

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: PIDA32486

| | |
|---|---|
| Project Name | TZ-Zanzibar Improving Student Prospects Project (P153277) |
| Region | AFRICA |
| Country | Tanzania |
| Sector(s) | Primary education (30%), Secondary education (70%) |
| Theme(s) | Education for all (100%) |
| Lending Instrument | Investment Project Financing |
| Project ID | P153277 |
| Borrower(s) | The United Republic of Tanzania |
| Implementing Agency | Ministry of Education and Vocational Training |
| Environmental Category | B-Partial Assessment |
| Date PID Prepared/Updated | 27-Apr-2016 |
| Date PID Approved/Disclosed | 27-Apr-2016 |
| Estimated Date of Appraisal Completion | 26-Apr-2016 |
| Estimated Date of Board Approval | 13-Jun-2016 |
| Appraisal Review Decision (from Decision Note) | |

I. Project Context

Country Context

Zanzibar, a semi-autonomous region of the United Republic of Tanzania, exhibits strong economic prospects but also potential economic vulnerabilities. Over the past decade, Zanzibar's economic growth has averaged about 7 percent per year. Its tourism sector is booming and oil and gas exploration are underway. With a median age of 17 years, Zanzibar has a young population, signifying the potential for demographic dividends. However, the fiscal situation in Zanzibar is somewhat precarious in the face of declining commodity prices, over-optimistic budgeting, and high wage bill. Also, rapid population growth has impeded poverty reduction and posed challenges for youth employment and provision of social services.

Notably, youth are currently being left out of Zanzibar's economic transformation. Despite steady economic growth, labor market prospects for young people continue to be bleak. Youth unemployment rate (15-35 years old) on the island is 31.3 percent and young people constitute the majority share of the underemployed and economically inactive. At the same time, firms in newly emerging sectors have difficulty finding qualified personnel. Zanzibar's expanding tourism industry, which caters to about 181,000 tourists annually, employs only 13,500 locals. The remaining workforce needs are met by importing labor from mainland Tanzania and other

countries. Local Zanzibaris are particularly under-represented at the management level in tourism and other sectors .

For Zanzibar’s economic development, it is critical to improve the labor market prospects of local youth. With more than 40 percent of the population under the age of 15, equipping its young people for the labor market is imperative for future growth and poverty reduction in Zanzibar. This will not only produce direct economic returns but also generate urgently needed economic and social dividends through reduced fertility, improved business environment, higher rates of technology adoption and innovation, increased social cohesion, and reduced likelihood of youth unrest.

Sectoral and institutional Context

Skills acquired during secondary education are crucial for creating work-readiness among young people. The cognitive as well as behavioral and social-emotional skills acquired in school are necessary for graduates to get, keep, and be productive in a job. In addition, business skills are also correlated with school education due to the centrality of basic cognitive skills. Overall, higher levels of education achievement and cognitive skills are associated with the employment of a larger share of youth in modern wage jobs outside of agriculture . Not only does secondary education lead to these direct labor market dividends, it also produces important social returns through reduced fertility, greater agency for women, and improved health and education outcomes for the next generation.

Quality secondary education is particularly important for labor market success in Zanzibar given the structure of its economy. The largest share of Zanzibar’s Gross Domestic Product comes from the services sector (42.3 percent). Further, compared to mainland Tanzania, in Zanzibar a much larger share of salaried workers are medium to high skilled workers, signaling a larger demand for medium to high skilled workers . Secondary education is the most common level of employee education across firm sizes in Zanzibar, indicating that firms are actively recruiting employees at this skill level. Local secondary schools are the primary source for secondary school level skills for most of the firms in Zanzibar (77 percent), whereas at the university level, firms recruit about half the workers from Dar Es Salaam.

English, Math, and Science skills are especially in demand. In Zanzibar a very large share of firms report a deficit for “Computers and General IT” skills - up to 85 percent of the firms indicate that among their employees this skill is below the firms’ needs. English skills are also inadequate for 50 percent of the firms, along with writing (37%) and problem solving (31%) . These types of skills have strong pre-requisites in terms of at least lower secondary level English, Math, and Science acquisition.

In January 2015, the president announced a policy of free basic education (six years of primary and four years of secondary) in Zanzibar, thereby committing to the abolishment of fees at primary and secondary levels. In July 2015, voluntary parental contributions were abolished for all primary schools and a commitment was made to provide these schools with adequate school grants. However, fiscal constrains have prevented the abolishment of voluntary contributions and provision of capitation grants for secondary schools.

Free basic education policy is expected to lead to significant enrollment increases in secondary schools. Enrollments in secondary grades are projected to increase by 15-25 percent (about

20,000-30,000 students) over the 3-4 year period following the implementation of the policy, translating into 100-140 additional students per lower secondary school. This will likely lead to perceptible declines in education quality unless provisions are made for additional classrooms.

