Ms. Saada Mkuya Salum  
Minister of Finance  
Ministry of Finance  
P.O. Box 9111  
Dar Es Salaam  
Tanzania

Honorable Minister Salum:

Re: TANZANIA Science and Technology Higher Education Project  
(Credit No. 4454-TZ)  
Amendment to the Financing Agreement


After consideration, I am pleased to inform you that the Financing Agreement is amended as follows.

1. Schedule 1 of the Financing Agreement is amended to read:

   “SCHEDULE 1

   Project Description

   The objectives of the Project are: (i) to increase the quantity and quality of higher education graduates, with special emphasis on science, technology and education; and (ii) to lay the foundations for improved responsiveness of tertiary education to the labor market.

   The Project constitutes the first phase of the Program, and consists of the following parts:

   Part A: More and Better Qualified Graduates in Specific Priority Areas

   1. (a) Carrying out Subprojects to support Higher Education Institutions in the implementation of investment plans in priority disciplines for economic growth, including energy, transportation, food/agriculture, information and communication technologies, management, tourism, marine sciences, applied sciences and engineering (including basic sciences, materials science, mining and minerals, transportation, manufacturing systems, and land management), through the provision of Grants.
(b) Designing a flexible financing facility as a continuing institutional mechanism for channeling public funds to Higher Education Institutions on a competitive basis, through the provision of technical advisory services.

2. Supporting Higher Education Institutions' Subproject proposals, and approved Annual Work Plans and Budgets for expansion of capacity for teacher preparation and graduate studies in education including, *inter alia*:

   (a) (i) Preparing degree-holding secondary school teachers, for mathematics, science and languages, in public universities; (ii) enhancing the capacity of Open University of Tanzania to provide distance education courses for untrained secondary school teachers; and (iii) supporting staff development programs, revision and production of instructional materials, provision of equipment, including information and communication technologies, and improvement of science laboratories, all through the provision of Grants.

   (b) Developing graduate studies in education, specifically at the faculties of education, and science in University of Dar es Salaam and other Public Universities, through the provision of Grants.

   (c) Building institutional mechanisms and capacity for applying information and communication technologies (ICT) in teacher training with the introduction of a pilot training program that upgrades the content knowledge of science teachers in difficult subject areas.

Part B: Strengthening Institutions and Systems to Support Higher Education Generally

1. (a) Strengthening the institutional capacity of key higher education agencies and institutions including Tanzania Commission for Universities, HESLB, NACTE, Tanzania Education Authority and COSTECH, through the provision of Grants and approved Annual Work Plans and Budgets.

   (b) Supporting the institutional capacity of the MCST and MoEVT for implementation and management of the Project, and development and implementation of the broader higher education policy framework, through the provision of technical advisory services and acquisition of goods.

   (c) Establishing institutional mechanisms and procedures for the flexible financing facility developed under Part A. 1(b).

   (d) Developing a strategy and operational plan for skills development in the priority growth sectors of agribusiness, tourism, and transport/logistics from the technical and vocational level to higher education, in close collaboration with the private sector.

2. Supporting investments in system-wide information communication and technology, and developing libraries including, *inter alia*:

   (a) Developing a detailed plan for a national research and education network.
(b) Developing a detailed plan for establishing a higher education management information system to improve the management and administration of Higher Education Institutions and of the higher education sector.

(c) Developing a detailed plan for establishing a library management system to support libraries in Higher Education Institutions and research institutes, and improve library management of education material search; library lending and returns; procurement and payment of education material; circulation; financial management regarding fees, charges and subscriptions; access to a national catalogue of library holdings; inter-library loans management; cataloguing of books and digitized materials; and subscriptions to electronic resources.

(d) Developing a detailed plan for deploying e-learning resources including networked computers and multimedia devices and tools for teachers and students in Higher Education Institutions."

2. Paragraphs 3 and 4 of Section I.A of Schedule 2 of the Financing Agreement are deleted in entirety and the remaining paragraphs in said Section I.A. renumbered accordingly.

