b>Status: Ongoing</b></p>

<b>1.3 Environmental and Social Risk</b>		<b>Rating:</b>	<b>Low</b>
<p><b>Description:</b></p> <p>i. Environment risks are negligible as the Program aims at supporting institutional strengthening, technical assistance, and capacity building. No construction or large-scale up-grading is foreseen under the current Program, and therefore no land acquisition, resettlement, and/or impact on natural resources is expected. Improved design of school buildings for environmental sustainability and climate change resilience will be recommended at policy level and through technical guidance.</p> <p>ii. No major social issues are expected. The Program builds on improved systems for consultation and participation by staff, parents, communities and all stakeholders. Improved mechanism for feedback is encouraged through instituting a sound grievance redressal mechanism.</p>		<p><b>Risk Management:</b></p> <p>i. Complementary Bank funded projects have instituted sound environmental and social due diligence measures, which will be utilized under this Program. Any changes in Program activities which may have more significant environmental and social footprints will require amendments and appropriate measures to be put in place, in consultation with the Bank.</p>	
<b>Resp: Bank/ MoEVT</b>	<b>Stage: Preparation and Implementation</b>	<b>Due Date: Continuous</b>	<b>Status: Ongoing</b>

<b>1.4 Disbursement linked indicator risks</b>		<b>Rating: Substantial</b>	
<b>Description:</b> i. Risk of gaming 3R test or other DLI targets in order to inflate results and increase disbursements.		<b>Risk Management:</b> i. A pilot 3R assessment has been conducted successfully and lessons learnt will be incorporated in future phases. Overall, gaming risks will be mitigated through a variety of verification processes which will test the validity and reliability of the results.	
<b>1.5 Other Risks (Optional)</b>		<b>Resp: World Bank/DPs</b>	<b>Stage: Implementation</b>
<b>Description:</b> i. Government's commitment to the Open Data Initiative might become lukewarm prior to the upcoming elections.		<b>Rating: Substantial</b>	<b>Due Date: Continuous</b>
		<b>Risk Management:</b> i. The Program will contribute to improving government's credibility in this regard through the proposed interventions in the BRNEd to ensure opening education data to the public. The school ranking data is already online and other indicators will be added to a dashboard. ii. In addition, Uwezo work has kept debate on education quality alive and is increasingly recognized as an additional measure to assess progress in education quality. Client feedback mechanisms will be set up in order to strengthen capacity to measure, monitor, and report on results.	<b>Status: Ongoing</b>
<b>2. OVERALL RISK RATING</b>		<b>Resp: PDB/ MoEVT/ PMO- RALG/ Bank</b>	<b>Stage: Preparation/ Implementation</b>
		<b>Rating: Substantial</b>	<b>Due Date: Continuous</b>
The strong political commitment and existing momentum from the lab process, coupled with the DLI/incentive approach inherent to PforR, are key instruments for ensuring the achievement of the expected results. As outlined above and based on the findings of the detailed technical, financial management, and environmental and social assessments, significant risk mitigation measures have been included in the Program design.		The Bank task team, together with DFID and SIDA, will continue to provide technical support to BRNEd as needed and will continuously monitor performance to ensure that both anticipated and unanticipated risks are addressed as quickly as possible once they arise. The Program Action Plan (PAP) and Implementation Support Plan (ISP) will pursue a risk-based approach and will outline the main measures through which risks to the achievement of Program's PDO will be mitigated.	



## Annex 6: Summary Technical Assessment

### *Strategic Relevance*

1. **The Program aims to improve the quality of basic education in Tanzania which is fundamental to the country's long-term development.** Poor education and a lack of basic skills is an on-going fundamental constraint to the development of the country as it seeks to compete in the East African and Global economic communities, as acknowledged in the national medium-term strategy: 'A healthy and well-educated population is a vital human resource input for long-term growth' (NSGRP/MKUKUTA II).
2. **Human capital development is critical for setting Tanzania on a trajectory towards a middle income status, a target it wants to reach by the year 2025.** Human capital refers to a broad range of knowledge, skills and capabilities, needed for life and work, including those related to capability in successful living; engendered through quality education (World Bank 2006). Spence (2005) has established that countries that fail to invest consistently in education do not produce robust growth. Significant investments in infrastructure development, such as dams, roads, and airports as well as developments in other essential economic sectors such as banking, information technology, and other services sector will be constrained and will yield low returns in the absence of an adequately educated work force. In fact, over the coming decades, an increasingly large share of the projected growth in Tanzania will be concentrated in occupations that will require citizens with post-secondary training and skills, as is already the case in middle income countries. And it is not enrollment per se but the quality of education and learning outcomes that are more strongly correlated with economic development (Hanushek and Wößmann, 2007).

### *Technical Soundness*

3. **The eight BRNEd interventions can be linked to the PDO through a robust results chain** (see Annex 4). They are intended to work in complementary ways to improve student learning significantly and quickly<sup>23</sup>.
4. **However, global evidence shows that improvements in learning achievement rates in response to education interventions often manifest with a time lag.** In the short-term, BRNEd should lead to an arrest of (and possibly reversal of) the declining trends in primary and secondary achievement. However, tangible improvements in learning outcomes are only expected with a lag. With this in mind, the Technical Assessment recommends setting of realistic targets for learning gains.
5. **The overall BRNEd package appears technically sound.** The BRN package has been designed with the specific objective of achieving tangible improvements in student learning outcomes in the short-term. To this end, the main guiding principles for BRN are: (a) high potential impact on learning outcomes; and (b) fast delivery. The following

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<sup>23</sup> Other possible criteria, such as equity, were not considered while defining the BRNEd package.

factors, related both to design considerations and design process, explain its potential effectiveness:

- a. **Evidence-based:** Many strategies proposed in the package are rooted in some empirical evidence. Note that international evidence records that there is rarely a silver bullet that can lead to dramatic and sustained improvements in education quality. Initiatives that logically tackle one problem may be undermined by other problems that are harder to address. It therefore makes sense to tackle various key problems at once. Some of the BRNEd interventions have shown promise in other contexts:
    - i. The decision to focus on accountability and incentive issues by implementing performance transparency and performance-linked incentives is backed by emerging global evidence. There is some promising empirical evidence associated with the use of performance-based incentives in the education sector in developing countries like Kenya (Glewwe et al., 2010) and India (Muralidharan and Sundararaman, 2009).
    - ii. The decision to focus on teacher conditions and by extension motivation and quality is likely to be effective. A large body of research shows that teacher quality is the main school-based predictor of student achievement (Hanushek & Rivkin 2010; Rivkin, et al. 2005; Nye et al. 2004; Rockoff 2004; Park & Hannum 2001; Sanders & Rivers 1996). Also, the impact of teacher quality improvements is greater when combined with demand-side programs which aim at changing behavior at the household level. In this respect, the proposed PforR will squarely complement the Bank-funded conditional cash transfer program (US\$220 million Productive Social Safety Net, under TASAF) that will give cash to poor households on the condition that they send their children to school.
    - iii. There is emerging empirical evidence, from India (Banerjee et al 2007), Kenya (Duflo et al 2009), and Ghana (TCAI Initiative, Preliminary results, 2012), on the relatively high effectiveness of providing support to lagging students in the form of remedial education. Three rigorous impact evaluations from different parts of the world show that remedial education for lagging students can have strong positive impacts on the overall learning outcomes in a short period of time.
  - b. **Implementable:** All activities are implementable in the practical sense. In other words they are low-cost, scalable, clearly and simply defined, and using the existing implementation structures and decision processes.
  - c. **Rooted in the Education Sector Development Program, sub-sectoral plans, and the Education Reform Compact** signed between GoT and education partners in November 2012.
6. **The incentives for a wide range of stakeholders to implement this program are strong.** The issue of low pass rates is high on the political and public agenda and the proposed program emerged from intensive discussions with a wide range of stakeholders. BRN is established as a top priority for the President until he completes his second term

in late 2015. This leadership offers to generate new energy to tackle difficult challenges and the shift in focus from activities to results is promising.

7. **However, this is the first time many of these interventions are being attempted in the Tanzanian context.** As such, to maximize likelihood of achieving results, there is need for flexible design, phased implementation, robust monitoring, and evidence-based learning and adaptation. An ongoing process of experiential and experimental learning from implementation and iterative feedback are critical to maximizing the likelihood of achieving results. In addition, this process will help ensure that intervention design adapts itself to the local context, existing implementation systems, and lessons learnt vis-à-vis effectiveness.

8. **Overall, the assessment shows that the BRNEd program design is technically sound.** However, it is necessary to complement this design with strong implementation support, strong results tracking and follow-up, and realistic targets around learning outcome gains.

9. **Institutional strengthening within the program:** Assessment of technical design and implementation capacity reveals two potential issues, mitigation of which has been built into program design.

10. **There is need to build-in explicit mechanisms for course correction - if and where needed - and adaptation of implementation to ensure DLIs continue to be achieved until program completion.** This risk will be mitigated through:

- Technical Assistance (TA) for the program<sup>24</sup> will include support for continuation of periodic BRNEd ‘check-ins’ as a means for calibrating progress since the initial BRNEd lab, as well as adapting at strategic moments, where appropriate, to stay on track to meet target results and DLIs. This will be of particular importance following elections in early 2015, beyond which the BRN labs have not considered. Strategic communications initiatives will follow on from these events to inform the public, other ministries participating in BRN and stakeholders of progress made to ensure continued support, momentum, and action on BRNEd;
- For certain innovative interventions, like STEP training and performance-based recognition awards for teachers, a phase-in approach of implementation will be used. Evaluations will provide built-in learning opportunities within program design which can be exploited to refine design and implementation before national scale-up. They will also generate data on implementation quality of specific program interventions.

11. **There is need for capacity building at the local implementation level – region, district, local government authorities (LGAs), and wards.** To mitigate this risk, program TA from DFID will include:

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<sup>24</sup> Provided through parallel financing from donor partners

- Stakeholder influence mapping and identification of implementation bottlenecks as well as specific capacity gaps – using all available and relevant data sources;
- Raising awareness about the DLI linked incentives, results reporting mechanisms, and BRNEd activities;
- Gaps identified in the system will be supported through capacity development sessions to be undertaken at various levels of delivery - including adaptive leadership and applied communication at the central and local levels - but with an emphasis on results-oriented training at the local implementation level. This includes: familiarizing implementation-level actors with the program results framework, operational manual, and monitoring systems;
- Following the results-oriented trainings, network analysis and problem identification sessions, the need to show results quickly will be high. It is proposed that focused teams be created to work on 120-day pilot initiatives aimed towards achieving select results. To support the 120 day initiatives, process coaches will be mentored and trained. A twinning and apprentice model (for the initial pilot districts) is proposed.

### ***Program Expenditure Framework***

12. **Tanzania has a well-established culture of planning and budgeting both at centralized and decentralized levels.** In addition to overall planning and budget formulation, there is an annual Public Expenditure Review (PER) process, the objective of which is to improve fiscal policy formulation and management. This process provides a forum for representatives from Government, development partners, academia, the private sector, and CSOs to agree on an analytical agenda and guide and finance its implementation. Under the PER, an annual Rapid Budget Analysis (RBA) is undertaken. The RBA is designed to assess the alignment between the approved budget, the executed budget, and the MKUKUTA/FYDP priorities; and assess the consistency between expenditure outturn and approved budget.

13. **A comprehensive overview of the expenditure framework for Government’s Basic Education program can be derived by triangulating documentation and analysis from different sources.** This technical assessment of program expenditure framework is based on: (a) RBA for overall budget for 2013/14 and 2012/13<sup>25</sup>; (b) RBA for the education sector for 2013; (c) budget analysis for BRNEd; (d) PER study on value-for-money in education (2010); and (e) Report of the Controller and Auditor General on the financial statements of MoEVT (2012).

14. **The medium-term financial conditions appear sound with stable GDP growth and declining inflation in 2012/13.** Tanzania’s economic growth is projected to remain stable at around 7 percent in the medium-term. The estimated 2012/13 fiscal

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<sup>25</sup> The RBA for 2013/14 utilizes the detailed approved budget data for 2013/14 and detailed pre-audited actual spending data for 2012/13

deficit was 6.2 percent and exceeded the IMF target by 0.7 percent of GDP. The 2013/14 approved budget has been built with the objective to reduce the overall fiscal deficit to 5 percent of GDP. At present, Tanzania has a relatively low public-debt-to-GDP ratio, standing at slightly more than 40 percent.

15. **Grants, concessional and non-concessional loans from both external and domestic sources are projected to reach 10.7 percent of GDP in 2013/14.**

16. **The share of budget allocated to strategic priorities defined in the MKUKUTA and FYDP<sup>26</sup> should reach 73 percent in 2013/14**, up from 71 percent in 2012/13. Hence, the spending allocation of the approved 2013/14 budget appears well aligned with the strategic priorities of recent national strategies.

17. **Among various priority areas, education remains the largest spending sector in the government budget.** However, its share of total government budget (excluding CFS) has reduced slightly to 22 percent in 2013/14 budget, down from 22.5 percent in total actual public spending in 2012/13. This is in line with the 22 percent average projected in the Education Sector Development Program (ESDP) for the period 2008-2017 indicating the 2013/14 budget is broadly aligned with the sector policy priorities.