Secondary schools are currently heavily congested in some areas – a situation that will worsen considerably with population growth, improving rates of primary completion, and enrollment increases owing to the free basic education policy. In 2015, 12 percent of secondary schools had more than 70 students per classroom and 5 percent had more than 100 students per classroom. Nearly half of all secondary schools are already running double shifts. Pressures on school infrastructure continue to increase given the high population growth rate – it is estimated that at least 150 additional classrooms will be needed per year up to 2020 to cope with student numbers in secondary schools. With the implementation of free basic education policy the situation is likely to become extremely grave.

Zanzibar's education system is currently failing to deliver on potential labor market returns for youth. This can be seen in two interrelated issues at the secondary level: (a) high rates of student dropout before secondary completion and (b) low attainment of labor market relevant skills. These issues arise out of entrenched failures in education service delivery in Zanzibar.

Zanzibar's education system includes 12 years of compulsory education. These are divided into three levels: pre-primary (two years), primary (six years), and ordinary secondary (four years with two years of lower secondary (Forms 1 and 2)). After ordinary secondary, students move to the advanced secondary level. Student flow through primary and secondary levels is managed through three high-stakes exams: (a) exit exam from primary (Standard 6 exam); (b) exam during lower secondary (Form 2 exam); and (c) exit exam from secondary (Form 4 exam). English is introduced as the language of instruction at the end of primary (Standard 5).

The system faces high student dropout rates before successful secondary completion. In Zanzibar, student retention is particularly problematic in secondary grades. In 2013, for every 100 students entering secondary school, only about 50 reached the end (Form 4), with a large share dropping out right after the Form 2 exam. Consequently, about 31 percent of Zanzibaris aged 14 to 19 years are out of school, amounting to nearly 58,000 youth. Students who drop out before completing secondary education are unable to tap into the high economic returns of secondary education in the labor market. For women, these high dropout numbers often signify early marriage, teenage pregnancy, and high lifetime fertility.

High drop-outs are partly linked to high cost of schooling. Parental contributions for basic education in Zanzibar are substantial, especially for poor households. Specifically, parents are required to provide voluntary contributions pegged approximately at TZS 3500 (US\$2) at primary, TZS 5000 (US\$3) for lower secondary. However, actual amounts are usually much higher because schools can decide to increase the amount to an agreed reasonable level, reaching in some cases up to TZS 50,000 (US\$24). Parents are also required to provide basic learning materials (for example, exercise books, pencils, pens, erasers, and rulers). It is not surprising therefore that drop-outs are higher for poorer households. Against this background, economically constrained households will be particularly unwilling to invest in education if economic returns to education are perceived to be low - as would be the case if children fail to pass critical exit examinations.

Quality of education provision is currently low in terms of labor-market relevant skills – Math,

Science, and English. According to the Southern and Eastern Africa Consortium for Measuring Educational Quality (SACMEQ) 2007, almost 73.4 percent of Standard 6 students were below beginning numeracy levels. Also, very few students are able to pass secondary school exit examinations in Math and Science. In 2013, average student scores in Math were only 10.3 percent in the Primary School Leaving Examination (PSLE) and 6.5 percent in Certificate of Secondary Education Examination (CSEE). Consequently, enrollment in science and technology courses at the post-secondary level remains extremely low. Such low acquisition of Math and Science competencies is seen by the government as a significant constraint to: (i) the earning potential of secondary school graduates; (ii) job creation for the local population; (iii) meeting workforce needs for business growth and innovation; (iv) and overall growth prospects of the economy.

Problems of low attainment of labor market relevant skills and high dropouts are driven by (a) low quality of instruction and (b) Non-supportive learning environment. These factors are reinforced at each level of service delivery.

Low Quality of Instruction

There is a severe shortage of Math and Science teachers. A recent study finds that at the secondary level, the system is short 494 Science and Math teachers . In 2014, only 47 percent of Math teachers and 57 percent of Physics teachers were qualified to teach at that level. This relates to the overall shortage of Science and Math graduates from Zanzibar's education system—a pattern that reflects a vicious cycle. Under the Zanzibar Basic Education Improvement Project (ZBEIP), a new teacher training college for Math and Science was constructed in Pemba but enrollment has been low because of a shortage of candidates who meet minimum entry requirements. There is, therefore, an urgent need to increase the supply of Science and Math teachers in the short term.

Qualitative data suggests problems of English proficiency among teachers. There is an abrupt shift to teaching in English in Standard 5, for which most teachers are neither prepared nor equipped. Efforts to improve English proficiency of Math and Science teachers under the ZBEIP were only partially successful because of delays in project implementation and relatively ineffective training approaches . Lessons learned from this experience can be leveraged to introduce more effective approaches for improving English proficiency of teachers.

