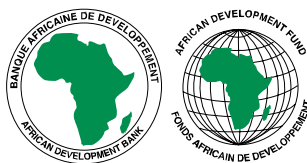


AFRICAN DEVELOPMENT BANK GROUP



TANZANIA

**EVALUATION OF BANK GROUP ASSISTANCE TO
THE EDUCATION SECTOR INCLUDING MICROFINANCE
PROJECT**

**OPERATIONS EVALUATION DEPARTMENT
(OPEV)**

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LIST OF ABBREVIATIONS

ADB	African Development Bank
ADF	African Development Fund
Aids	Acquired Immune Deficiency Syndrome
ALSDPZ	Alternative Learning and Skills Development Project in Zanzibar
CIDA	Canadian International Development Agency
Danida	Danish International Development Assistance
DFID	Department for International Development (UK)
EIIP	Education II Project
EU	European Union
EUR	Euro
FY	Financial Year
GOT	Government of the Republic of Tanzania
GTZ	German Technical Cooperation
HIV	Human Immune-deficiency Virus
IDA	International Development Assistance
KfW	Development Bank of Germany
NGO	Non-Governmental Organisation
OPEV	Operations Evaluation Department
PRSP	Poverty Reduction Strategy Paper
SEK	Swedish Kroner
SELF	Small Entrepreneurs Loan Facility project,
SIDA	Swedish International Development Cooperation Agency
TShs	Tanzanian Shilling
TAF	Technical Assistance Fund
UA	Units of Account
UNDP	United Nations Development Programme
UNESCO	United Nations Education
UNICEF	United Nations Children's Fund
USD	U.S Dollars
VETA	Vocational Education and Training Project
WHO	World Health Organisation

EXECUTIVE SUMMARY

1. *Objective, Scope and Methodology of the Review:* The objective of the evaluation is to review the Bank's policy, strategy and interventions in the education sector during 1979-2004 to identify good practices and shortcomings in order to improve the Bank's future interventions. The evaluation is based on documentary sources and interviews with Bank staff, country officials, development partners' experts, and stakeholders during the country visit. This evaluation report covers the education sector, and is supplemented with an evaluation of other social sector interventions detailed in the last chapter. A separate report covers the evaluation of the Bank's interventions in Tanzania's health sector. Three lending and two non-lending interventions in the education sector were examined together with one micro finance intervention as well as a poverty alleviation intervention. With some of the major interventions still ongoing, it is too early to definitively evaluate impact.

2. *Country Economic Context & Sector Policies:* Tanzania experienced a severe economic decline from 1976 to 1985. Subsequently, the Government initiated macro-economic reforms, transforming the existing static economy to a market-oriented economy carrying out structural reforms, which helped to redress the decline in the education sector. The macro-economic environment in Tanzania has been stable since the late 1990s. The Government has invested seriously in improving the education sector with external assistance. Despite recent years' efforts, a backlog of children not attending primary schools remains. A population growth rate of more than 2% adds to the challenge. Equality in education in terms of both access and gender needs further improvement, as does the quality of education in terms of facilities, infrastructure, equipment, and teachers. However, the current trend is that the combined efforts of the Government and the development partners will enable Tanzania to meet the Millennium Development Goals on education as envisaged. Tanzania is severely hit by the HIV/Aids pandemic and at the end of 2002, about 2 million people were living with HIV. The HIV/Aids has a serious impact on education. In recent years, there have been significant efforts to develop and adopt prudent, forward-looking policies on sector and crosscutting issues such as poverty reduction, gender, environment, private sector participation as well as community participation. There is broad synergy between Bank and Country crosscutting policies.

3. *Relevance of Bank Sector Strategy:* The Bank's education sector policy and country strategy are hinged on the Tanzania Poverty Reduction Strategy. Similarly, the Government is basing its development strategies on the Poverty Reduction Strategy. The Bank and Government policies and strategies are therefore essentially congruent and both aim at improving human capital in order to increase economic growth and reduce poverty. The main difference is in the implementation of interventions, where the Government desires that Bank interventions become an integral part of the overall education sector efforts. The Bank has good education policies, which are in line with other lead donors, such as the World Bank. The Bank policies, however, are hampered by not being related to country-specific challenges, such as the substantial HIV/Aids problem, and the general lack of human resources in the education sector. The education sector is well organised and the Government leads the sector policy dialogue, sector harmonisation and resource mobilization, assisted by development partners, mainly the World Bank, Sweden and the Netherlands. Regarding overall policy development, the Bank has not fulfilled its potential role in the process of developing Tanzania's education sector policies and strategies, mainly due to lack of physical presence.