18. **Education is one of the government's six priority areas, as evidenced by the formulation of the Big Results Now in Education program.** The resources allocated to the education sector have remained stable in percent of GDP, around 22, in the approved 2013/14 budget, which is relatively high for a low income country. The education sector also saw an increase in actual spending in 2012/13 compared to 2011/12. The total education sector budget in 2013/14 has nominally increased by 34 percent compared to 2012/13 actual spending, and by 28 in real terms.

19. **The primary and secondary education expenditure framework adheres fully to the government's priorities of improving education quality.** This is evidenced by the large share of this budget going to the implementation of the BRNEd program over the next four years (see Table 2).

20. **The overall education sector budget includes three sub-sectors: Primary, Secondary, and Higher education.** The program expenditure framework includes only Primary and Secondary education sub-sectors.

21. **The education sector budget is increasingly decentralized.** Around 70 percent of the education sector budget in 2013/14 is decentralized, up from 65 percent in the 2012/13 budget. This demonstrates an on-going commitment to spend more of the education budget at district level in order to improve the quality of primary and secondary education.

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<sup>26</sup> Government's priority objectives have been outlined in several key documents, such as the MKUKUTA which is the National Growth and Poverty Reduction Strategy of Tanzania, Five Year Development Plan (FYDP)

22. **There is high volatility in the decentralized development budget.** This seems to be due to its substitutability with<sup>27</sup> PMO-RALG development expenditure, with rises and falls largely offset there. It might also be a reward for improvements in execution, 67% in FY 2011/12 compared to 26% in FY 2010/11. The decentralized development budget constitutes 21% of the total education development budget this year.

23. **The total wage bill (personal emolument (PE) and all personal allowances) has continued to increase as a share of the total education budget and stands at 64% in the FY 2013/14 budget.** This is mainly explained by increases in the decentralized budget to 70%, of which wages make up 89%, but also represents increases in the wage share at central level. Basic salaries, or PE, accounts for 97% of total wage costs, the vast majority of which is at decentralized level (i.e. for Basic and Secondary). As execution of PE tends to be higher than other types of spending (97% in FY 2012/13 compared to 90% for the sector overall), this figure is likely to rise with implementation, which would make relative wage spend in 2013/14 higher than in any other year for which data was available.

24. **The development budget in FY 2013/14 remains at 6% of the overall education sector budget.** This is higher than in FY 2011/12 but lower than that achieved from 2008 to 2011. The vast majority of decentralized expenditure (98%) is classified as OC (current transfers to regions) in the national education budget data, meaning that LGA data is needed to analyze by economic classification. After reclassifying the regional budget, it is estimated that two-thirds of the recurrent budget is PE, although a substantial proportion of OC is in fact personnel payments (allowances).

25. **The capital budget in FY2013/14 is estimated at 2%.** This is considerably lower than the 9% recorded in the FY 2011/12 budget but it is not clear if this is due to classification change or real change (current-capital classification is only made in the National budget). Of the 98% recorded as current, 64% is for wages and salaries and 34% for other current.

26. **The budget shares to the main three sub-sectors (primary, secondary and higher education) are broadly in line with international benchmarks of 50% for primary, 20% for secondary, and 20% for higher education.** Basic education's share of the budget continues to increase, rising from 52% in the FY 2012/13 budget (and actual spend) to 54% in the FY 2013/14 budget (and from 46% in the FY 2011/12 budget). Secondary also increases from 17% to 18%, now far higher than 2007-2010 levels, but lower than the share allocated in FY 2011/12. Higher education continues to fall relative to other sectors, from a high of 27% in FY 2010/11 to 19% in FY 2013/14 budget.

27. **Basic and Secondary budgets have outpaced inflation fairly consistently in the last five years** (both falling 2011/12-2012/13). This has been at the expense of all other sub-sectors, with TVET doing particularly badly.

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<sup>27</sup> Source: Tanzania Rapid Budget Analysis, 2013

28. **There is great regional variation in capitation grant levels for both Primary and Secondary.** Primary and secondary capitation grants make up 2.0% and 0.9% of the education sector budget respectively in FY 2013/14. Identifying capitation grants in the regional budgets and comparing these to enrolment figures for 2012, it is seen that at the Primary level, Lindi has the most generous allocation at an average of Tsh 7,099 per pupil and Shinyanga the least generous allocation at an average of Tsh 3,064 per pupil. At the secondary level, Singida gives Tsh 19,905 per pupil and Shinyanga, again, has the lowest average allocation of Tsh 8,254 per pupil. This demonstrates considerable inequities in budget allocation for capitation grants across regions.

29. **There has been a trend of improved overall education sector budget execution.** The education sector saw a continued improvement in the centralized budget execution in 2012/13 with 94 percent of approved funds released (97 percent of the recurrent budget and 80 percent of the development budget) and almost all money being spent. This is a substantial improvement on the previous year where 79 percent of approved funds were spent (96 percent and 25 percent respectively for recurrent and development budgets).

30. **There is a wide variation in the education budget execution rates for individual districts.** PMO-RALG data show that these rates range from as low as 21.6% in Bahi District to as high as 121.4% in Lushoto District.

31. **Estimates suggest that nominal unit cost for basic education has increased but nominal unit cost estimates for secondary education have decreased<sup>28</sup>.** At the Secondary level, where the unit cost has decreased by Tsh 40,000, it raises concern given that increasing the quality of secondary education is a core priority given the low examination pass rates.<sup>29</sup>

32. **There is significant wastage in the education system which undermines value-for-money.** This is due to high repetition rates in the early grades of primary education and a low examination pass rates at the end of the primary and lower secondary cycles. Basic analyses on unit costs per student suggest that around half of the basic education budget is spent on students who are repeating and/or fail to graduate.

33. **By improving education quality, BRNEd is expected to enhance the efficiency of expenditures associated with Government's primary and secondary education program.**

34. **There is need for more predictable funding availability for optimal implementation of BRNEd activities.** Budget re-allocations through the fiscal year often lead to significant deviations from approved budgets and can constrain implementation of planned activities. This also results in inequitable funding allocations across districts.

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<sup>28</sup> Estimates based on Education PER 2010

<sup>29</sup> It must be noted that these estimates are dependent on our assumptions of relative spend at the decentralized level as PE has not been assigned to sub-sectors.

35. **This issue will be addressed through a DLI which involves establishment of and adherence to a sector-wide framework for priority budget disbursement.** This is expected to improve planning, prioritization, and stronger focus on results within the sector. Technical assistance, through parallel financing from other donor partners, will be provided for the creation of the sector-wide framework for priority budget disbursement.

36. **Late and incomplete release of capitation grants severely constrains effective education service delivery.** Capitation grants are a critical instrument for decentralizing resource allocation in the education sector so as to foster direct accountability for schools' performance at the school level. Predictability of the level of funding at school level supports more effective resource planning, prioritization, and expenditure patterns during the school year.

37. **To help mitigate this risk, a DLI has been designed to help ensure that all schools receive full and timely capitation grants.** This DLI relates to the level of funds released to the school level by district as a percentage of the budget (based on agreed per capita formula).

#### *Program Economic Evaluation*

38. **There is strong rationale for public provision of quality education at primary and secondary levels.** In Tanzania, government intervention in the education sector is strongly justified on the grounds of public good, externality, equity, and efficiency.

39. **Quality education provision produces several positive externalities.** Economic studies have consistently shown that education provision may provide economic benefits to society greater than the sum of its benefits to individuals – by providing a rich environment for innovation and scientific discovery, education can accelerate overall economic growth (see Hanushek 2008). National income rises directly with earnings from workers with more and better skills. The more educated are also more prone to be civically involved, to vote in local and national elections, and to be a better informed and more responsible electorate (Teixeira 1992). Increases in the level of education are associated with reductions in crime (Ehrlich, 1975, Lochner and Moretti, 2001).

40. **Public provision can also be justified on the grounds of equity.** Public expenditures in education are a powerful instrument to help address socio-economic inequalities. In Tanzania, the public sector remains an important source of provision of education services in rural and newly emerging areas where service delivery gaps for primary and secondary education remain the most pronounced.

41. **Investments in education quality are needed to improve efficiency of public expenditure.** Tanzania has had much success in increasing access to education. These efforts now need to be complemented by an education system that can provide quality learning. Public sector remains an important source of provision of education in Tanzania while private providers (both for-profit and nonprofit) account for only a small share of the enrollment. Therefore improving quality of the public sector will contribute to better overall education outcomes.



42. **To measure economic impact, the private returns to BRNEd in terms of expected improvements in schooling completion rates are examined.** The principal outcome expected from program interventions are higher completion rates at Primary (PSLE) and Secondary (CSEE) levels. According to the theory of change (see Annex 4), these rates are expected to respond to greater access to teaching and learning materials, improved teacher quality due to pedagogical training and increased teacher effort due to strengthened teaching incentives among other initiatives.

43. **CB analysis of BRNEd using the PDV method suggests that the program is justifiable on economic grounds** with an estimated NPV of \$529,677,806, Benefits to Cost Ratio of 2.48 and corresponding to an estimated IRR of 19%. Further, this return is considered to be a lower bound, given that: (a) only (private) outcomes for the students are considered as part of the benefits of the program, and (b) assumptions are made on the conservative end in all cases where discretion was exercised in this analysis.

### *Program Benefits*

44. **To quantify the scope and size of program benefits the number of students who are likely to be impacted by BRNEd is estimated.** This is done by focusing attention on the increase in the number of students passing the PSLE and CSEE using extremely conservative targets (this is in contrast to the ambitious targets set by the Government for the BRNEd program).

45. **BRNEd targets put the anticipated average increase in pass rates of PSLE and CSEE to be around 40% for the next four years.** Taking an extremely conservative view, it is assumed that a realistic increase in pass rates would be around 3% to 5% over the next four years. In addition, even though the program would have positive impacts lasting beyond four years, attention is restricted to the next four years using the average increase in pass rates as 3%.

46. **There are currently around 8 million students enrolled in primary schools while around 1.6 million students enrolled in secondary schools.** With an average increase in pass rates of 3% it is expected that addition 137,143 students would clear the PSLE and 48,000 would clear the CSEE over the next four years. These numbers are used for the benefit-to-cost analysis to justify the program on economic grounds, the methodology of which would be described subsequently.

### *Main principles guiding the analysis*

47. **The benefit-to-cost analysis follows from an economic model that accounts for the cash flow generated by a person in his or her productive lifetime.** Distinction is made between the different education levels (primary or no primary education, secondary or incomplete secondary education). The education premia (parameters of the Mincer equation) were estimated using the Tanzania National Panel Survey (NPS) Data. While calibrating the education premia, controls have been put in place for different education levels, number of years of professional experience, rural and urban effects. The model was calibrated and the discounted expected cash flow generated by level of

education was estimated.<sup>30</sup> This represents the present value of all the income that an average person, with a given level of education, will generate in her lifetime (17 years to 60 years). The model accounts for differences in education premium, labor force participation rate, and employment rate. Finally, an 11% yearly rate was used to discount the cash flows. The current inflation rate in Tanzania is 6.2% while average rate over the next five years would be around 5.6% (according to IMF), an additional 5% has been added to this rate given that risk premium and discount rate is taken as 11%.

48. **In all components and subcomponents the benefits are defined as the difference between the gains under the program and what would be expected to happen in its absence (counterfactual).** To give an example, for a Form 2 student the benefits would be the difference of life time earnings (17 years to 60 years) after completing secondary education and going to the labor market without completing Form 2. In case of primary students the benefits would be the difference of life time earnings of completing primary education and going to the labor market without completing the primary education. Since the earnings start at the age of 17 for the primary graduates who in most cases complete the education at the age of 13 there would be a lag of four years before they start earning. For primary graduates the benefits accrued over the lifetime would be discounted again to the present value. The fact that some primary graduates will go on to secondary education does not hamper our results since the education premium for secondary school students is higher than the primary graduate as would be seen later. Such a lag is not seen with secondary graduates who complete their education at the age of 17. Table 11 shows the estimates of return to schooling and the labor market indicators (labor force participation and employment rates) and other parameters used in the analysis.

**Table 11: Parameters for the Estimation of Discounted Cash Flow**

<b>Parameters</b>	<b>Values</b>
<i>Marginal wage effects of level of education and other attributes</i>	
Complete Primary Education	53%
Complete Form 1 of Secondary Education	98%
Complete Form 2 of Secondary Education	142%
Complete Form 3 of Secondary Education	206%
Complete Secondary Education	296%
Experience	8%
Experience <sup>2</sup>	-0.11%
<i>Other parameters</i>	
Discount Rate	11%

<sup>30</sup> The calibration of the model was done by using information from actual real wages observed in Tanzania to determine – using the parameters estimated in the Mincer equation – the wages for each education attainment taking into account the number of years of professional experience. The whole cash flow – for primary or no primary and secondary or incomplete secondary graduates as well – follows from the relationship between wages of each education level and number of years of professional experience found in the estimation of the Mincer equation.

Employment Rate	88.3%
Labor Force Participation Rate	90%
Exchange Rate (USD to Tanzanian Shillings)	1606.48 <sup>31</sup>

49. **Note that the model employed in the analysis captures only part of the program’s benefits and therefore underestimates its potential benefits.** For instance, primary and secondary education is increasingly associated with better cognitive and non-cognitive skills that create better outcomes in a host of labor market and adult life indicators (better health, lower criminality, better informed voters, etc.). In the case of higher education, more relevant courses can shorten periods of unemployment in people’s lives. Also not included are potential increases in economic growth brought about by the program. Research by OECD (2010) has estimated the impact of improving academic quality (measured by results in international assessments) on countries’ future economic growth. According to the study, a 50 points increase in PISA scores (half standard deviation or one year and a quarter of education) is associated with 0.9 percentage points higher growth rates in the long-term (that is the impact will be felt over a period of 50 years).