There are significant margins for strengthening teacher motivation and accountability. Data from school visits in 2015 showed that about 60 percent of the teachers were absent for at least one day in the past week. Further, about 20 percent of schools visited during a recent field survey claimed that they had not received a supervisory visit from the district administration in years. Administrative reports also show that a large share of schools are not visited by school inspectors even once during the course of a year. This suggests problems of teacher accountability, supervision, and monitoring at the system level.

Schools appear resource constrained in their day-to-day functioning. The Ministry of Education and Vocational Training (MoEVT) pays for textbooks and salaries of teachers. However, operational expenses are funded by parents through 'voluntary contributions'. This not only leads to significant constraints and uncertainties in school functioning but is also likely to negatively impact attendance of poor students. With the recently announced policy of free basic education primary schools are expecting to receive capitation grants in 2016. However, no plans for provision of capitation grants for secondary schools have been announced for now, due partly to fiscal constraints and lack of implementation readiness.

Despite infrastructure improvements through the Zanzibar Basic Education Improvement Project (ZBEIP), crowded classrooms and shortages of facilities for practical Science training in many schools continue to impact learning. Almost 50 percent of schools do not have access to any science labs. The lack of opportunities for practical science lessons has been identified as a critical contributing factor for low student performance in Science exams, especially at Forms 2 and 4, and the consequent high dropout rates.

Global evidence shows the potential of school infrastructure improvements to raise learning outcomes. In Burkina Faso, for example, the construction of schools with girl-friendly amenities improved enrollment and test scores for all children three years after the start of the program. A recent study in the UK found clear evidence that well-designed primary schools boost children's academic performance in reading, writing, and mathematics. The characteristics of the built classroom matter to allow for different modes of learning, and new technologies are also changing the way teaching and learning take place with more digital content available. By constructing classrooms and providing resources in an innovative and cost-efficient way – with facilities that allow students to learn at their own pace and teachers to properly assess student learning – Zanzibar can adopt a comprehensive approach to reducing over-crowding in school and ultimately improving the quality of education delivered in secondary schools.

Non-supportive learning environment

Learning gaps go mostly undetected. Despite significant learning challenges, there are no mechanisms and/or incentives for systematically identifying and correcting learning gaps. Due to a policy of more-or-less automatic progression and no systematic support for formative assessments, learning gaps are allowed to go undetected for a large part of students' schooling.

Until students face high-stakes exams. Students who have been progressing through the system without much learning are subsequently weeded out in large numbers through high-stakes curriculum-based exams at the end of primary (Standard 6) or lower secondary (Form 2). The Form 2 exam is particularly challenging because students would have just started using English as a language of instruction (Standard 5) and taking on more subjects (Form 1). Students who fail these exams generally drop out of school—student survival rates drop by nearly 50 percent between Forms 2 and 4.

Hence, the system combines high-stakes testing with a general absence of support for students who struggle or fall behind. In addition to high-stakes exams, young adolescents in the system facing important life transitions are simultaneously faced with several challenges both academically (as outlined above) and at home where there are increased pressures for boys to join the labor market and for girls to get married. Given that parents have to pay for schooling, economically constrained households are particularly unwilling to invest in education if economic returns to education are perceived to be low—as would be the case if children fail to pass critical exit examinations which serve as important labor market signals.

For students, this means low economic prospects despite spending several years in the education system. The majority of students who fail in Form 2 leave the system without any formal credentials and thus have limited chances of entering formal sector jobs. There is also a huge stock of young people who have recently left the system and entered the labor force, with very rudimentary skills, and they will remain in the labor force for a long time. This explains why youth

are currently unable to participate in and benefit from Zanzibar's economic progress

The Government's Response

The 2006 Zanzibar Education Policy focuses on increasing both access and quality of education, with the goal of better preparing Zanzibaris for the workforce and ultimately alleviating poverty. To this end, the policy especially emphasizes the importance of boosting performance in English, Math, and Science. The Zanzibar Education Development Program (ZEDP) 2008/9–2015/16 is the main vehicle through which the MoEVT, in partnership with development partners, civil society and private organizations, is implementing these goals.

World Bank engagement has aided this effort under ZBEIP which aimed at increasing access to quality secondary education. The activities supported by ZBEIP had significant impact on secondary education, particularly through the provision of infrastructure and distribution of learning materials. This support has been greatly valued by the government of Zanzibar and provides a strong foundation on which to build the second generation of reforms/interventions that aim at strengthening the link between education and labor market.

The next education development program - (ZEDP 2016–2020) - is currently under preparation . This will align domestically with MKUZA III, and internationally with incorporation of the Sustainable Development Goals for education. ZISP project design is based on articulated priorities for ZEDP 2016-2020 and will form an important part of its delivery.