4. *Evaluation of the Sector Interventions:* The interventions were evaluated using a score from 1 to 4, according to the standard evaluation benchmarks of relevance, efficacy, efficiency, institutional development impact and sustainability. The Bank's education sector interventions are generally rated satisfactory, although the vocational training intervention is rated unsatisfactory. The main strength of all interventions is their relevance, where the average rating is highly relevant. The shortcoming in all interventions is the inefficiency in implementation. This inefficiency relates mainly to delays in fulfilment of loan conditions, delays due to communication problems, inadequate design of components, little use of a participatory approach in the project cycle as well as slow disbursements from both the Bank and the Government, all of which have lowered performance. The major achievements so far have been: (a) providing new or upgraded school facilities, science laboratories, and improved science teaching; (b) training teachers to help them improve their teaching skills (c) the provision of textbooks so children can have universal access to textbooks in the project areas; and (d) the provision of better teaching facilities and contribution to the reduction of class size. The Bank has most importantly supported and contributed to the decentralisation and pro-poor approach to improved education. However, the Bank-supported interventions could improve significantly by increasing implementation speed and user involvement, as these are the major bottlenecks in all interventions.

5. In addition to the evaluation of interventions, other key aspects are rated. The Assistance Strategy is rated satisfactory, while performance from both the Bank and the Government is rated less than satisfactory. The implementation of Bank interventions is the responsibility of the Government, although when projects are constantly delayed there is a shared responsibility on both sides, the Government, by accepting unrealistic project timetables and the Bank, by approving the funding of projects based on over-optimistic plans. When combining the evaluation of interventions with the evaluation of other key aspects, the overall rating is satisfactory but with room for improvement.

6. *Lessons Learned:* a) projects improve by implementing a participatory approach throughout the project cycle and involving stakeholders at all relevant levels; b) successful and innovative policy dialogue with development partners can lead to the design and implementation of an innovative project; c) user fee policy in education creates negative incentives for school enrolment especially for poor families.

Recommendations

7. *To the Government:* a) the Government should increase efforts to improve the human resources problem in the sector; b) the Government should ensure that Project Managers promote project objectives by effectively managing, implementing and reporting; c) opportunities in the job market should be defined before embarking on new projects in this area.

8. *To the Bank:* a) the Bank should join the SWAp and participate in the policy dialogue to improve interventions and to assist Government's sector administration; b) the Bank should increase support and follow-up on innovative projects, so vulnerable out-of-school children benefit; c) to improve efficiency and impact, the Bank should improve implementation of its participation policies, reduce the work load of task managers and increase the quality of its appraisal procedures and staff training in implementing agencies.

1. BACKGROUND

1.1 Evaluation Objectives

1.1.1 The evaluation of the education sector has three objectives: a) To assess over the years 1979-2004, the relevance of funded activities through projects; b) to assess the effectiveness of Bank support to the Tanzanian education sector in improving education system delivery, access to educational services, promoting changes in education sector policies and institutional reforms; and c) to identify lessons from experience in order to strengthen the Bank's future policies and procedures and improve quality of the Bank's operations.

1.1.2 The review critically analyses the extent to which the strategies of lending and non-lending activities of the Bank matched Tanzania's education priorities. It assesses the impact of the interventions of the Bank in the education sector showing linkages between the goals/objectives and the outcome indicators targeted by the Bank. Thus, findings and recommendations of this review would serve as inputs for the evaluation of the Bank Country Assistance Strategy in Tanzania as well as for future sector evaluation and studies.

1.2 Scope and Methodology

1.2.1 The review documents from past and recent lending and non-lending activities of the Bank in the education sector and evaluate the strategies employed over the years in order to draw the lessons of experience and provide recommendations for the future interventions. The evaluation is based on a review of the available documents such as Appraisal Reports, Project Completion Reports, Country Portfolio Review Reports, Country Strategy Papers, Supervision Mission Reports and Annual Portfolio Reviews, of on-going and completed interventions in the education sector. The review takes into account the evolution of the Bank's strategies and policies with respect to the changing emphasis on the development agenda such as crosscutting issues - governance, gender, poverty, environment, HIV/Aids, community participation and regional integration. It also takes into account the impact of policy documents introduced at different periods, and the evolving operational guidelines and procedures adopted over the years in managing the portfolio of the Bank¹.