*Program Costs*

50. **The BRNEd Program’s resource requirements would be about US\$416 million over the next four years.**

*Results*

51. **Using the parameters from Table 11, the calculation of the NPV for this program, benefit to cost ratio and the internal rate of return (IRR) is achieved by comparing the entire flow of costs and benefits over the working life of students affected by the program.** As mentioned earlier, this is assumed to occur while the student is aged between 17-60 years, so no flows are calculated beyond that. Using the above estimates, the NPV of the program is calculated as USD 529,677,806, Benefits to Cost Ratio of 2.48 and corresponding to an estimated IRR of 19%, a significant return, suggesting that even under conservative assumptions, the program is economically justified.

*Sensitivity Analysis*

52. **This analysis focuses on determining the sensitivity of calculated NPVs, IRRs and benefits to cost ratio to our initial assumptions.** Four sets of analyses are undertaken and resulting outcomes are examined. First it is assumed that returns to educational quality are lower than the expected 3% pass rates (due, for instance, to only partial disbursement under the operation), then the implicit discount rate is varied, following which the employment rate is changed to test the sensitivity to any future shocks, and finally we examine the sensitivity of our final results to estimated marginal

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<sup>31</sup> Exchange rate used is derived from November 2013, when this analysis was done.

wage effects by level of education (consistent with the program being less able than estimated to convert inputs into educational results). The last analysis is the most stringent sensitivity analysis performed since five parameters are being changed. The sensitivity analysis performed confirms that the program is a good investment.

**Table 12: Sensitivity Analysis for Program Economic Impact**

Assumption	Change	NPV	IRR	Benefits to cost ratio
Principal Analysis	As per description in text	\$529,677,806	19%	2.48
Decrease in returns to education outcomes	Reduced to 2%	\$233,706,373	15%	1.65
Higher Discount rate	Applied at 15% rather than 11%	\$167,969,050	19%	1.49
Change in employment rate	Applied at 70% rather than 88.3%	\$345,659,327	16.6%	1.96
Change in marginal wage effects by education level	Estimated effects halved	\$52,083,840	12.3%	1.20

***World Bank Value Added***

53. **Aside from catalyzing results-based financing, the Bank’s involvement is expected to bring tangible value-added in several key domains.** The Bank’s technical expertise, global knowledge, and leverage will be critical in shifting focus away from inputs towards increased efficiency of existing expenditures through service delivery improvements. The Bank is particularly well-positioned to broker technical knowledge through the identification and marshaling of internal and external experts. In addition, the Bank is expected to provide an effective platform for marshaling technical support, consensus-building, and donor harmonization around system and institutional changes which are expected to yield returns in the longer term. Given the above, this operation allows for not just the financing but also the support and partnership necessary to incentivize implementation of the Government of Tanzania’s own thoroughly developed program.

## Annex 7: Integrated Fiduciary Assessment

1. An integrated fiduciary assessment (IFA) involves the assessment of governance and anti-corruption mechanisms, procurement and financial management systems. An IFA for the BRNEd was carried out on the MoEVT, PMO-RALG and a sample of participating Local Government Authorities (LGAs) and schools in line with Operational Policy/Bank Procedure (OP/BP) 9.00, Program-for-Results Financing. A special survey was designed for assessing the financial management and procurement performance of LGAs and schools. During October and November, 2013, teams visited a representative sample of 12 LGAs and 22 schools. The assessment takes into consideration the survey results; Controller and Auditor General's Report for LGAs and Central Government for FY12; Tanzania PEFA report for 2006, 2010 and 2013; Annual Performance Evaluation Report of the Public Procurement Regulatory Authority (PPRA); the Procurement and Value for Money Audits Reports of selected LGAs; the Baseline Study Report on Enhancement of Procurement Capacity of Local Government Authorities; the ongoing study on Procurement Capability Assessment of two Lower Local Government Authorities in Kongwa District; and specific assessments done on MoEVT, PMO-RALG and the tracking of Development Partner Funds at LGAs through the Government of Tanzania Epicor Integrated Financial Management Information System.

2. The IFA was done to assess the Program's institutional and implementation arrangements, fiduciary management capacity and implementation performance. The legal and regulatory framework for this Program's fiduciary systems was found to be comprehensive and in line with international principles and standards for public procurement and financial management. The assessment also considered how existing systems handle the risks of fraud and corruption. A detailed Integrated Fiduciary Assessment has been prepared.

### Program Fiduciary Arrangements

#### *Financial Management*

#### **Planning and Budgeting**

**Overall FM objective - the program budget is realistic, is prepared with due regard to government policy, and is implemented in an orderly and predictable manner.**

3. **The major risk observed is that development and capitation budgets suffer significantly from under funding.** This was noted at both central and local governments. It is also confirmed by the declining PEFA scores on the credibility of the budget (refer to 2.3.2). Funds allocated to the BRNEd Program will need to be earmarked when transferred to the Consolidated Fund Account using accounting codes for a program sub-account under the MoEVT such that they can be used to support the Program.

4. **The planning and budget preparation processes are considered reasonably participatory and adequate for the Program.** The main shortcoming is the absence of a reliable cash-flow budget to align implementation of planned activities and timing of cash

availability. Given the current environment under which LGAs rely on intergovernmental transfers for over 90 percent of budget resources, and these transfers are largely uncertain, both as to amount and timing, cash-flow projections are important and should form part of the budget.

### **Accounting and Financial Reporting**

**Overall FM objective - adequate program records are maintained, and financial reports produced and disseminated for decision-making, management, and program reporting.**

5. **The accounting policies and procedures for both central and local government (Local Government Accounting Manual) are robust but there is need to enhance the skills of staff at especially the LGA levels.**

6. **Government Accounting Circular No.1 of 1999/2000 requires all Government transactions to be processed under the Integrated Financial Management Information System (IFMIS); i.e. Epicor accounting software.** The Epicor accounting software produces financial statements but at local government level, it needs the chart of accounts to be revised as it cannot show which Development Partner is funding the program when funds are sent to the LGA Development Fund bank account. In addition, the connectivity of the Epicor system needs to be improved as it creates inefficiency in producing accounts. There is also need to activate the asset management module of the system in order to record assets on the system. PlanRep tool is also used for planning and budgeting at the LGAs but once the budget is complete, the tool cannot automatically upload the budget to Epicor as it is done manually and subject to errors. To address the matter, there is need to have an integrator for the two systems. Finally, the reporting module for Epicor needs to be enhanced in order to produce useful reports for management to take action. The Controller and Auditor General (CAG) Report on Local Government Authorities (2011/2012) released in March 2013, noted that Epicor 9.05 is being implemented but has limited usage in terms of generating annual financial statement and management reports for decision making thus leading to preparing the reports manually. PMO-RALG and the Ministry of Finance have an action plan they are working on to improve on the Epicor system.

7. **Since 2009 the Central Government and all LGAs are required to implement International Public Sector Accounting Standards (IPSAS) using accrual basis of accounting.** However, there is weak capacity at mainly the LGA levels.

8. **Given that BRNEd will be a large program covering the whole country, there is a risk that there will be delays in submission of various financial reports because of communication challenges between the schools and the LGAs.** This is largely due to the fact that reports will have to be generated at the school level and consolidated at LGA and Regional level before submission to PMO-RALG for review and finally to MoEVT. There will be need to train staff who consistently send reports late to enhance their skills as well as closely monitor them at both school and LGA levels to address the issue. Training in basic financial management for a wider audience at school level, can be arranged for school heads, school management teams and school committees/ boards.

9. **LGAs do not have adequate capacity in terms of staff numbers, skills and working tools, e.g. computers and vehicles for effective discharge of their duties given that they will have to visit schools to conduct supervision.** Staff technical skills in accounting should be strengthened and working tools provided to address this issue.

### **Treasury Management and Funds Flow**

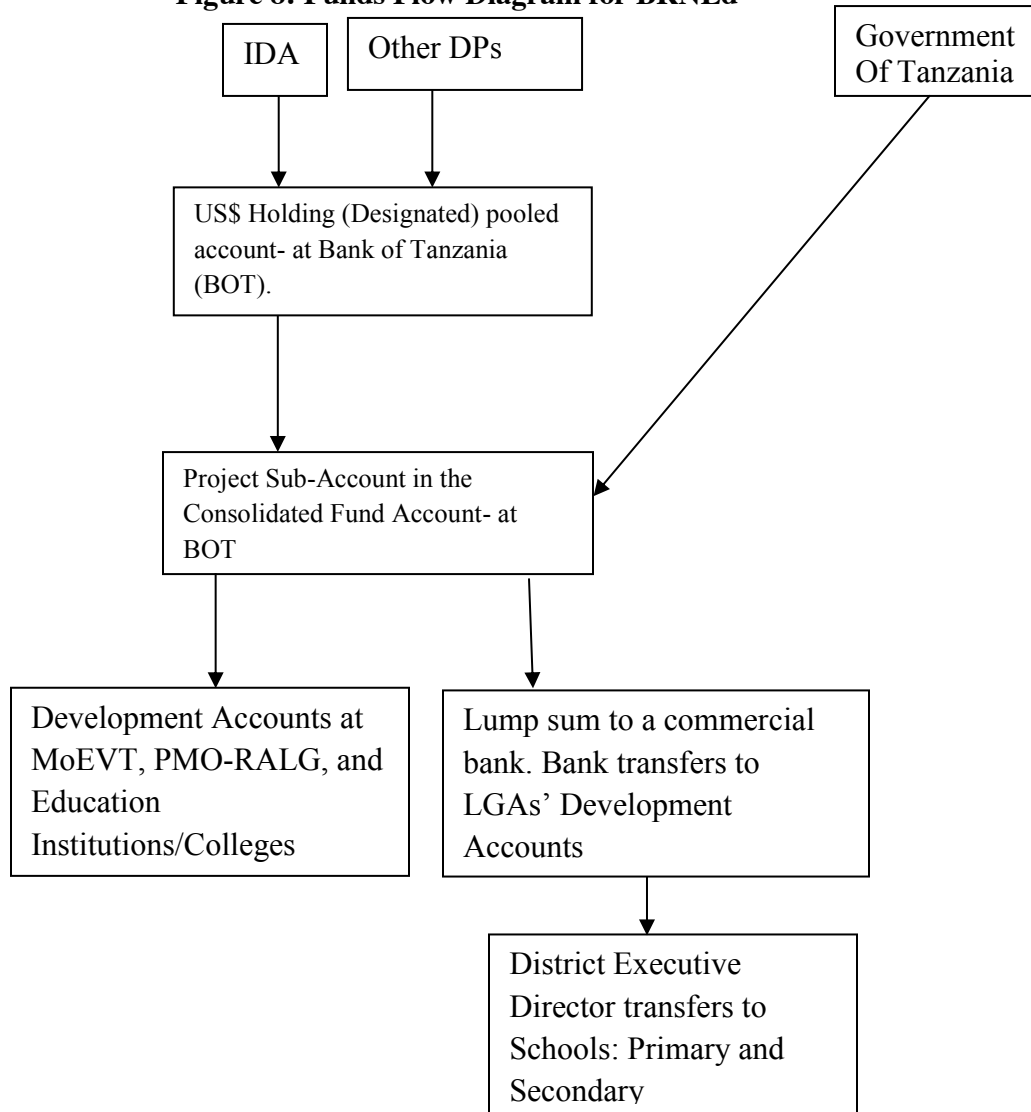
**Overall FM objective - adequate and timely funds are available to finance program implementation.**

10. **BRNEd funds will be received from IDA into a BRNEd Holding (Designated) Pooled Account denominated in United States Dollars then transferred to the Consolidated Fund sub-account for the program denominated in local currency.** MoEVT, PMO-RALG and LGAs are paid through the Exchequer Issue Notification and transfers from the Consolidated Fund sub-account for the program are made to their bank accounts mainly held by commercial banks. Payments will then be made from these accounts for eligible expenditure. These accounts and their signatories should be submitted to the Bank between the signing of the credit and its effectiveness. Eligible Expenditure Program will include all program expenditure related to the achievement of the Disbursement Linked Indicators except for construction/civil works and wages.

11. **The assessment revealed instances of delays in releases of funds from Treasury to Local Government Authorities and eventually to schools.** To address the challenge, the Government of Tanzania made a major change in its budget process in the year 2013. Effective from the financial year 2013/14, the budget approval process and endorsement by the Parliament will now be tabled in April to June each year. Prior to this change, budgets were tabled and approved in the July-August parliament session which impacted timely release of development funds. Program implementation starts in July each year. The impact of this change is yet to be assessed but, interviews with MoEVT finance staff indicated that funds from Treasury were released in a timely manner during the first quarter beginning 2013. There is need to institute specific timelines for all actors and implementing institutions within which action(s) must be taken or actual disbursement must take place provided funds are available for program implementation and disbursement conditions fulfilled.

12. **There is concern regarding the unpredictable nature of releases by the Ministry of Finance (MoF).** MoF needs to ensure regularity in funds releases by committing to transfer funds on a quarterly basis. LGAs act as transfer agents to disburse capitation grants to schools within 14 days of receiving such funds from MoF. PMO-RALG should monitor this and ensure prompt transfers to schools by LGAs. In addition, discrepancies were noted between the funds received at the schools and the amounts transferred. This will need to be addressed by the LGAs displaying amounts transferred on notice boards and their websites. Figure 8 depicts the proposed funds flow arrangements.