3. Paragraph 3(b) of Section I.A of Schedule 2 to the Financing Agreement (formerly paragraph 5(b) of said Section I.A) is amended to read as follows:

"(b) Without limitation to sub-paragraph (a) of this paragraph, the Director of Higher Education shall be responsible for: (i) coordinating the consolidation of the Annual Work Plans and Budgets prepared by Institutional Project Coordinators; (ii) liaising with the Institutional Project Coordinators; (iii) monitoring implementation of the Project; and (iv) ensuring compliance with the measures set forth in the ESMF, and the Project Implementation Plan. The Project coordinator shall support the Director of Higher Education, and undertake day-to-day management and administration of the Project."

4. A new paragraph 4 is added to Section I.E of Schedule 2 of the Financing Agreement as follows:

"4. For the purpose of carrying out the Project, the Recipient shall, where required by the ESMF: (i) prepare and disclose, prior to the commencement of any works under the Project, Site-specific ESMPs, satisfactory to the Association in accordance with the ESMF; (ii) carry out the Site-specific ESMPs in accordance with the ESMF; and (iii) not amend, suspend or abrogate any of the provisions of the Site-specific ESMPs without the prior approval of the Association."

5. Paragraph 2 of Section II of Schedule 2 to the Financing Agreement is amended to read as follows:
“For the purpose of Section 4.08(c) of the General Conditions, the report on the execution of the Project and related plan required pursuant to that Section shall be furnished to the Association not later than May 31, 2016.”

6. The table at Section IV.A.2 of Schedule 2 to the Financing Agreement is amended to read as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Grants for Subprojects under Parts A.1(a), A.2 (a) and (b) and B.1(a) of the Project</td>
<td>52,669,741</td>
<td>100% of the amount disbursed</td>
</tr>
<tr>
<td>(2) Consultants’ Services under Part A.1(b) and Goods, Consultants’ Services and Training under Part B.1(b) of the Project</td>
<td>2,495,448.84</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Works, Goods, Consultants’ Services and Training under Part B.2 of the Project</td>
<td>4,564,800</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Operating Costs</td>
<td>900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(5) Refund of Project Preparation Advance</td>
<td>170,010.16</td>
<td>Amount payable pursuant to Section 2.07 of the General Conditions</td>
</tr>
</tbody>
</table>

TOTAL AMOUNT

60,800,000

7. Paragraphs 13 and 29 of the Appendix to the Financing Agreement are deleted and the remaining paragraphs renumbered accordingly.

8. Paragraph 13 of the Appendix to the Financing Agreement (formerly paragraph 14) is amended to read as follows:

“13. Institutional Project Coordinator” means the coordinator referred to in Section 1.A.4 of Schedule 2 to this Agreement.”

9. A new paragraph 24 is added to the Appendix of the Financing Agreement as set out below and the subsequent paragraphs are renumbered accordingly:

“25. ‘Site-specific ESMP’ means a site-specific environmental and social management plan, to be prepared by the Recipient pursuant to paragraph 4 of Section I.E of Schedule 2 of this Agreement, and satisfactory to the Association, in respect of works
to be undertaken under the Project, defining details of measures to manage potential environmental risks and mitigate, reduce and/or offset adverse environmental and social impacts associated with the implementation of activities under the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with, its terms, as the same may be amended and supplemented from time to time with mutual agreement of the Association and the Recipient; and “Site-specific ESMPs” refers to more than one such Site-specific ESMP.”

Except as specifically amended by this amendment letter, all other provisions of the Financing Agreement shall remain in full force and effect.

Please confirm your agreement to the amendment set out above by having an authorized representative of the Recipient sign and date the form of confirmation on the enclosed duplicate original of this letter and returning it to us for our files. This amendment will become effective upon receipt of the copy of this letter countersigned on behalf of Recipient, and countersignature of the Additional Financing Agreement to be signed between the Recipient and the Association for this Project, whichever date is later.

Sincerely,

[Signature]

Philippe Dongier
Country Director for Tanzania, Uganda and Burundi
Africa Region

CONFIRMED:
UNITED REPUBLIC OF TANZANIA

By: [Signature]
Title: [Position]
Date: [Date]