1.2.2 The methodology includes interviews with staff of the Bank, the Government, implementing agencies, development cooperation partners and other stakeholders who have first or second hand knowledge of the Bank-supported interventions. The methodology relies on field missions in Tanzania from 6th to 17th December 2004 to share the views of the various stakeholders in the sector and to assess results. Interviews and focus group discussions were carried out with end-users, including the education staff and members of the public, who have been the main targets of the education sector investments². The evaluation focuses on the education sector, but is completed with a review of one other social sector project on poverty reduction and micro finance. The evaluation benefits from adequate data and publications by the Government and Development Partners, however, with less data concerning the vocational education and training project, VETA.

¹ See Bank Policies list, Annex 2.

² The Evaluation Team would like to thank all individuals and organisations collaborating in the Evaluation.

1.3 Socio-economic Context

1.3.1 Tanzania is a vast country of 945,000 km². In 2003, the population was estimated to be about 37 million with an annual increase rate of 2.3%. Mainland Tanganyika became independent in 1961 and Tanzania came into existence in 1967 after the union of Tanganyika and Zanzibar. The Government adopted a socialist path and from 1976 to 1985, the country experienced a severe economic decline. From the mid-eighties, the Government undertook macro-economic reforms to change to a market-oriented economy. Inflation has gone down significantly from 36% in 1990 to 5% in 2002³. The Gross Domestic Product (GDP) per capita (in 1995 international price) increased from USD 519 in 1985 to USD 540 in 1990. It then decreased to USD 503 in 1994 before it increased again to USD 540 in 2001. Despite fluctuations, the more recent data confirm an economically optimistic picture and show an annual increase of GDP per capita (at constant 1992 prices in Shilling) of 3.8% between 2001 and 2003.

1.3.2 Poverty and increasing inequalities remain a major concern. Calculations based on data from 1991/1992 and 2000/2001⁴ surveys show a statistically non-significant decrease of the basic needs poverty line from 39% to 36%, while the absolute number of poor increased by nearly 2 million. Tanzania's Poverty Reduction Strategy Programme was developed through enhanced consultative meetings and cooperation between the Government and the donor community has since 2000 guided donor interventions in an effort to address the poverty challenge. In general, growth in Tanzania is hampered by the low tax base and domestic revenue/GDP ratio of around 12%, which makes it difficult to reduce poverty based on own resources. Tanzania's external debt stood at almost USD 7 Billion by the end of 2002 and the recent decrease in external debt is due to the HIPIC initiative. Recorded unemployment stood at 2.3 million in 2001 or 13% of the total labour force. In Dar es Salaam alone, 46% were unemployed and this constitutes a major problem for the youth.

1.3.3 The Government has mobilised external assistance and invested seriously in upgrading the education sector. The total primary school enrolment has increased over the last ten years from 3.8 million pupils in 1995 to more than 7 million pupils in 2004. The increase is 83% and the similar increase in secondary school enrolment is of 120%. This rapid growth in enrolment, however, is not followed by similar improvements in facilities, infrastructure and number of teachers. One example is the number of primary education teachers increased by 15% in the same decade as the pupils increased by 83%. This has resulted in the primary education teacher/pupils ratio to weaken from 1:37 in 1995 to 1:58 in 2004.

1.3.4 Previous burgeoning population growth rates are inhibiting access to modern and high quality educational services. Poverty and cultural beliefs about girl children lead to high girl absenteeism and girl drop out rates especially in rural areas. Girls are often married and/or become pregnant at a very young age, leading to school drop-out, lack of knowledge of contraception, and increasing population rates and lack of proper family planning. Recent years' efforts have improved education, but a backlog of children not attending schools in previous years still remains and the task ahead is enlarged by the HIV/Aids impact on teachers and by an annual population growth rate of more than 2%, although gradually declining. In view of the challenges, it is positive that with the current level of efforts and the increased achievements being made, Tanzania will meet the Millennium Development Goals

³ ADB: *Selected Statistics*, 2004.

⁴ More recent data are not available to this mission.

on education as envisaged⁵. Equality in education, both in terms of access to primary education for all and in terms of equal gender schooling frequency needs further improvement, as does the quality of education in terms of facilities, infrastructure and teachers.