**Figure 8: Funds Flow Diagram for BRNEd**



**Internal Controls (including Internal Audit)**

**Overall FM element objective - There are satisfactory arrangements to monitor, evaluate, and validate program results and to exercise control over and stewardship of program funds.**

**13. The basis for internal control procedures in LGAs is: the Local Authority Accounting Manual (LAAM) of 2009 and the Local Authority Financial**



**Memorandum (LAFM) of 2010.** The two documents set out detailed processes to be followed and documentation necessary for comprehensive accounting system, segregation of duties, approval hierarchies and filing of documents. However, in view of regular observations made and audit queries raised by the Controller and Auditor General in annual reports, recommended procedures are not always adhered to, which has resulted in regular audit queries from the internal and external auditors.

14. **MoEVT internal control system is based on the Public Finance Regulations 2001 (Revised 2004).** However, the Controller and Auditor General identified in his report for the year ended 30 June 2012, internal control challenges at MoEVT that included failure to clear outstanding liabilities of TSh 11 billion that will have an impact on the subsequent budgets as funds are drawn to pay these liabilities and over payment of salaries and others expenses to retired employees that raises credibility issues about the accuracy and completeness of the information they have on retired staff.

15. **Government has taken a number of initiatives to address non-compliance and strengthen oversight to ensure that audit findings are addressed timely and adequately by ministries and LGAs.** Steps taken include the creation of an Internal Audit Unit in each ministry and LGA and the appointment of the Internal Auditor General with five assistants, including Assistant Internal Auditor General responsible for local government and another one for line Ministries; and rolling out audit committees at PMO-RALG, MoEVT and the LGAs but which still need to have their skills enhanced in order to follow up audit issues to ensure they are addressed. Another development that has enhanced the monitoring of the LGAs to address audit issues is the administrative authority granted to Regional Commissioners to chair LGAs council meetings to address issues raised by the CAG. Also, CAG audit planning calendar and overall audit strategy is shared with regional commissioners to ensure that LGAs are aware of areas of focus during the Fiscal Year. In the year 2012, the government distributed 65 vehicles to LGAs to facilitate internal auditors to carry out their normal duties more efficiently. This was intended as the first phase with plans to cover all LGAs over time.

16. **Despite having a functioning internal audit unit, a number of challenges make the work of the unit difficult.** These include internal auditors including the Chief Internal Auditor not having access to Epicor 9.05 and therefore, not auditing the Epicor system. A Review of internal audit unit at the LGA level revealed the following; under-resourced in terms number of staff, skills and working tools. Very few internal auditors had professional qualifications and in all councils visited internal audit was regarded as an accounting discipline hence the need to sensitize LGAs about the role of internal audit. Audit programs are also not prepared on a risk-based approach; the review did not find evidence that internal audits have in place systematic plans that include the audit of schools (primary and secondary) in their work plans.

17. **There is a need for the internal auditors to strengthen their skills and acquire the necessary tools.** Skills to be strengthened include training in risk based auditing and performance (value for money) auditing and acquiring audit software and computer hardware for staff. There is also need to facilitate the internal auditors with budget to move to the schools to conduct audits based on a risk based approach. Other measures that will strengthen the internal audit function are training of staff in use of the charter for

internal audit services in the public sector that was approved and made effective from January 2013 and use of the Quality Assurance and Improvement Program (QAP) procedure manual that was issued in December 2012. These measures will strengthen the internal audit function of both the central and local governments.

### **External Audit**

**Overall FM objective - adequate independent audit and verification arrangements are in place and take account of the country context and the nature and overall risk assessment of the program.**

18. **The Public Audit Act no. 11 of 2008 grants the Controller and Auditor General (CAG) exclusive powers to audit public funds, including this program's funds.** CAG has sole responsibility for statutory audit of all MDAs and LGAs<sup>32</sup>. CAG discharges this responsibility either directly or through private auditors contracted as agents. Outsourcing of the audits partly solves the challenge of staff constraints at the CAG office. The CAG has regularly carried out external audits in time and issued reports within the nine months of the year end, as stipulated under the law. However, the CAG will face challenges of auditing schools given their significant numbers. This can be mitigated by CAG contracting private audit firms to conduct audits on its behalf although the reports will be issued by CAG.

19. **Audits by CAG for LGAs and MoEVT will be done using INTOSAI and International Standards on Auditing.** For the past three years the audited reports are generally submitted to the Parliament on time. Audit reports in Tanzania are published on the CAG website and scrutinized at parliament by the Public Accounts Committee and Local Government Accounts Committee. However, as noted in the PEFA indicators (see 2.3.2), there are delays in the scrutiny of CAG's reports by these committees that need to be improved on. Audit terms of reference should be agreed on an annual basis between CAG, MoEVT, PMO-RALG, LGAs and IDA to ensure there is an agreeable scope covered given the risk of the program. Should there be need to conduct other forms of audit, e.g. forensic and value for money audits, these will be done by CAG that has departments handling these types of audit. Following a review by AFROSAI-E during 2011/2012, the NAO received Level 3 status (i.e. very good).

### **Disbursement**

20. **Disbursement will be result-based and made semi-annually.** This mode of disbursement will mainly be by reimbursement of certified Eligible Expenditure Programs (EEPs) supported with achieved Disbursement Linked Indicators (DLI) and other relevant documentation. Eligible Expenditure Program will include all program expenditure related to the achievement of the Disbursement Linked Indicators except for construction/civil works and wages. If ineligible expenditures are found to have been made from the Designated and/or Program Account, the borrower will be obligated to refund the same. If the Designated Account remains inactive for more than six months,

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<sup>32</sup> Audit at LGAs is governed by the Local Government Finances Act No.9 of 1982 (revised 2000) which stipulates that accounts of every LGA shall be audited by the National Audit Office (NAO)

IDA may reduce the amount advanced. IDA will have the right, as reflected in the terms of the Financing Agreement, to suspend disbursement of the funds if significant conditions, including reporting requirements, are not complied with. Additional details regarding disbursement will be provided in the disbursement letters.

### *Procurement*

#### **Procurement Arrangements at LGAs Level**

21. **The LGAs will be responsible for the procurement and accountability of goods and services required for the operations of the LGA and also for the procurement of contracts which exceed the limit of the schools.** It is also expected that most of the requirements for schools especially primary schools will be aggregated and procured at the LGAs level. These include books, stationery and other learning and teaching aid materials. The LGAs will also be responsible for the overall supervision of the procurement activities happening at the schools level. The proper functioning of the PMU is very critical for the operations of the LGAs, considering also the fact that other sectors also relying on the same PMU to manage their procurement.

22. **Procurement for LGAs follow the Public Procurement Act (PPA) 2011 and its Regulations (GN 446 of 2013); and Local Government Authorities' (Establishment and Proceeding of the Tender Boards) Government Notice No.177 of 2007.** The Program for Results (PforR) in education sector under BRN will be implemented under the existing legal framework operating in the LGAs. The assessment carried out for the sample LGAs reveals that there are legally established TBs and PMUs to manage the procurement functions. However, deficiencies were noted in that in some of the LGAs, the TB are not properly constituted with fewer members than required and the PMUs in some of the LGAs operate as committees with only a few staff working permanently with PMU and co-opting others from the User Departments depending on the needs.

23. **Generally, PMO-RALG and all LGAs use the standard bidding documents issued by the PPRA in the procurement of contracts.** The standard bidding documents contain the evaluation criteria relating to eligibility of the bidders, qualification of the bidders and it is mandatory to disclose evaluation criteria to be used in determining the successful bid in the solicitation documents. The standard bidding documents issued by PPRA have been reviewed and found to be acceptable to the Bank with some exception on NCB procedures. The challenge has been to customize the bidding documents to suit the requirements of particular procurement. The review done to the sample bidding documents during assessment revealed that information provided in the Data Sheet and Special Conditions of Contract was adequate although improvement is required in the evaluation/qualification criteria.

24. **Procurement oversight in LGAs is done by the PMO-RALG and LGAs Internal Auditor.** In addition to the oversight provided by PMO-RALG and the LGAs themselves, PPRA and Controller and Auditor General (CAG) have the mandate of carrying out procurement and financial audits respectively for the programs implemented by LGAs. The results of procurement and Value for Money (VFM) audits are published

in the local newspapers and PPRA's website. Non-performing procuring entities (Accounting Officer) are summoned by PPRA's Board of Directors to discuss the findings and corrective measures to improve compliance in their entities. The procurement and VFM audits carried out by PPRA feeds in the CAG annual report as a procurement chapter.

### **Procurement Arrangements at Schools Level**

25. **The schools fall under the Lower Local Government Authority level which is a level below the Local Government Authority.** The schools have established governing structure which includes the School Board and the School Management Team. However, there is no established system that separates responsibilities in the handling of procurement activities. This has resulted into schools adopting different set ups for handling procurement activities with some designating the stores person to manage the procurement functions and others designating one of the teachers to manage procurement activities in addition to the teaching responsibilities. The assessment revealed that most schools have procurement set ups which do not segregate the responsibilities as per the requirements of the PPA 2011.

26. **Procurable Items at Schools Level.** Schools have two main sources of income which are: (i) capitation and development allocations; and (ii) own sources (school fees and other contributions). The procurable expenditures are in the categories of works, goods and non-consultancy services. The works are repairs and maintenance of existing buildings; goods included books and building materials while non-consultancy services cover security services and printing of examinations.

27. **Procurement processes for contracts exceeding Tanzania Shillings 1 million are administered at LGAs level.** Procurement for amounts whose values do not exceed Tanzania Shillings 200,000.00 per contract, may be purchased by the Accounting Officers (Head Teacher or Headmaster/Headmistress) using the advances provided to them. Below is a brief narration of how procurement activities are carried out at the schools level.

28. **Primary Schools.** The governing body for Primary Schools is the School Committee (SC) which is generally composed of nine members; three from teaching staff (including the Head Teacher – who is the secretary of the SC) and six members from the community (parents). The Chairman is selected amongst the members on the first meeting upon its establishment. The SC normal meetings are held quarterly but extra ordinary meetings are held when need arise. The day-to-day management is under the School Management Team (SMT) which is composed of seven members who include the Head Teacher (Chairperson), Second Master, Academic Master, Discipline Master, Teacher responsible for stores or storekeeper, Teacher responsible for accounts or Accountant Assistant and Welfare Teacher. Procurement functions are managed by the Head Teacher as the Accounting Officer (AO) at primary schools level. Within the SC there is a Procurement Committee which is responsible for quotations analysis and approving the lowest bidder.

29. **Secondary Schools.** The governing body for Secondary Schools is the School Board (SB) which is generally composed of 13 members; two from teaching staff

(including the Headmaster – who is the secretary of the SB and Discipline Master); two representatives from religious groups; the Regional Education Officer (REO); and seven members from community (parents). The Chairman is selected amongst the members on the first meeting upon its establishment. The SB normal meetings are held quarterly but extraordinary meetings are held when need arise. The day-to-day management is under the School Management Team (SMT) which is composed of eight to ten members who include the Headmaster/Headmistress (Chairperson), Second Master/Mistress, all heads of departments/subjects, Storekeeper and Accountant Assistant.

30. **Procurement functions are managed by the Headmaster/Headmistress as the Accounting Officer (AO) at secondary schools level.** Having endorsed by the SMT, procurable expenditures must obtain approval of the SB and District Secondary School Education Officer (DSEO). The procurement process however is managed by the SMT which is also responsible for analyzing quotations and approving the lowest bidder.

31. **The current procurement arrangements at schools level have the following weaknesses which need to be addressed:** (i) suppliers are identified at the discretion of the Heads of Schools; (ii) incomplete records in the procurement processing and receiving of goods; (iii) goods/materials purchases are not properly received and issued; and (iv) no written contract between artisans (fundis) and the school. The Procurement Committees would need training on basic procurement procedures and principles, and procurement and financial records keeping aimed at equipping the committees at the schools level with the necessary basic skills in procurement.

32. **The PPRA in recognition of the deficiencies in the procurement set up at the lower local government levels including schools has with the support from the Belgian Government launched a pilot study on Procurement Capability Assessment with the objective of addressing deficiencies at the lower local government level.** The study is aimed at assisting the Lower Local Government Authorities and service units to improve their structures, capabilities, procurement processes and ultimately the performance by attaining the best standards which are appropriate to the scale and complexity of the businesses at the lower local government level. It is expected that the study will come up with the best practices for procurement at lower local government level with fewer organs to manage procurement which will be replicated to all LGAs in the country.

### ***Fraud and Anti-Corruption***

#### **Fraud and Corruption Analysis**

33. The Prevention and Combat of Corruption Bureau (PCCB) was established under the Prevention and Combating of Corruption Act. No. 11 of 2007 (PCCA 11/2007) and came into force on July 1, 2007. PCCB has offices in all 24 regions and in all local government authorities (134 LGAs by 2011/12 statistics) in Tanzania mainland. The PCCB has a national workforce of about 1700 staff of which approximately half are involved in investigation.

34. Although the PCCB has a presence in all districts (and increased staffing), between 2008 and 2011 the number of corruption allegations brought by the public fell

by 22, suggesting declining public confidence in the institution.<sup>33</sup> PCCB prepares and submits annual reports to the President on its performance with the most recent being for 2012.

