

Project Name Tanzania-Primary Education Development (@)...
Program

Region Africa Regional Office

Sector Primary Education

Project ID TZPE71012

Borrower(s) The United Republic of Tanzania

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Environment Category C (Not Required)

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Country and Sector Background

Over the past four years, the United Republic of Tanzania (Tanzania) intensified macroeconomic policy reforms with the aim of creating a more

stable macroeconomic environment. As a result, Tanzania has progressed significantly in reestablishing macroeconomic stability. Inflation has fallen from levels in excess of 30 percent in 1995 to single digits at 5.0 percent in 2001; the exchange rate remained reasonably stable for the 18 months prior to the recent 15-percent depreciation. Official external reserves increased from about 1.6 months of imports of goods and non-factor services in 1995 to 5.1 months of goods and non-factor services in 2001. The overall fiscal balance, including grants, has had a surplus of between 0.2 percent and 1.6 percent of GDP from 1998 to 2000. The deficit to GDP outturn (excluding grants) was 2.6 to 5.8 percent between 1998 to 2000. In the medium term, however, this improvement will need to be grounded in a strong fiscal system to ensure sustained macro-stability.

Overall, the education system in Tanzania performs far below what is required to meet its development needs. Poor education quality, low access and retention in primary schools are primarily due to insufficient school inputs, resulting in low graduation rates from the system. These issues are further linked to inadequate public funding of the sector, thus high and unaffordable costs imposed on households. At the secondary level, limited public provision, together with increased demand results in expanded private provision and high costs. Increasing public financing of the education sector is therefore essential for improving sector performance to enhance education quality and to expand enrollment coverage.

Objectives and description

The proposed credit is to support Tanzania to reform its primary education system through the Primary Education Development Program (PEDP). The objectives of the PEDP are: to improve education quality, expand school access, and increase school retention at the primary level. The objectives would be achieved through measures to increase and improve resource availability, allocation and utilization; to improve educational inputs; and to strengthen institutional arrangements for effective primary education delivery. The PEDP would include (a) introduction of capitation and development grants for primary schools; (b) further development of educational inputs; and (c) institutional capacity building at central, district, and school levels for efficient operation of primary education system.

Financing	(US\$ million):
Proposed IDA Credit	150
Total Program Cost:	977

An adequate amount of Tanzanian funds to finance the program in 2002 has been included in the recently approved government budget. The budgetary increases particularly reflect the priorities given to the improvement of primary education delivery by local authorities. Total PEDP cost is estimated at 977 million US dollars for fiscal year 2002 to 2004. The projections indicate that external resource requirements would be reduced to zero in 2012 as domestic revenue grows mainly due to economic growth. However, 427 million US dollars of external resources would be needed between FY2005 and 2012. The Bank would provide some of these resources through the proposed IDA Credit of US\$ 150 million. Other donors such as DfID, EU, Netherlands, SIDA, JICA, Ireland Aid, CIDA, have contributed to an adequate resource pool for PEDP for FY 2002. Given the Government's and donor commitments to the development of primary education, adequate resources to ensure a sustainable path for further development of the sub-sector is assured till 2012.

Implementation arrangements

A program Coordination Committee will spearhead and coordinate the implementation of PEDP. The Permanent Secretary, Prime Minister's Office (PMO), chairs the Committee. A Basic Education Development Committee (BEDC), which will be co-chaired by the Permanent Secretaries of MoEC and PO-RALG, and will include a representative of the Permanent Secretary of MoF; the ESDP Coordinators at MoEC and PO-RALG; and the representatives of all ESDP donors, NGOs other stakeholders that are active in education, will oversee and coordinate the mobilization, disbursement, use and accountability of programme funds. This institutional mechanism will be reinforced by an annual joint stakeholders (Government-donors-NGOs) review of the ESDP implementation.

Benefits and risks

The major benefit of the operation is to produce more and better qualified primary school graduates, to establish a solid foundation for building a much strengthened labor force to support the overall development efforts of Tanzania. In addition, decentralized education management will lead to more effective service delivery with greater involvement of schools and communities.

The overall program risk rating is not high given the government's long-term commitment to the sector and institutional development, particularly with the Prime Minister's Office's oversight of the program. Major risks include: (a) Weak coordination between Ministry of Education and Culture (MoEC) and Regional Administration and Local Governments (PO-RALG); (b) Primary school enrollment may exceed program estimates and system capacity in the first year; and (c) Insufficient capacity to manage primary education delivery at the district level. In addition, although Tanzania is in the process of establishing a sound system of formal rules for financial management, issues of non compliance, limited execution, inadequate monitoring, insufficient capacity and lack of enforcement constitute major risks in financial accountability and management.

Poverty Reduction Intervention: Y

Environment category: C

The proposed IDA credit will support, among other things, increased access to primary education on an equitable basis. This will require rehabilitation and construction of schools and classrooms, as well as provision of water supply and sanitary facilities. Public school places would especially be expanded in rural areas and in poor or remote communities unable to provide their own schools or attract private schools. In order to ensure that the construction of these schools and related facilities under PEDP will not incur negative environmental and social impacts, environmental guidelines will be included in the project operational manual. In addition, terms of reference incorporating these guidelines will be provided to each district, school/community and executing agency if applicable before construction begins.

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