1.4 Country's Historical Relations with the Bank

1.4.1 The Bank has been engaged in lending and non-lending operations in Tanzania for more than three decades. The first project financed by the Bank in 1971 was around UA 3.0 million for Oil Pipeline and Tankage Facilities. Tanzania was one of the first countries to receive debt relieve on the HIPC.

1.4.2 The total cumulative approvals for Tanzania stood at close to UA 810 million for 91 interventions at the end of 2003. This is 2.4% of total cumulative Bank loans and grant approvals for Africa for the same period. Over a five year period, 1999-2003, the Bank's total loan and grant annual approvals to Tanzania was of average around 41 million but with big variations from around UA 8 million in 2000 to approximately UA 119 million in 2001. The cumulative distribution of Bank approvals by sector for the period 1967-2003 is given below in percentage for Tanzania and in total for Africa⁶.

Table 1. Loan and Grant Approvals by Sector, 1979-2003

Sectors	Tanzania	Tanzania	Africa	Africa	Difference
	(Million UA)	%	(Million UA)	%	
Social Sectors	75	9,2	3 901	11,7	-2,5
<i>Health Sector</i>	18	2,2	1 217	3,7	-1,4
<i>Education Sector</i>	50	6,2	2 195	6,6	-0,4
Agriculture and Rural Development	144	17,8	6 132	18,5	-0,7
Power/Energy	68	8,4	3 134	9,4	-1,0
Telecommunications	28	3,5	911	2,7	0,7
Water Supply and Sanitation	90	11,1	2 500	7,5	3,6
Transport	213	26,3	5 325	16,0	10,3
Industry and Mining	32	4,0	1 928	5,8	-1,8
Financial Sectors	10	1,2	4 503	13,6	-12,3
Multi-Sector	149	18,4	4 881	14,7	3,7
Total	809	100,0	33 215	100,0	0,0

Source: African Development Bank, *Compendium of Statistics on Bank Operations*, 2004.

1.4.3 The education sector in Tanzania has received 6.2% of the total approvals to the country compared to the similar education sector share of total approvals for Africa of 6.6%. The social sectors in total received relatively less support in Tanzania compared to Africa. Last years opening of a Bank Country office in Dar es Salaam has signalled increased collaboration between the Government and the Bank.

⁵ UN, *Millennium Development Goals Needs Assessment, Tanzania Country Study*, January 2004, p. 156.

⁶ African Development Bank: *Compendium of Statistics on Bank Operations*, 2004.

1.4.4 Up to end of 2004, the Bank's approved cumulative assistance to Tanzania's social sectors has been more than UA 74 million, as show as table 2. Within the social sectors, the education received the biggest support with around two thirds of the total Bank support to the social sectors, while health received approximately one quarter.

Table 2. Bank Assistance to the Social Sector of Tanzania (in UA end December 2004)

Sector	Instrument				Status		To start
	Loan	Grant	Net Signed	%	Completed	Ongoing	
Health	2	2	18,132,574	24%	1	3	
Education	5	2	48,382,086	65%	2	3	2
Poverty Alleviation, Micro-finance	1	0	8,000,000	11%	0	1	0
Total Social Sector	8	4	74,514,660	100%	3	7	2

Source: African Development Bank

2. REVIEW OF THE BANK'S ASSISTANCE STRATEGY

2.1 The Bank's Education Sector Policy

2.1.1 The Bank has consistently paid attention to the development of human resources in its Regional Member Countries. By progressively developing and publishing policy documents to guide its interventions in the social sectors, the aim has been to improve access and quality of education and health, to promote gender equity and reduce poverty (see Annex 2). The first Bank Education Policy was outlined in the 1986 Education Sector Policy Paper, which emphasised the early years of schooling. From 1975 to 1990, the Bank's support focused on secondary education, including vocational and technical training. In the period 1985-1990 almost half of the total Bank support to education went to the Secondary level. This changed in the following decade as 52% of the total educational support was allocated to the primary education level; thus, in the early 1990s emphasis was on improving access to basic education in Regional Member Countries.

2.1.2 In the revised Education Sector Policy of 1999 the Bank took a more holistic view of education and the education sector. The revised education policy was to promote more flexible, efficient and cost-effective interventions under the overall Poverty Reduction Strategy. The main challenges towards reaching the desired "quality basic education for all" and for reaching improved secondary level education were identified as being: a) limited access to education at all levels; b) unequal access to education; and c) poor quality of education.