35. The overall performance of the PCCB in terms of allegations and cases handled is reflected in Table 13 below:

**Table 13: Analysis of Allegations Received and Cases Investigated**

	Allegations received	Cases Investigated	Administration actions taken	New cases into courts	Total Cases prosecuted	Convictions	% of convictions compared to cases investigated	Assets recovered (in Tshs bln)
2011	4,765	819	30	193	709	52	6%	4.6
2012	5084	1178	27	288	723	47	4%	9.7
2013 (Oct)	4,576	954	16	287	838	73	8%	4.2

*Source: PCCB Head office, November 2013*

As the table shows, there are some limitations in prosecution of cases compared to cases investigated, but most notably the rate of conviction is quite low.

36. **Recent statistics (2013) have been released by The Global Corruption Barometer, World Wide Economic Forum (Executive Opinion Survey), World Governance Indicators and Ibrahim Index on Africa Governance.** All show a slight decline in relation to control of corruption. Tanzania is still without a National Anti-Corruption Strategy and Action Plan. A draft plan was submitted to State House 12 months ago but has not yet been finalized.

37. **After some positive movements in 2012, there have been few significant developments in the fight against corruption in year 2013.** Three cases in key sectors (Health, Port, and Energy) are not progressing, despite consent to prosecute having been obtained. The three cases included the dismissal of the Managing Director and senior officials from Tanesco, and the Director General and senior officials at the Dar es Salaam port. The Permanent Secretary and Chief Medical Officer at the Ministry of Health were suspended although this action was not necessarily connected to perception of corruption or fraud. A high number of unresolved corruption cases remain in courts.

38. **There is growing concern that government is not doing enough to combat corruption.** The result of a poll undertaken by the Policy Forum in 2012 on what people thought of government efforts to combat corruption was revealing.

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<sup>33</sup> Tanzania Governance Review 2012 by Policy Forum (page 25)

**Table 14: Government Efforts to Combat Corruption (percent)**

The government is .....	Dar es Salaam	Other towns	Rural areas	All
Not doing anything to combat corruption	31	33	27	31
Doing very little	28	26	24	26
Doing its best	17	20	23	20
Not doing very much	14	15	19	16
Don't know (no response)	9	6	8	8
Total	99	100	101	101

39. **At the local level, the prevention of fraud and corruption is weak.** The CAG report for FY 2011/12 on local governments indicates the magnitude of challenges in the fight against fraud. The CAG reported that a sample of 71 LGAs revealed management have not drafted and approved fraud prevention plans. Neither there were processes put in place by the Councils' Management for identifying and responding to fraud. In addition, according to the CAG report on LGAs for FY 2011/12, the performance of internal audit in 106 out of 134 LGAs (79%) was considered ineffective and a similar rating was obtained for audit committees (78.4%). Similarly, 53% of LGAs did not have any documented fraud prevention plan.

**Fraud and Corruption Risks for this PforR**

40. **Based on the fiduciary risks identified in this IFA, and assuming that most of expenditures and procurement will take place at MoEVT, PMO-RALG, and LGA level, the main corresponding Fraud and Corruption risks for this operation are the following:** (i) collusion and fraud during procurement; and (ii) misappropriation of funds. The main risks are related to: For FM: (a) weak internal controls at LGA level (low levels of training, access to Epicor, working tools, and budget to carry out their responsibilities); (b) lack of adequate levels of staff at LGA level. For procurement: (a) delays in bid evaluations, including adjudication of evaluation reports and awards recommendations; (b) weaknesses in publication of contract awards; (c) poor record keeping; and (d) weak contract management. Evidence provided in this IFA on procurement controls and integrity seems inconclusive, so it is difficult at this point to ascertain the implications for F&C. F&C risks at LGA level related to FM issues should be considered substantial, especially considering the program is nationwide. Risks related to MoEVT and PMO-RALG are substantial too.

41. **In addition to the fiduciary risks identified by the IFA, there is an F&C risk related to the payment of teachers' arrears, which the PforR is planning to fund.** For this, the level of risk will depend on the chosen form of payment. So, the Program needs to pay careful attention to this. There are two issues: (a) accuracy of the claims; (b) ensuring that the right people get paid. For the former, the suggestion is to pre-audit

claims, as regularly as the payment occurs. For the latter, the suggestion is to ensure that payments are done through the payroll where controls are stricter. If payments are done outside the payroll the risks increase significantly, as the controls are weaker. In any case, audits for payments should be done once a year. If pre-audits are in place, and payments are done through the payroll, the risk for fraud and corruption should be considered “moderate”. Otherwise, the risk is “high”.

42. **Other F&C risks are the following: (i) fraud in exam results; (ii) fraud in training attendance.** The determination of the level of risk was done during appraisal and depends on the mechanisms in place to avoid these two types of risks, which are associated with DLI disbursements.

43. **Based on the current information, overall F&C risks appear as substantial in particular in a weak environment in terms of control of fraud and corruption.** Mitigation measures for lowering these risks, as well, as the risks of detection of fraud and corruption, explained below, in the section on Complaint Handling Mechanisms, will be implemented through the Plan of Action.

#### **Complaint Handling Mechanisms**

44. **The education sector in Tanzania has regulations that mandate different organizations, at different levels, to handle complaints.** However, these mandates are not always followed in practice. Visits conducted as part of the fiduciary assessments to LGAs and schools revealed that there are constraints to an effective implementation of these mechanisms, such as conflict of interest in handling of suggestion boxes, shortage of staff dedicated to handle complaints, and absence of registry. In principle, complaint handling mechanisms in the education sector in Tanzania start at the school level, and are routed to different agencies, depending on the type of complaint, and ultimately reported to PMO-RALG and MoEVT respectively. For the purpose of this PforR, these complaint handling mechanisms will be strengthened, to ensure they can function effectively. The PS PMO-RALG will share reports on complaints with the PS MoEVT quarterly, and PS MoEVT will share consolidated reports with the Bank twice a year.

45. **The system is organized as follows (see Flow Chart 1):** At the school level, there are several ways in which complaints are aired: school *barazas* (public meetings), staff meetings, school board (secondary schools) or school committees (primary schools) meetings, and suggestion boxes. These systems are however quite informal and it is not clear if protocols for handling the complaints are followed; and registries are always kept. Suggestion boxes are generally opened by the Head Masters/Head of School, who are also responsible for school expenditures, compromising independence in the process.

46. **However, even though at the school level mechanisms might not be independent, community members can report complaints directly to the Ward or District Level, bypassing the Head of School if needed.** Depending on the type of complaint, the issue will be resolved at that level or routed to the appropriate officer for resolution. In principle each level reports to its superior level on complaints received, through a specific chapter in their monthly report, but it is not clear if all complaints are reported. In addition, community members could also report directly to the PCCB, if the complaint is fraud and corruption related.



47. **LGAs receive complaints through the complaints desk, which is mapped to the HR department.** However, this mechanism has some limitations. First, the HR officer is not exclusively assigned to the complaints desk, and he might not always be available. Second, he receives complaints from different sectors for which services are provided, creating a significant overload. The LGA level will report complaints received and handled to the District Executive Director, who will in turn submit them to the Regional Government Authorities. In turn, the report will be submitted to the Director of Education Coordination and finally to the Permanent Secretary of PMO-RALG. At any given level, complaints received are resolved at that level, or passed on to the appropriate authority for resolution. If they are fraud and corruption related, these complaints will be passed on to the police, PCCB or internal audit office for further investigation.

48. **The system just described functions primarily within PMO-RALG.** In addition, as Flow Chart 1 shows, school inspectors are responsible for inspecting schools and can receive complaints. These complaints can in turn be elevated to the Zonal Education Inspector, the Chief Inspector, the Commissioner of Education or PS MoEVT. If these complaints were fraud and corruption related, they would be routed to the police, PCCB or internal auditors as appropriate. The MoEVT, as many ministries in Tanzania, has its own internal complaints handling mechanism through the Ethics Offices mapped to the Human Resources office.

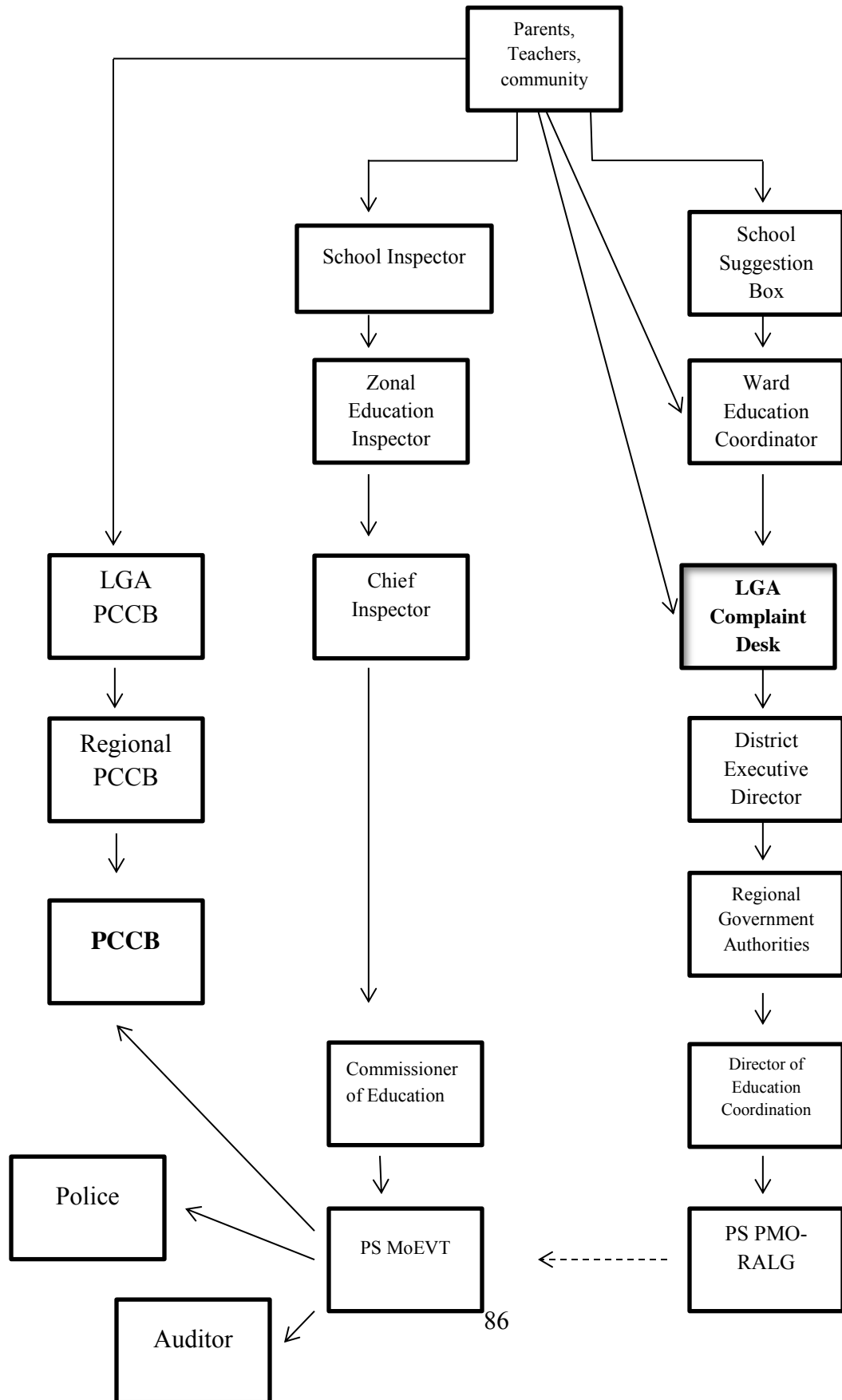
49. **For the purpose of this PforR, the existing mechanisms will be strengthened.** It would be challenging to strengthen the governance system at the school level within the PforR time frame, given that it is targeting approximately 20,000 schools. However, since the community can complain directly to the Ward or LGA level, mechanisms will be strengthened at those levels. For F&C complaints, they will be able to route them directly to PCCB, which is independent and well resourced. LGAs will appoint Complaint Desk Officers who will handle complaints related only to education. They will follow a strict protocol and keep a registry, and will report to PMO-RALG, following the existing bureaucratic channels. These officers will receive training on the use of such protocol, and from PCCB to specifically handle F&C complaints. In addition, information campaigns will be put in place to inform potential users of the CHM and the features of the BRN Education. Implementation of effective CHM will be monitored through the Plan of Action or DLI. As mentioned, the PS MoEVT will be responsible for compiling complaints received in regards to the PforR program and actions taken on a semi-annual basis.