A key ingredient of ZEDP 2016-2020 will be the newly announced policy of free basic education through the abolishment of 'voluntary parental contributions' at primary and secondary levels . Beginning in July 2015, capitation grants were announced for primary schools and. While secondary schools were included in the President's announcement, no clear date for capitation grants for secondary schools has been announced . ZISP design explicitly supports the implementation of this policy through support for these schools.

ZISP support is being designed not just to align with government priorities but also to complement support from other donors. Several donors are supporting early childhood development and lower primary education . Also, support for skills training for out of school youth is being provided through a large project by the African Development Bank. However, education delivery in upper primary and lower secondary remains relatively un-supported. This is concerning given that these student cohorts would be joining the labor market in the next few years and would therefore significantly impact Zanzibar's economic and social landscape. Because of this the marginal economic (and social) returns to equipping these young people with marketable skills appear very high.

II. Proposed Development Objectives

To improve the quality of - (a) instruction and (b) learning environment – in targeted grades and subjects

III. Project Description

Component Name

Effective Math, Science, and English (MSE) Instruction

Comments (optional)

Component Name

Improved School Autonomy and Learning Environment

Comments (optional)**Component Name**

Hubs for Enhanced Math, Science, and English (MSE) Learning

Comments (optional)**Component Name**

Systems Transformation and Project Management

Comments (optional)**Component Name**

Unallocated

Comments (optional)**IV. Financing (in USD Million)**

| | | | |
|---|-------|-----------------------|---------------|
| Total Project Cost: | 35.00 | Total Bank Financing: | 35.00 |
| Financing Gap: | 0.00 | | |
| For Loans/Credits/Others | | | Amount |
| BORROWER/RECIPIENT | | | 0.00 |
| International Development Association (IDA) | | | 35.00 |
| Total | | | 35.00 |

V. Implementation**A. Institutional and Implementation Arrangements**

The implementation of the project will be carried out over a five-year period through existing relevant structures in the MoEVT. Project coordination will be by the Directorate of Policy and Planning, procurement by the Procurement Management Unit, and financial management under the Chief Accountant. MoEVT also maintains a sub-office in Pemba, the Sister Island, led by the Deputy Coordinator and a technical team comprising of engineers and procurement specialists charged with the responsibility of ensuring smooth day-to-day coordination and program implementation in the Island. These decision-making structures are all “mainstreamed” in accordance with Zanzibar law and MoEVT organization. The project management unit will recruit a specialist to manage issues related to environmental and social safeguards.

B. Results Monitoring and Evaluation

There are three major data sources within the Zanzibar Education system that will yield information on additional indicators. These are (i) Education Management Information System (EMIS) maintained by MoEVT; (ii) National student examination data (for PSLE and CSEE) maintained by

examinations board; and (iii) school inspections data maintained by MoEVT.

The PDO-level result indicators will be measured through EMIS data, project implementation information, and annual school surveys, which will be supported by the project's technical assistance (TA) allocation. School surveys will be administered in a reasonably-sized, representative sample of schools. Baseline data collection was conducted in February 2016. Follow-up assessments will be conducted annually throughout the project implementation period. To enhance the cost-effectiveness of this exercise, to the extent possible the same surveys will be used to get additional information on project's intermediate indicators and higher order objectives

ZISP 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, school committees). This information has been integrated into the program results framework. It will also be used to obtain insights into beneficiary perceptions about program implementation, identify implementation gaps and deficiencies, and mitigate potential implementation and political economy risks.

Impact evaluations will be built in to provide timely feedback for improving the design of the new and innovative interventions. For certain innovative interventions, such as teacher training for enhanced student support, 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.

The ZISP program is further strengthening the government's M&E system through its TA support, the overall EMIS system will be enhanced on multiple dimensions and MoEVT's technical capacity on data management and use will be strengthened. There will be a particular focus on generating better and more-frequently updated data on students' performance (both formative assessment data and national examination data) and teacher management (including basic data, skills and proficiency data, classroom observations and other performance indicators). Through TA, education system data will be better linked and made easily accessible through education dashboard(s) part of which will be accessible to the public. Project TA will also finance independent verification of selected DLIs.

VI. Safeguard Policies (including public consultation)

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

Comments (optional)

VII. Contact point

World Bank

Contact: Shwetlena Sabarwal
Title: Senior Economist
Tel: 458-8345
Email: ssabarwal@worldbank.org

Borrower/Client/Recipient

Name: The United Republic of Tanzania
Contact: Servacius Likwelile
Title: Permanent Secretary
Tel: 255222119190
Email: sblikwelile@yahoo.com

Implementing Agencies

Name: Ministry of Education and Vocational Training
Contact: Abdulla M. Abdulla
Title: Deputy Principal Secretary
Tel: 255777412604
Email: abdulla.mzee@moez.go.tz

VIII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>