November 18, 2015

Dr. Servacius Likwelile
Permanent Secretary
Ministry of Finance
P.O. Box 9111
Dar es Salaam
Tanzania

The United Republic of Tanzania: Advance Agreement for Preparation of
Proposed Zanzibar Improving Student Prospects Project
Project Preparation Advance No. Q992-TZ

Dear Dr. Likwelile:

In response to the request for financial assistance made on behalf of the United Republic of Tanzania ("Recipient"), I am pleased to inform you that the International Development Association ("World Bank") proposes to extend to the Recipient an advance out of the World Bank's Project Preparation Facility in an amount not to exceed one million seven hundred thousand dollars ($1,700,000) ("Advance") on the terms and conditions set forth or referred to in this letter agreement ("Agreement"), which includes the attached Annex, to assist in financing the activities described in the Annex ("Activities"). The objective of the Activities is to facilitate the preparation of a proposed Zanzibar Improving Student Prospects Project designed to improve acquisition of math, science, and English skills during primary and secondary education and reduce student drop-out before lower secondary completion ("Project"), for the carrying out of which the Recipient has requested the World Bank's financial assistance.

The Recipient represents, by confirming its agreement below, that: (a) it understands that the provision of the Advance does not constitute or imply any commitment on the part of the World Bank to assist in financing the Project; and (b) it is authorized to enter into this Agreement and to carry out the Activities, repay the Advance and perform its other obligations under this Agreement, all in accordance with the provisions of this Agreement.

Please confirm the Recipient's agreement to the foregoing by having an authorized official of the Recipient sign and date the enclosed copy of this Agreement, and returning it to the World Bank. Upon receipt by the World Bank of this countersigned copy, this Agreement shall become effective as of the date of the countersignature.
Very truly yours,

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Bella Bird
Country Director for the United Republic of Tanzania
Africa Region

AGREED:  
THE UNITED REPUBLIC OF TANZANIA

By:

Authorized Representative

Name:  Dr. S. Likwelile

Title:  Permanent Secretary

Date:  24-11-2015

Enclosures:


(2) Disbursement Letter for the Advance of the same date as this Agreement, together with "World Bank Disbursement Guidelines for Projects", dated May 1, 2006.


Article I
Standard Conditions; Definitions

1.01. Standard Conditions. The Standard Conditions (as defined in the following Section 1.02 of this Annex) constitute an integral part of this Agreement.

1.02. Definitions. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement, and the following additional terms shall have the following meanings:

(a) "Anti-corruption Guidelines" means the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011.

(b) "Consultants' Guidelines" means the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated January 2011 and revised in July 2014.

(c) "Environment and Social Management Framework" or "ESMF" means the plan to be prepared and adopted by the Recipient and to include mitigation, enhancement, monitoring, and institutional measures to be taken during implementation of the Project to eliminate any adverse environmental and social impacts, offset them, reduce them to acceptable levels, or to enhance positive impacts, said measures to include inter alia: clear procedures and methodologies for the environmental and social assessment, review, approval and implementation of investments to be financed under the Project, appropriate roles and responsibilities, and necessary reporting procedures for managing and monitoring environmental and social concerns related to the Project and practical information resources for implementing the ESMF.

(d) "Environmental Management Plans" or "EMPs" means the plans to be prepared and adopted by the Recipient for site-specific investments under the Project, as provided in the ESMF providing appropriate mitigation, monitoring and institutional measures designed to mitigate potential adverse environmental impacts under the proposed investments, offset them, reduce them to acceptable levels or enhance positive impacts, as the same may be amended from time to time with the agreement of the World Bank.

(e) "MEVT" means the Ministry of Education and Vocational Training of the Revolutionary Government of Zanzibar.

(f) "Operating Costs" means the reasonable incremental expenses incurred by the Recipient on account of implementation of the Activities, including office supplies, vehicle operation and maintenance, video-conferencing equipment, rental charges, communication and insurance costs, special account banking charges, office maintenance costs, utilities, travel cost for staff and salaries of support contractual staff for the Activities (other than consultants' services), but excluding salaries of officials of the Recipient's civil service.
Article II
Execution of the Activities

2.01. Description of the Activities. The Activities for which the Advance is provided consist of the following parts:

(A) Results for Prosperity Education Workshop (R4P EW) with a dedicated physical workspace and a full time team of approximately seventy people to host stakeholders including representatives from line ministries, private sector, donor partners, non-government organizations, teachers union, and civil society; and to deliver: (i) new Multi-sector Education Plan (MEP) 2015/16-2020 with specific objectives; (ii) design of the Project to achieve these objectives; and (iii) detailed implementation plans associated with the Project.