50. **There is a separate complaint handling mechanism for procurement.** At the school level, the complaint handling mechanism does not have the set up stipulated in the Public Procurement Act. The Head of School is both the Accounting Officer and involved in the procurement processes. Under this set-up, an aggrieved bidder may not be treated fairly in the event of a complaint. It is therefore recommended that aggrieved bidders should submit their complaints directly to the Chairperson of the School Board, detailing the nature of the matter arising from a process administered by the procuring entity (the school for this matter). The Chairperson would acknowledge receipt and simultaneously submit it to the Local Government Authority's Integrity Committee. The committee would determine the nature of the complaint with regards to whether it relates

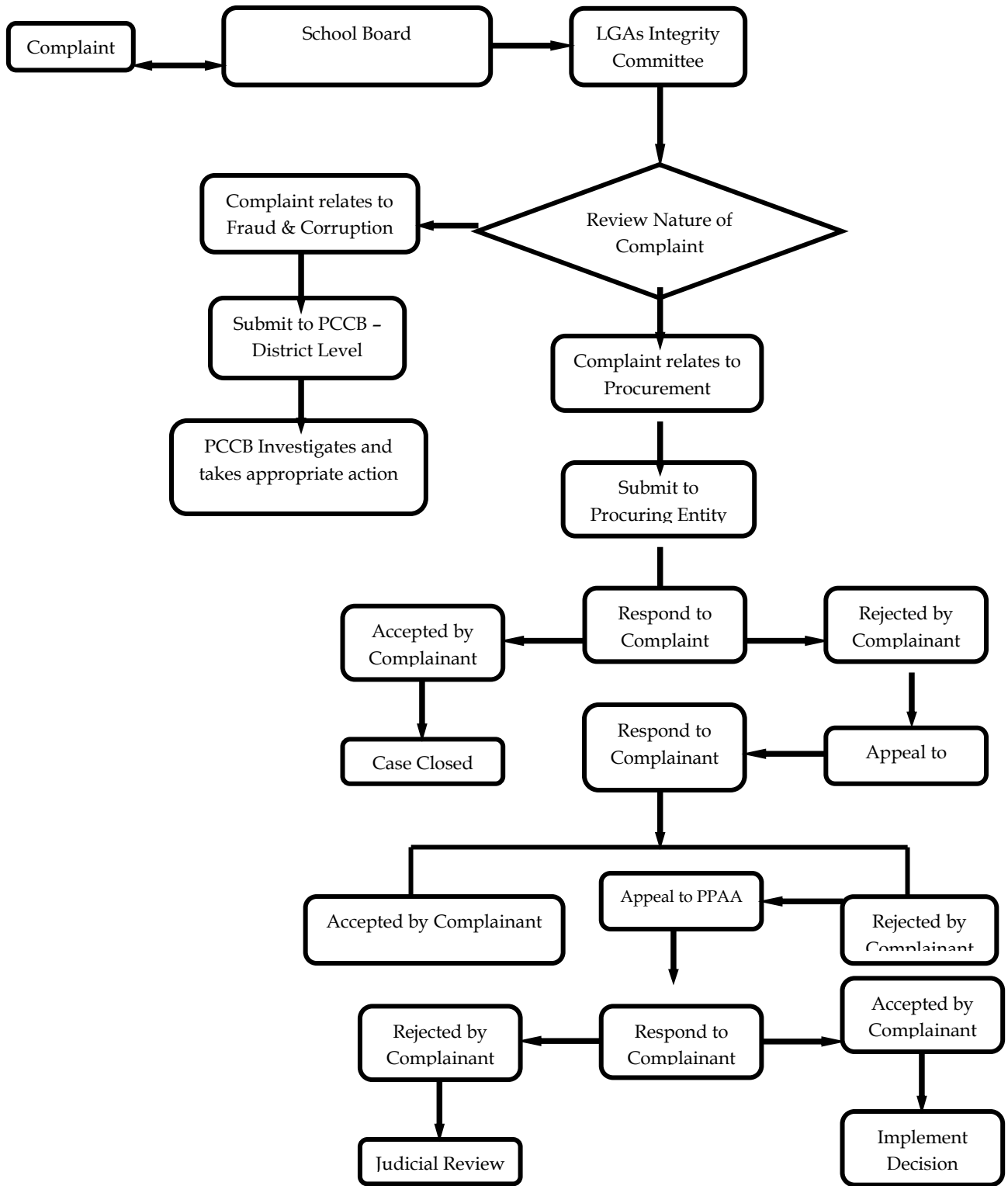
to procurement or fraud and corruption. If the complaint is related to fraud and corruption the Chairperson of the Committee should submitted it to PCCB for investigation and further action.

51. **On complaints purely related to procurement, the Committee would forward it to the procuring entity with an instruction to respond to the complainant with a copy to the Committee and the Chairperson of the School Board.** Bidders not happy with the response from the procuring entity will appeal directly to the Public Procurement Appeals Authority (PPAA) who will listen to each party and make a determination. The party which will not be satisfied with the determination of the PPAA may seek a Judicial Review. Flow Chart 2 depicts the summary of how a procurement complaint should be handled for the procurements at schools (secondary and primary) level.

**Flow Chart 1: Complaint Handling Mechanisms for BRNEd PforR**



**Flow Chart 2: Procurement Complaint Handling Mechanism**



## **Alignment with Anti-Corruption Guidelines for PforR Operations**

### *Sharing of Debarment list of firms and individuals*

52. **The Government of Tanzania has agreed to implement the program in accordance with the ACG applicable to PforR operations.**

53. **The Government of Tanzania commits to use the Bank's debarment list to ensure that persons or entities debarred or suspended by the Bank are not awarded a contract under the Program during the period of such debarment or suspension.** The information on the list of debarred and suspended firms is public information in "Clients Connections", and on the Bank's website. Companies and individuals debarred by the Bank and the PPA will be posted and updated regularly on MoEVT ([www.moe.go.tz](http://www.moe.go.tz)) and the PMO-RALG websites ([www.pmoralg.go.tz](http://www.pmoralg.go.tz)), and advertised publicly by MoEVT. Both entities would take responsibility in ensuring that their websites are updated regularly with information on the list of debarred firms and individuals and share this information with all procuring entities in the Program, instructing them to comply by appending the debarment list to the annual transfer of Grant notification which will be made public - and go to all schools in the Program. This list will also be used by procurement entities to monitor compliance at all levels of the program, including at the Lower Level Government Authorities. The Government's compliance with the debarment list will also be monitored through the Program annual assessment.

54. **In addition the Government also agreed that they would include some disclosure measures in bidding documents for works, goods and services to be financed under the program.** This includes insisting that the firms and/or individuals declare if they have not been debarred or suspended and/or if they have any links with a debarred entity or individual.

### *Sharing information on fraud and corruption allegations*

55. **In line with the ACGs, the government (through MoEVT) will share with the Bank all information on fraud and corruption allegations, investigations and actions taken on the Program, including on procurement, as needed.** The Bank has been informed that under Tanzania's legal system, the primary agency for investigating corruption is the Prevention and Combating of Corruption Bureau (PCCB). Where PCCB investigations reveal that a given case is primarily one of fraud rather than corruption, the PCCB refers it to the police for further investigation and prosecution. The PCCB has 98 district offices with a national workforce of about 1700 staff of which approximately half are involved in investigation. Since the proposed program is providing support to the government's basic education program with a focus on the prioritized action plan called the Big Results Now in Education (BRNEd), the structure of collecting and sharing information on fraud and corruption and on the program goes beyond the Local Government Authority and includes the Lower Local Government Authority as well. In this context, fraud and corruption allegations made in respect of Program funds will be referred by the beneficiaries to the district offices of the PCCB. The PCCB gets monthly reports from the Regional Offices on fraud and corruption and other relevant activities,

but in the case of this program, the PCCB would compile and share information on fraud and corruption once every 6 months to MoEVT who will share with the Bank. The details of this reporting would include the types of allegations and the status of actions taken. A template for recording and sharing the information with the Bank has been provided to the PCCB.

*Investigations of fraud and corruption allegations*

56. **GoT has advised that** (i) the Prevention and Combating of Corruption Act permits the PCCB to cooperate and collaborate with the Bank in the fight against corruption, and permits the PCCB and the Bank to undertake joint investigations of sanctionable practices if and when the parties so agree; (ii) the Bank may also undertake its own investigations of F&C allegations under the Program. In this context, the investigation of F&C allegations under the Program will be handled through three possible modalities, depending on circumstances.

- The PCCB will undertake its own independent corruption investigations arising from allegations reported to it.
- The PCCB and INT will undertake joint corruption investigations. The initiation, scope and operational procedures will be decided on a case-by-case basis by PCCB and INT.
- INT will undertake its own F&C investigations. To this extend, the Program Participation Agreements to be entered into between MoEVT and PMO-RALG will ensure that both entities and INT are able to acquire all records and documentation that they may reasonably request from the Program implementation Units regarding the use of Program funding.

**Fiduciary Risk and Mitigation Measures**

*Integrated Fiduciary Risks, Mitigation Measures & Action Plan*

57. **Following the assessment, Table 16 below, describes the integrated fiduciary risks, their mitigation measures and action plan.**

**Table 15: Integrated Fiduciary Risk and Mitigation Measures**

Fiduciary Risk	Description	Mitigation Measures	Due Date	Responsibility
<i>Program Level:</i>	Coordination due to the large number of entities involved. Ensuring funds are used for purposes intended will be a challenge.	Sector Technical and Program Steering Committees will provide the oversight role in ensuring smooth program coordination at all levels.  PMO-RALG has established a Program Coordination Unit that includes members from MoEVT which will be responsible to provide overall supervision role including financial management and procurement.	Completed	PMO-RALG

Fiduciary Risk	Description	Mitigation Measures	Due Date	Responsibility
<b>Financial Management Risk</b>				
<b>Planning and Budgeting</b>	<p>Unfunded budgets and absence of reliable cash-flow budget to align implementation of planned activities and timing of cash availability.</p> <p>PlanRep (tool used for planning and budgeting at the LGAs) may not automatically upload the budget to Epicor requiring it to be manually done which is subject to errors and delays.</p>	<p>(i) BRNEd funds to be earmarked using accounting codes at the Consolidated Fund using a sub-account for the project under MoEVT and PMO-RALG, in order to ensure program budgets are funded.</p> <p>(ii)Reliable cash flow budgets to be prepared.</p> <p>(iii)Use of an integrator to link the PlanRep and Epicor.</p>	During Implementation	MoEVT, MoF and PMO-RALG
<b>Accounting and Financial Reporting</b>	<p>(i) The chart of accounts may not show which Development Partner is funding the program when funds are sent to the LGA hence not able to prepare accountability for a Development Partner's funding.</p> <p>(ii) Poor connectivity between the LGAs and the central servers. Failure to record assets at all levels. (iii) Epicor is not being used at the moment to record assets acquired by the LGAs in the system.</p> <p>(iv) Epicor 9.05 has limited usage in terms of generating annual financial statement and management reports for decision making thus leading to preparing the reports manually as it does not have a financial reporting module.</p> <p>(v) Weak capacity at especially the LGAs to implement International Public Sector Accounting Standards (IPSAS) using accrual basis of accounting.</p> <p>(vi) Delays in submission of various financial reports given that there could be communication and consolidation challenges between the schools and the LGAs. This is largely due to the fact that reports will have to be generated right from the school level and consolidated at LGA and Regional level</p>	<p>(i)The chart of accounts to be revised.</p> <p>(ii) Strengthen the connectivity in Epicor in order to efficiently use the system.</p> <p>(iii)There is also need to activate the asset management module of the system in order to record all the assets at each LGA.</p> <p>(iv) The financial reporting module for Epicor needs to be enhanced in order to produce useful reports for management to take action.</p> <p>(v) There is need to train all accounting staff at both central and local government on the use of IPSAS.</p> <p>(vi) There will be need to train staff who consistently send reports late to enhance their skills as well as closely monitor them at both school and LGA levels to ensure timely financial reports are received. In addition, training in basic financial management for a wider audience at school level, can be arranged for school heads, school management teams and school committees/ boards.</p>	During Implementation	MoEVT, PMO-RALG and MoF

<b>Fiduciary Risk</b>	<b>Description</b>	<b>Mitigation Measures</b>	<b>Due Date</b>	<b>Responsibility</b>
	before submission to PMO-RALG for review and finally to MoEVT.			
<b>Treasury Management and Funds Flow</b>	<p>(i) Delays in release of funds from Ministry of Finance to Local Government Authorities.</p> <p>(ii) Irregular release of funds by the Ministry of Finance</p> <p>(iii) Delayed transfer of funds from LGAs to schools.</p> <p>Not all funds released for schools, by treasury, will be transferred to the schools.</p>	<p>(i) The Government of Tanzania made a major change in its budget process in the year 2013. Effective from the financial year 2013/14, the budget approval process and endorsement by the Parliament will now be tabled in April to June each year and as a result, delays in releasing funds from Ministry of Finance have reduced.</p> <p>(ii) Commitment will be made with the GoT to ensure funds are released to the program on a quarterly basis in order to avoid irregular releases to the LGAs.</p> <p>(iii) LGAs to display amounts transferred to each school on their notice boards and their websites. Schools should also display on their notice boards the amounts received from the LGAs. PMO-RALG will also monitor the transfer of funds between LGAs and schools to ensure there are no discrepancies.</p>	During Implementation	MoF, MoEVT, PMO-RALG and LGAs
<b>Internal Controls (including Internal Audit)</b>	<p>(i) Non-compliance with internal control systems at both central and local government levels.</p> <p>(ii) Weak internal audit function in terms of skills, equipment, lack of access to Epicor system and budget to monitor the internal controls put in place.</p> <p>(iii) Weak audit committees to ensure that audit issues are followed up and addressed.</p>	Skills of internal auditors will need enhancement in risk based and performance auditing in order to effectively monitor compliance of the internal control systems and report on a quarterly basis on the audit findings to management of the MoEVT, PMO-RALG and LGAs. Action will need to be taken by management to address audit issues and this will need to be monitored on a quarterly basis by audit committees whose skills will need to be strengthened through training. The administrative authority granted to Regional Commissioners to chair LGAs council meetings to address issues raised by the CAG will also ensure there is compliance in addressing audit issues. There is also need to grant internal auditors access to Epicor and provide them with audit software to audit Epicor whilst providing the necessary training to internal audit staff.	During implementation	MoEVT, PMO-RALG, MoF and LGAs.
<b>External Audit</b>	<p>(i) Given the large number of schools supported under the program, there will be a challenge for CAG to audit a good sample size of the schools.</p> <p>(ii) Parliamentary scrutiny of CAGs audit reports by the Public Accounts Committee and</p>	<p>(i) CAG under its legislation is allowed to contract private audit firms to conduct audits on his behalf. This will be necessary for the program and there will be need to allocate a budget for this activity.</p> <p>(ii) There is need to enhance the technical</p>	During Implementation	CAG and Parliamentary Oversight Committees (Public Accounts Committee and Local Government