2.1.3 The 1999 policy paper advocates for other sub-sectors of education, secondary, technical and vocational and tertiary, to also receive adequate attention, thus trying to secure a balanced development of education in Africa whilst continuing to stress the need to improve access to basic education. Furthermore, the new policy document recognises that education is a collective undertaking requiring community participation. The policy places greater emphasis on impact, ownership, and on sustainability of educational outcomes. It also recommends that adequate attention be paid to the availability of trained teachers, the curriculum, and quality-enhancing materials. In this Education Sector Policy Paper, the Bank

recognised the diversity among its Regional Member Countries necessitating a differentiated and fine-tuned approach to its education sector interventions. The Bank showed the way forward with a participatory approach to develop the new policy paper through extensive consultations with experts and managers in education and with NGOs and the national public representing the Regional Member Countries. This consultation process culminated in an international stakeholders' workshop in Abidjan March 1999.

2.1.4 Globalisation and more prominent science and technology were seen as the new challenges to education in Africa. The strategy to address the challenges was to focus assistance to improve the poor education quality, the poor management and planning and the poor financing capacity. In meeting the challenges, the Bank calls for improved access especially to disadvantaged groups. Another noteworthy aspect of the new policy is on vocational and technical education. The policy recognises the involvement of private and public employers in the development of adequate education. It is rightly implied that this lack of participation tends to isolate vocational training into a rather static or rigid continuation of previous training modules instead of a dynamic educational development process.

2.1.5 The Bank's education policy is very similar to the formulation of other development partners', notably World Bank. It could be argued that in general the World Bank is spearheading the policy development process with the Bank following track. However, in terms of transforming education policies into practice, the interventions of the World Bank and the Bank differ significantly: a) The World Bank emphasises primary education whilst the Bank strives to maintain a balanced support to all three levels, primary, secondary and tertiary; b) the World Bank has moved away from "hardware" support towards institutional support, with the Bank still focusing on the "hardware"; c) World Bank has moved to a Sector Wide Approach (SWAp) with institutional reforms and budget support, whilst the Bank remains more inclined to the project oriented approach. The present development in the education sector tends to emphasise the SWAp and it is expected that the Bank's policy, in this respect, will come under increased pressure, both from Tanzania, other countries and from the other development partners. It should be added that harmonisation implied in the SWAp and the anticipated results in terms of increased Aid efficiency is in accordance with the Paris Declaration on Aid Effectiveness⁷.

2.2 The Bank's Strategy for the Country

2.2.1 The interventions of the Bank in the education sector are based on the strategies defined in its policy documents towards the Regional Member Countries. Before 1996, the interventions were based on the *Economic Prospects and Country Planning Documents*. It was noted in 1993, that in the pre-Economic Recovery Programme period, the strategic sectors of health and education suffered cutbacks⁸. This was worsened by weak government service and the Bank's planned commitments for the period 1988-90 was only attained 63% and towards Social Services nothing materialised. Since 1994, the interventions have been defined in the *Country Strategy Papers*. In the first Country Strategy Paper 1996-1998 for Tanzania, the Bank supported improvements in technical and vocational training to promote education of marketable skills to youth in an effort to reduce the unemployment rate.

2.2.2 In the 1996-1998 Country Strategy Paper, the Bank reaffirmed its strategy to support skills training for the youth. The 1996-98 Country Strategy Paper noted that: (a) Primary

⁷ Paris Declaration on Aid Effectiveness, March 2005.

⁸ *Economic Prospects and Country Programming Paper 1993-95*, March 1993, p.7 and 37.

School Enrolment ratio fell from 95% in 1984 to 66% in 1987, although it had recovered to 72% by 1992; (b) curricula were still outdated, and teaching/learning materials were relatively scarce; (c) the state of school buildings was mostly unsatisfactory; and (d) teachers' skills were outdated. The paper noted that Tanzania was facing considerable development problems, including the fact that the human resources potential of Tanzania was adversely affected by the sharp decline in health and education spending in government budgets during the recession years up to 1984, and that public spending in health and education had increased only gradually since the recession. The Paper noted that with the government's new Integrated Social Sector Investment Strategy in 1995, there was agreed renewed emphasis on social sector investments in which the Bank could assist in because it reflected the Bank's social sector and poverty-alleviation policies. In the 1996-1998 Update, the Bank stressed the fact that priority sectors for continued support included the Social Sector (education and health). Provision was also made for policy-based lending and direct interventions for multi-sectoral poverty alleviation programmes.