(B) Preparation for Construction Activities including hiring of consultants to: (i) create detailed designs of structures to be constructed under the Project (while ensuring cultural norms are respected); (ii) undertake the environmental and social assessment and develop the ESMF; (iii) support the Recipient in identifying social and land ownership issues; (iv) provide support in consultation, disclosure, and guidance for developing site-specific EMPs and finalization of bidding documents; which at this point tentatively include science, language, and computer laboratories in existing secondary schools, student hostels/dormitories in selected secondary schools, and rehabilitation of two technical secondary schools.

(C) Design of Education Management Information Systems (EMIS) and Monitoring and Evaluation (M&E) systems, including (i) hiring of consultants to provide detailed design of (M&E) systems for the Project and outline any proposed synergies with EMIS; and (ii) provision of required hardware (e.g., computers, tablets, etc.) and software for the M&E system.

(D) Planning and capacity building for Procurement, including hiring of consultants to build the capacity of the MEVT on procurement.

2.02. Execution of the Activities Generally. The Recipient declares its commitment to the objectives of the Activities. To this end, the Recipient shall carry out the Activities through the MEVT, in accordance with the provisions of: (a) Article II of the Standard Conditions; (b) this Article II; and (c) the Anti-corruption Guidelines.
2.03. Monitoring, Reporting and Evaluation of the Activities. The Recipient shall monitor and evaluate the progress of the Activities in accordance with the provisions of Section 2.08 of the Standard Conditions.

2.04. Financial Management.

(a) The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.09 of the Standard Conditions.

(b) The Recipient shall ensure that interim un-audited financial reports for the Activities are prepared and furnished to the World Bank not later than 45 days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

(c) The Recipient shall have its Financial Statements audited in accordance with the provisions of Sections 2.09 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient, commencing with the fiscal year in which the first withdrawal under the Advance was made. The audited Financial Statements for such period shall be furnished to the World Bank not later than six months after the end of such period.

2.05. Procurement.

(a) General. All goods, non-consulting services and consultants' services required for the Activities and to be financed out of the proceeds of the Advance shall be procured in accordance with the requirements set forth or referred to in:

(i) Section I of the Procurement Guidelines, in the case of goods, works and non-consulting services;

(ii) Sections I and IV of the Consultant Guidelines in the case of consultants' services; and

(iii) The provisions of this Section, as the same shall be elaborated in the procurement plan prepared and updated from time to time by the Recipient for the Activities in accordance with paragraph 1.25 of the Consultant Guidelines ("Procurement Plan").

(b) Definitions. The capitalized terms used in the following paragraphs of this Section to describe particular procurement methods or methods of review by the World Bank of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.
(c) **Particular Methods of Procurement of Goods and Non-consulting Services**

(i) Except as otherwise provided in sub-paragraph (ii) below, goods and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

(ii) The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (A) National Competitive Bidding, (subject to the additional procedures set out in sub-paragraph (iii) below); (B) Shopping; and (C) Direct Contracting.

(iii) The following additional procedures shall apply to National Competitive Bidding:

1. In accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document for, and contract financed out of the proceeds of the Financing, shall provide that: (i) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (ii) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may amount to an obstructive practice as defined in paragraph 1.16(a)(v) of the Procurement Guidelines.

2. Preferences may not be awarded to domestic suppliers or contractors.

(d) **Particular Methods of Procurement of Consultants' Services**

(i) Except as otherwise provided in item (ii) below, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.

(ii) The following methods may be used for the procurement of consultants' services for those assignments which are specified in the Procurement Plan: (A) Quality-based Selection; (B) Selection under a Fixed Budget; (C) Least Cost Selection; (D) Selection based on Consultants' Qualifications; (E) Single-source Selection of consulting firms; (F) Selection of Individual Consultants; and (G) Single-source procedures for the Selection of Individual Consultants.