<b>Fiduciary Risk</b>	<b>Description</b>	<b>Mitigation Measures</b>	<b>Due Date</b>	<b>Responsibility</b>
	Local Government Accounts Committee has been very slow and will need to improve to enhance the accountability process.	skills of the Public Accounts Committee and Local Government Accounts Committee in order for them to improve on their efficiency in following up issues raised by CAG's audit reports.		Accounts Committee)
<b>Procurement Risks</b>				
<b>Risks for Procurement at LGAs Level</b>				
<i>Procurement Capacity</i>	Inadequate staffing in LGAs' Procurement Management Units	Recruit/appoint qualified and experienced staff to fill the gaps.	Within 6 months of the project implementation	PMO-RALG
	Staff have inadequate knowledge of procurement planning, preparation of bidding & request for proposals documents, evaluation of bids/ proposals and contract management.	Conduct training tailor made courses specifically to address weakness in these areas to procurement staff – MoEVT & PMO-RALG should ask PPRA to conduct tailor made courses.	During project implementation	PMO-RALG and IDA
<i>Records keeping</i>	Weak records management system	Establish records keeping/management system	Within six months of project implementation	MoEVT, PMO-RALG/LGAs
<i>Processes &amp; Procedures:</i>	Delays in completion of procurement processes and lack of internal control manual	Adherence to the standard processing times throughout project implementation. Prepare internal procedures manual to be used by all LGAs	Throughout project implementation	PMO-RALG/LGAs
<i>Controls &amp; Integrity</i>	Weak controls and risk of fraud and corruption	Carry out procurement and performance (Value for Money) audits annually	Annual	PMO-RALG/PPRA
<i>Contract Management</i>	Inadequate knowledge and skills in contract managements	Conduct training tailored specific to address weakness in these areas to procurement and other staff – MoEVT & PMO-RALG should ask PPRA to conduct tailor made courses.	During Implementation	MoEVT and PMO-RALG
<b>Fraud and Corruption Risks</b>				
<i>Transparency</i>	A lack of citizen, media and suppliers' pressure to eliminate collusive practices due to lack of information	Publish Clients Service Charters; central strengthen government websites to publish timely reports, budget, including quarterly disbursement and execution reports; LGAs and Schools to publish budgets and expenditures in public places.	During Implementation	MoEVT, PMO-RALG, LGAs and Schools
<i>Training</i>	Risk of fraud TBD			
<i>Participation</i>	Weak use of feedback mechanisms and complaints handling mechanisms by stakeholders.	Implement mechanisms or partnerships with civil society organizations to enable citizen to log complaints or register comments and receive responses from central government/Ensure information on BRNED is easily available to citizens to enable monitoring and feedback	During Implementation	MoEVT and PMO-RALG
<i>Exam Results</i>	Risk of fraud TBD			

<i>Accountability</i>	Weak response from central government and LGAs to citizen complaints and to poor performance on assessment reports	Strengthen LGA and Schools service boards; review complaints register and ensure complaints are attended and feedback taken is adequately documented, responded to and posted to MoEVT & PMO-RALG websites quarterly. Hire Complaint Desk Officers at LGA level dedicated exclusively to education.	During Implementation	MoEVT, PMO-RALG, LGAs and Schools
<i>Payment of Teachers' Arrears</i>	Weak controls to ensure that claims are accurate and paid to the right people	Pre-audit claims (as regularly as payment occurs); Pay claims through the payroll system	During Implementation	MoEVT, PMO-RALG, LGAs
<i>Procurement Risks at Schools Level</i>				
<i>Organizational Set up</i>	Lack of a proper set up for the Procurement function	PPRA should provide guidance on the set up of the procurement function at Lower Local Government Authorities including schools	During the First Year of Implementation	PPRA
<i>Procurement Capacity</i>	Lack of staff with knowledge in procurement to handle procurement activities	PPRA should prepare Guidelines and Tools that provide guidance in the processing of smaller value contracts and arrange for training of staff handling procurement at Lower Local Government Authorities including schools	During the First Year of Implementation	PPRA
<i>Records Keeping</i>	Absence of a system for proper keeping of records	Provide basic training to the staff responsible for procurement and registry in procurement records keeping	During the First Year of Implementation	MoEVT and PMO-RALG

### Overall Fiduciary Risk Rating

58. Based on the above risk analysis, overall fiduciary risk rating is **substantial**.

### Financial Covenants

59. In order to strengthen fiduciary systems, the following Financial Covenants are proposed in addition to the usual standard covenants: Conducting annual independent procurement audits of the program.

### Implementation Support Plan

60. An annual fiduciary assessment will be conducted for the program supported by mainly the Internal Audit Department and PPRA. Adequate budget will need to be allocated for this assessment. This assessment will be supplemented by on-site visits done by the Bank's fiduciary staff at least twice a year. Reliance will also be placed on the annual audit reports produced by the Controller and Auditor General. In addition, desk reviews will be done for interim financial reports and procurement reports received during the financial year. In-depth reviews may also be commissioned by the Bank whenever deemed necessary. Implementation support will also involve provision of capacity strengthening in procurement, financial management and governance and anti-corruption as deemed necessary.

## **Annex 8: Summary Environmental and Social Systems Assessment**

- 1. The Big Results Now for Education (BRNEd) Program is being supported under the World Bank’s Program-for-Results (PforR) financing instrument, which links the disbursement of funds directly to the delivery of defined results.** This instrument builds on increased reliance on borrower environmental and social oversight systems. In terms of environmental and social management, PforR employs a risk management approach, in which process requirements are adapted to the Program context. For each proposed PforR operation, the Bank assesses—at the Program level—the borrower’s authority and organizational capacity to achieve environmental and social objectives against the range of environmental and social impacts that may be associated with the Program. Based on the Environmental and Social Management System Assessment (ESSA), the Bank suggests supplementary actions to strengthen regulatory authority or organizational capacity to effectively manage the program risks and promote sustainable development.
- 2. The current ESSA for BRNEd has been undertaken by Environmental and Social Specialists of the World Bank.** The ESSA examines Tanzania’s existing environmental and social management system that is the legal, regulatory, and institutional framework guiding the program, defines measures to strengthen the system, and integrates these measures into the overall Program. The ESSA has been undertaken to ensure consistency with six core principles<sup>34</sup> outlined in the World Bank’s Operational Policy 9.00 - Program-for-Results Financing - in order to effectively manage environmental or social effects so as to strengthen the performance of BRNEd.
- 3. The ESSA process included extensive stakeholder consultations and disclosure of the ESSA Report following the guidelines of the World Bank’s Access to Information Policy.** At present, the ESSA consultation process is embedded in the Program consultation process. Feedback from stakeholders has been instrumental in designing and revising the program Action Plan, indicators, and technical manual.
- 4. Since the Bank funded BRNEd does not finance school constructions or any physical/civil works, it will not have a direct or significant environmental footprint.** However its programmatic approach to Education provides significant opportunity to improve systemic implementation of environmental practices related to school functioning and operations. These can be instituted through: (i) improved designs of buildings, kitchens and toilets; (ii) improvement and better management of sanitation and water supply systems; (iii) sound practices for waste management and recycling; and (iv) greening schools and making them more climate resilient. The BRNEd also provides an opportunity to improve the existing grievance redressal and dispute mechanisms and consultation mechanism, along with enhancing awareness on environmental health issues. The program also offers the possibility of improved skills and capacity along with

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<sup>34</sup> Detailed in Section I

increased coordination among various ministries, agencies and donor partners on environmental and social aspects.

5. **The BRNEd ESSA Analysis presented identifies strengths, gaps and opportunities in Tanzania’s environmental and social management system with respect to effectively addressing the environmental and social risks associated with the Program.** The analysis identified the following main areas for action in order to ensure that the Program interventions are aligned with the Core Principles 1, 2 3 and 5 of OP/BP 9.00. These could be further defined during the consultation process and during implementation, as required. The gaps identified through the ESSA and subsequent actions to fill those gaps directly contribute to the Program’s anticipated results to enhance institutional structures in education. The ESSA identifies the following key measures to be taken for improved environmental and social due diligence in the BRNEd

**Table 16: Measures to Strengthen System Performance for Environmental and Social Management**

<b>Objective</b>	<b>Measures</b>
Defining the System for Environmental and Social Management	<p>While the BRNEd does not have a direct or significant environmental footprint, its programmatic approach to Education provides significant opportunities to improve systemic implementation of environmental and social practices related to school functioning and operations. These can be instituted through: (i) improved designs of buildings, kitchens and toilets; (ii) better management of sanitation and water supply systems; (iii) sound practices for waste management; and (iv) greening schools through energy efficiency and better water harvesting measures.</p> <p>The BRNEd provides an opportunity to improve implementation and continued monitoring through systems improvement. The program also offers the possibility of improved skills and capacity along with increased coordination among various ministries, agencies and donor partners on environmental and social aspects. The existing grievance redressal and dispute mechanisms and consultation mechanisms will also be enhanced along with more targeted awareness programs about environmental health issues related to water, sanitation and hygiene.</p> <p>The ESSA will follow the existing measures as defined in the Environmental and Social Management Framework prepared under the complementary World Bank funded project – Secondary Education Development Project (SEDP II) - to seek agreements with PMO-RALG, MoEVT and other Government agencies for instituting systems related to water supply and sanitation facilities to all schools, waste management and</p>

	<p>recycling, worker safety practices, gender and vulnerable groups, inclusive consultations, complaint handling mechanisms and community participation. Roles and responsibilities for environmental and social management, coordination and staffing for implementation and monitoring will be clearly defined at all levels. The process and criteria for reporting on environmental/social measures is part of overall Program reporting and record-keeping.</p> <p>The above systems will be included in the BRNEd Program Operations Manual. Monitoring and supervision of due diligence measures related to environmental and social issues will be a part of World Bank supervision and the Performance Indicators will be used to monitor implementation under BRNEd, along with the Annual Performance Assessment.</p> <p>The ESMF is consistent with Tanzanian systems and has been assessed and found compliant with OP/BP 9.00 principles, along with addressing identified gaps. Adoption of the SEDP-II ESMF in its totality is a requirement for BRNEd Program in its present scope. Although the SEDP-II closes in December 2015, the requirements detailed in its ESMF will continue to be applicable for this ESSA during the entire BRNEd lifetime.</p> <p>However, if there are any changes to the current scope or if the BRNEd program is enlarged to include constructions and/or up grading and physical/civil works and/or usage or acquisition of new land, then the ESSA will need to be reviewed and revised to ensure that all impacts are well assessed and appropriate measures are incorporated to mitigate the higher risks involved.</p>
<p>Technical Guidance and Implementation Capacity</p>	<p>Technical guidance tools with regard to the sound design of schools to ensure safe and healthy environments through improved water and sanitation systems for schools already exist in the GOT system. Additional guidelines for improved implementation, the promotion of greener solutions in schools, retrofitting existing schools with greener measures and on inclusive consultation will be developed and detailed in the Operations Manual. Updating school designs for climate adaptation and resilience will be done. Inclusion of all groups, including the vulnerable and boys and girls to benefit from the program is already a part of the BRNEd program which will be implemented and monitored as a part of the overall program activity.</p>
<p>Addressing Capacity</p>	<p>A capacity building and training program will be key to ensuring that staff understand their roles, have the capacity to fulfill them,</p>

Constraints	and clearly understand how environmental and social aspects will be evaluated through the Annual Performance Assessment. Training and awareness of the importance of water supply, sanitation and hygiene, and how to address grievances must be provided to all levels of officials including LGAs, School Boards and communities. The range and plans for capacity building will be developed and included in the Operations Manual.
Improved Systems for Information Disclosure and Stakeholder Consultation	Accountability and transparency of institutions would be essential to ensure that Program support is (including the incentive program) used in a productive manner to reach all the groups (both teachers and students) who are targeted by the program. This will include a strengthened/newly developed grievance redress mechanism which will be integrated into Program design. Training and capacity building in community involvement and participatory decision making will be undertaken and dissemination and awareness raising activities for environmental and social due diligence measures will be built into BRNEd program. The grievance redressal mechanism has been discussed with stakeholders and laid out in the ESSA.