(e) **Review by the World Bank of Procurement Decisions.** The Procurement Plan shall set forth those contracts which shall be subject to the World Bank's Prior Review. All other contracts shall be subject to Post Review by the World Bank.
Article III
Withdrawal of the Advance

3.01. **Eligible Expenditures.** The Recipient may withdraw the proceeds of the Advance in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the following table. The table specifies each category of Eligible Expenditures that may be financed out of the proceeds of the Advance ("Category"), the amount of the Advance allocated to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Advance Allocated (expressed in Dollars)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non-consulting services, consultants' services, Training, and Operating Costs under the Activities</td>
<td>1,700,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>1,700,000</td>
<td></td>
</tr>
</tbody>
</table>

3.02. **Withdrawal Conditions.** Notwithstanding the provisions of Section 3.01 of this Agreement, no withdrawal shall be made for payments made prior to the date of countersignature of this Agreement by the Recipient.

3.03. **Refinancing Date.** The Refinancing Date is September 1, 2016.

Article IV
Terms of the Advance

4.01. **Service Charge.** The Recipient shall pay a service charge on the Withdrawn Advance Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum. The service charge shall accrue from the respective dates on which amounts of the Advance are withdrawn and shall be paid in arrears in accordance with the provisions of Section 4.02 of this Agreement. Service charges shall be computed on the basis of a 360-day year of twelve 30-day months.

4.02. **Repayment.** The Withdrawn Advance Balance shall be repaid by the Recipient to the World Bank (together with any service charges accrued thereon) in accordance with the provisions of Article IV of the Standard Conditions and the following provisions:
(a) **Refinancing under the Refinancing Agreement**: If, on or before the Refinancing Date, a Refinancing Agreement has been executed by all of its parties, then the full amount of the Withdrawn Advance Balance shall be repaid to the World Bank (together with any service charges accrued on the Advance to the date of repayment) as soon as the Refinancing Agreement becomes effective, by means of a withdrawal by the World Bank of an amount of the Refinancing Proceeds equivalent to the Withdrawn Advance Balance plus such service charges, in accordance with the provisions of the Refinancing Agreement.

(b) **Repayment in the absence of a Refinancing Agreement**: If, on or before the Refinancing Date, no Refinancing Agreement has been executed by all of its parties, or if, by such date or at any time thereafter, it has been so executed but terminates without becoming effective, then:

(i) if the amount of the Withdrawn Advance Balance does not exceed $50,000, it shall be repaid by the Recipient to the World Bank (together with service charges accrued on the Withdrawn Advance Balance to the date of repayment) on such date as the World Bank shall specify in a notice to the Recipient, which shall in no event be earlier than 60 days following the date of dispatch of such notice; and

(ii) if the amount of the Withdrawn Advance Balance exceeds $50,000, it (together with service charges accrued on the Withdrawn Advance Balance to the Notice Date) (the “Aggregate Balance”) shall be paid by the Recipient to the World Bank in ten approximately equal semiannual installments, in the amounts and on the dates (“Payment Dates”) which the World Bank shall specify in a notice to the Recipient. In no event shall the first Payment Date be set earlier than 60 days following the Notice Date of dispatch of such notice. The Recipient shall pay a service charge on the Aggregate Balance at the rate of three-fourths of one percent (3/4 of 1%) per annum, payable in arrears on each Payment Date. The service charge shall be computed on the basis of a 360-day year of twelve 30-day months.

**Article V**

**Recipient’s Representative; Addresses**

5.01. **Recipient’s Representative**. The Recipient’s Representative referred to in Section 9.02 of the Standard Conditions is its minister responsible for finance.

5.02. **Recipient’s Address**. The Recipient’s Address referred to in Section 9.01 of the Standard Conditions is:

Ministry of Finance  
P.O. Box 9111  
Dar es Salaam  
Tanzania  

Cable Address:  
TREASURY  
Facsimile:  
(255) 222 11 77 90  
Dar es Salaam
5.03. **World Bank’s Address.** The World Bank’s Address referred to in Section 9.01 of the Standard Conditions is:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable: INDEVAS  
Telex: 248423 (MCI) or 64145 (MCI)  
Facsimile: 1-202-477-6391