## Annex 9: Program Action Plan

**Table 17: Program Action Plan**

Issue/risk description	Action/Completion	Time Frame	Responsible Party
<b>Implementation Capacity</b>			
All MDUs, RDUs, and districts fully aware of the Program performance measures	Produce Program Operation Manual and disseminate among PDUs, RDUs, and districts	Within 6 months of the project implementation	MoEVT/PM O-RALG/PDB
Sufficient capacity in MoEVT, PMO-RALG, and PDB to implement BRNEd activities	Fill the current staffing gaps at MoEVT, PMO-RALG, and PDB		MoEVT, PMO-RALG, and PDB
Robust capacity building at LGAs level	Mobilize PEMANDU and PDB support for district-level capacity building	During implementation	MoEVT, PMO-RALG, and PDB
<b>Results Monitoring</b>			
Independent annual assessment undertaken on a timely basis	(a) Format of annual assessment for PforR agreed upon with MoEVT, PMO-RALG, and PDB (b) Independent verification of DLIs 1, 4, and 5 procured with an independent private firm.	Within 6 months of the project implementation	MoEVT/PM O-RALG and PDB
Agreement on EMIS strengthening plan	Plan for EMIS strengthening finalized and approved by MoEVT (also a DLI)		MoEVT
<b>Fiduciary</b>			
<b>Financial Management</b>			
<b>Planning and Budgeting:</b> Unfunded budgets and absence of reliable cash-flow budget to align implementation of planned activities and timing of cash availability. PlanRep (tool used for planning and budgeting at the LGAs) may not automatically upload the budget to Epicor requiring it to be manually done which is subject to errors and delays.	(i) BRNEd funds to be earmarked using accounting codes at the Consolidated Fund using a sub-account for the project under MoEVT, in order to ensure program budgets are funded. (ii) Reliable cash flow budgets to be prepared. (iii) Use of an integrator to link the PlanRep and Epicor.	During Implementation	MoEVT, MoF and PMO-RALG
<b>Accounting and Financial Reporting:</b> (i) The chart of accounts may not show which Development Partner is funding the program when funds are sent to the LGA hence not able to prepare accountability for a Development Partner's funding. (ii) Poor connectivity between the LGAs and the central servers. Failure to record assets at all levels. (iii) Epicor is not being used at the moment to record assets acquired	(i) The chart of accounts to be revised. (ii) Strengthen the connectivity in Epicor in order to efficiently use the system. (iii) There is also need to activate the asset management module of the system in order to record all the assets at each LGA. (iv) The financial reporting module for Epicor needs to be enhanced in order to produce useful reports for management to take action. (v) There is need to train all accounting staff at both central and local government on the use of IPSAS. (vi) There will be need to train staff who	During Implementation	MoEVT, PMO-RALG and MoF

Issue/risk description	Action/Completion	Time Frame	Responsible Party
<p>by the LGAs in the system.</p> <p>(iv) Epicor 9.05 has limited usage in terms of generating annual financial statement and management reports for decision making thus leading to preparing the reports manually as it does not have a financial reporting module.</p> <p>(v) Weak capacity at especially the LGAs to implement International Public Sector Accounting Standards (IPSAS) using accrual basis of accounting.</p> <p>(vi) Delays in submission of various financial reports given that there could be communication and consolidation challenges between the schools and the LGAs. This is largely due to the fact that reports will have to be generated right from the school level and consolidated at LGA and Regional level before submission to PMO-RALG for review and finally to MoEVT</p>	<p>consistently send reports late to enhance their skills as well as closely monitor them at both school and LGA levels to ensure timely financial reports are received. In addition, training in basic financial management for a wider audience at school level, can be arranged for school heads, school management teams and school committees/boards.</p>		
<p><b>Treasury Management and Funds Flow:</b> (i) Delays in release of funds from Ministry of Finance to Local Government Authorities.</p> <p>(ii) Irregular release of funds by the Ministry of Finance</p> <p>(iii) Delayed transfer of funds from LGAs to schools. Not all funds released for schools, by treasury, will be transferred to the schools.</p>	<p>(i) The Government of Tanzania made a major change in its budget process in the year 2013. Effective from the financial year 2013/14, the budget approval process and endorsement by the Parliament will now be tabled in April to June each year and as a result, delays in releasing funds from Ministry of Finance have reduced.</p> <p>(ii) Commitment will be made with the GoT to ensure funds are released to the program on a quarterly basis in order to avoid irregular releases to the LGAs.</p> <p>(iii) LGAs to display amounts transferred to each school on their notice boards and their websites. Schools should also display on their notice boards the amounts received from the LGAs. PMO-RALG will also monitor the transfer of funds between LGAs and schools to ensure there are no discrepancies.</p>	<p>During Implementation</p>	<p>MoF, MoEVT, PMO-RALG and LGAs</p>
<p><b>Internal Controls (including Internal Audit):</b> (i) Non-compliance with internal control systems at both central and local government levels.</p> <p>(ii) Weak internal audit function in</p>	<p>Skills of internal auditors will need enhancement in risk based and performance auditing in order to effectively monitor compliance of the internal control systems and report on a quarterly basis on the audit findings to management of the MoEVT,</p>	<p>During implementation</p>	<p>MoEVT, PMO-RALG, MoF and LGAs.</p>



<b>Issue/risk description</b>	<b>Action/Completion</b>	<b>Time Frame</b>	<b>Responsible Party</b>
terms of skills, equipment, lack of access to Epicor system and budget to monitor the internal controls put in place. (iii) Weak audit committees to ensure that audit issues are followed up and addressed.	PMO-RALG and LGAs. Action will need to be taken by management to address audit issues and this will need to be monitored on a quarterly basis by audit committees whose skills will need to be strengthened through training. The administrative authority granted to Regional Commissioners to chair LGAs council meetings to address issues raised by the CAG will also ensure there is compliance in addressing audit issues. There is also need to grant internal auditors access to Epicor and provide them with audit software to audit Epicor whilst providing the necessary training to internal audit staff.		
<b>External Audit:</b> (i) Given the large number of schools supported under the program, there will be a challenge for CAG to audit a good sample size of the schools. (ii) Parliamentary scrutiny of CAGs audit reports by the Public Accounts Committee and Local Government Accounts Committee has been very slow and will need to improve to enhance the accountability process.	(i) CAG under its legislation is allowed to contract private audit firms to conduct audits on his behalf. This will be necessary for the program and there will be need to allocate a budget for this activity.  (ii) There is need to enhance the technical skills of the Public Accounts Committee and Local Government Accounts Committee in order for them to improve on their efficiency in following up issues raised by CAG's audit reports.	During Implementation	CAG and Parliamentary Oversight Committees (Public Accounts Committee and Local Government Accounts Committee)
<b><i>Procurement Risks</i></b>			
Risks for Procurement at LGAs Level			
<b>Procurement Capacity:</b> Inadequate staffing in LGAs' Procurement Management Units	Recruit/appoint qualified and experienced staff to fill the gaps.	Within 6 months of the project implementation	PMO-RALG
<b>Procurement Capacity:</b> Staff has inadequate knowledge of procurement planning, preparation of bidding & request for proposals documents, evaluation of bids/ proposals and contract management	Conduct training tailor made courses specifically to address weakness in these areas to procurement staff – MoEVT & PMO-RALG should ask PPRA to conduct tailor made courses.	During project implementation	PMO-RALG and IDA
<b>Records keeping:</b> Weak records management system	Establish records keeping/management system	Within six months of project implementation	PMO-RALG/LGAs
<b>Processes &amp; Procedures:</b> Delays in completion of procurement processes and lack of internal control manual	Adherence to the standard processing times throughout project implementation. Prepare internal procedures manual to be used by all LGAs	Throughout project implementation	PMO-RALG/LGAs
<b>Controls &amp; Integrity:</b> Weak controls and risk of fraud and corruption	Carry out procurement and performance (Value for Money) audits annually	Annual	PMO-RALG/PPRA

Issue/risk description	Action/Completion	Time Frame	Responsible Party
<b>Contract Management:</b> Inadequate knowledge and skills in contract managements	Conduct training tailored specific to address weakness in these areas to procurement and other staff – MoEVT & PMO-RALG should ask PPRA to conduct tailor made courses.	During Implementation	MoEVT and PMO-RALG
<b>Fraud and Corruption Risks</b>			
<b>Transparency:</b> A lack of citizen, media and suppliers pressure to eliminate collusive practices due to lack of information	Publish Clients Service Charters; central strengthen government websites to publish timely reports, budget, including quarterly disbursement and execution reports; LGAs and Schools to publish budgets and expenditures in public places.	During Implementation	MoEVT, PMO-RALG, LGAs and Schools
<b>Participation:</b> Weak use of feedback mechanisms and complaints handling mechanisms by stakeholders.	Implement mechanisms or partnerships with civil society organizations to enable citizen to log complaints or register comments and receive responses from central government/Ensure information on BRNEd is easily available to citizens to enable monitoring and feedback	During Implementation	MoEVT and PMO-RALG
<b>Accountability:</b> Weak response from central government and LGAs to citizen complaints and to poor performance on assessment reports	Strengthen LGA and Schools service boards; review complaints register and ensure complaints are attended and feedback taken is adequately documented, responded to and posted to MoEVT & PMO-RALG website quarterly. Hire Complaint Desk Officers at LGA level dedicated exclusively to education.	During Implementation	MoEVT, PMO-RALG, LGAs and Schools
<b>Payment of Teachers' Arrears:</b> Weak controls to ensure that claims are accurate and paid to the right people	Pre-audit claims (as regularly as payment occurs); Pay claims through the payroll system	During Implementation	MoEVT, PMO-RALG, LGAs
<b>Procurement Risks at Schools Level</b>			
<b>Organizational Set Up:</b> Lack of a proper set up for the Procurement function	PPRA should provide guidance on the set up of the procurement function at Lower Local Government Authorities including schools	During the First Year of Implementation	PPRA
<b>Procurement Capacity:</b> Lack of staff with knowledge in procurement to handle procurement activities	PPRA should prepare Guidelines and Tools that provide guidance in the processing of smaller value contracts and arrange for training of staff handling procurement at Lower Local Government Authorities including schools	During the First Year of Implementation	PPRA
<b>Records Keeping:</b> Absence of a system for proper keeping of records	Provide basic training to the staff responsible for procurement in procurement records keeping	During the First Year of Implementation	MoEVT and PMO-RALG

<b>Safeguards</b>			
<b>Implementation of the ESSA</b>	i) The Operations Manual framework prepared and agreed upon to include the following: strengthening grievance redressal, technical guidance capacity building and performance evaluation/social audit. ii) Adoption of SEDP-II ESMF in its totality is a requirement for BRNEd Program in its present scope.	Program effectiveness	MoEVT, PMO-RALG,

## Annex 10: Implementation Support Plan

**Table 18: Main focus of Implementation Support**

Area	Skills Needed	Estimate Staff Time Needed
Procurement support	Procurement Specialist	5 SWs
Procurement Training	Procurement Specialist	1 SW
FM training and supervision	FM Specialist	4 SWs
Task Team Leadership	TTL	15 SWs
Financial Management, disbursement and reporting	FM Specialist Local Government Specialist	2 SWs 8 SWs
Technical and Procurement review of the bidding documents	Procurement Specialist	4 SWs
Environment/Social monitoring	Environment Specialist Social Specialist	2 SWs 2 SWs
Monitoring and Evaluation	M&E specialist/Economist	12 SWs
Fiscal flows/ Course-correction	Economist	5 SWs

**Table 19: Skill Mix Needed**

Skill	Number of Staff Weeks (annual)	Travel Frequency (annual)	Location
Task Team Leader	15	4 field trips	Headquarters based
Education Specialist	15	4 field trips	Country Office based
Procurement	10	2 and field trips as required	Country Office based
Financial Management Specialist	14	2 and field trips as required	Country Office based
Environment Specialist	4	2 and field trips as required	Country Office based
Economist	5	2 and field trips as required	Headquarters based
M&E Specialist/Economist	12	4 field trips	Country Office based

## Annex 11: Typology of costs associated with each BRNEd initiative

**Table 20: Typology of Costs Associated with each BRNEd Initiative**

1. Official school ranking	Services for data analysis
	Services for training provision
	Services for dissemination
	Cost of training material and dissemination material
2. 3R assessment	Services for test creation, invigilation, training
	Services for supervision
	Services for test marking
	Travel allowances for test administrators
	Services for data cleaning, coding, and analysis
	Printing and administrative costs
3. School incentive scheme	Cost of transfers to schools
	Services for data analysis
	Services for training provision
	Services for dissemination
	Cost of training material and dissemination material
4. Teacher motivation	Administrative costs
	Transfers to clear backlog of outstanding teacher claims
	Services for data analysis
	Services for organization of teacher award ceremonies
5. School improvement toolkit	Administrative costs
	Services for toolkit creation
	Material costs
	Services for training provision
	Services for dissemination
	Cost of training material and dissemination material
6. 3R teacher training	Administrative costs
	Services for development of training material
	Services for training provision
	Cost of training material and dissemination material
7. STEP training	Administrative costs
	Services for development of training material
	Services for training provision
	Cost of training material and dissemination material
8. Capitation grants	Administrative costs
	Cost of transfers to schools
	Material and services for system level improvements

# COUNTRY MAP

IBRD 33494R1

## TANZANIA

- |   |                           |       |                          |
|---|---------------------------|-------|--------------------------|
| ○ | SELECTED CITIES AND TOWNS | —     | MAIN ROADS               |
| ⊙ | PROVINCE CAPITALS         | —     | RAILROADS                |
| ⊕ | NATIONAL CAPITAL          | —     | PROVINCE BOUNDARIES      |
|   | RIVERS                    | - - - | INTERNATIONAL BOUNDARIES |



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