2.2.3 In the 1997 Country Portfolio Review Report⁹ it is confirmed that the performance of the Bank's social sector interventions has been weak. The major problems were the Vocational and Technical Training Project, which was problematic in most of its implementation period. The strategy to avoid similar problems was to pay greater attention to the institutional capacity of the executing agency and adequate counterpart funding. In the 1999-2001 Country Strategy Paper, the Bank stressed the provision of further support in the social sector by building on the existing interventions and by channelling the assistance through sector development programmes in total coordination with the other donors. In the education sector, the Bank commended the Government's increased emphasis on improving education, in particular the adoption of the 1997 Basic Education Master Plan. The Bank noted that this plan and the Education Sector Development Programme would "improve donor co-ordination in the education sector"¹⁰. Yet, the Paper did not describe the modality for the donor coordination, nor how the Bank would fit into this arrangement in helping develop education.

2.2.4 In the 2002-2004 Country Strategy Paper, the Bank support in the social sector was aimed at assisting the government to sustain its human capital development efforts as this was essential for the country to achieve the higher growth rates needed for sustained poverty reduction. In fact, the Bank's interventions in the education sector were seen to be complementing the assistance of other donors by focusing on vocational and technical education. This aimed at improving and providing more equitable access to vocational education through the improvement of the training facilities in under-served regions, increasing the number of girls completing basic education, which in turn should increase the employability and labour-market entry of intermediate-skilled workers.

2.3 Government's Policies and Strategies in Education

2.3.1 The Tanzanian Education Sector Policy has undergone several different changes since 1961. All have aimed at improving the quality of education and strengthening the link between all levels of education and the social and economic development of Tanzania. However, the 1990s' indicators for education were not very promising: low enrolment, high drop-out, education that was not relevant, growing illiteracy rates etc. In view of this development, Government recognised that allocations for educational services have failed to

⁹ ADB, *Country Portfolio Review Report*, October 1997, p. 33.

¹⁰ *Country Strategy Paper 1999-2000*, p. 11.

produce the desired impact on educational indicators. Until the formulation of a comprehensive education and training policy in 1995¹¹, Government's education programmes and practices of education and training were based on and guided by master plan developments. All programmes and master plans had intended to improve access, equity and the quality of education in the country. More emphasis was given to the provision of primary education with the introduction of Universal Primary Education, Post Primary Technical Training Centres, and diversification of the secondary schools.

2.3.2 The 1995 Education Policy confirmed the need for enhancing the partnership and enabling the environment for the participation of the private sector in the provision of education and training and the need for broadening the financial base for education and training through more effective control of government spending, cost sharing and liberalization strategies. The policy was to improve the quality of education through in-service teacher training programmes, and strengthening the integration of the formal and informal education relationship, promoting science and technology, increasing access to basic education by focusing on equity issues with respect to girls and women, disadvantaged groups and areas in the country, and finally facilitating the growth of education for-job-creation and self employment through increased availability and opportunities for vocational education and training.

2.3.3 The Policy argues for a SWAp in which all sub-sectors in education would be linked up as part of one education system. The policy saw the SWAp as a better instrument to effectively increase the human resources development and to mobilise the necessary financial resources. Before 2000, many stakeholders were involved in the development of an Education Sector Development Programme. In July 2001 the first sub sector programme emerged; the Primary Education Development Programme. In July 2004, a second sub sector programme as part of the Education Sector Development Programme was approved; The Secondary Education Development Programme.

2.3.4 In Tanzania, the Vocational and Professional Training is under the responsibility of the Ministry of Employment through the Vocational Education and Training Authority, which was established by the 1994 Act. This institutionalised the Vocational Education and Training Board responsible for developing policies and procedures for the use of the Vocational Education and Training fund. The main objectives and functions of Vocational Education and Training Authority are to provide vocational training opportunities that: a) meets the needs of both the formal and informal sectors; b) provide the labour market with necessary skills; c) promote the entrepreneurial values and skills needed for self-employment in rural and urban areas; and d) contribute towards poverty alleviation and employment.

2.3.5 The 1995 Policy further confirmed the need for enhancing the partnership and enabling the environment for the participation of the private sector in the provision of education and training. The Government's strategy has been to ask communities and the private sector to support secondary expansion. The economic reforms in general, and the educational sector and local government reforms in particular, provide the framework for the reforms and hoped for improvements in the educational sector. An ultimate goal of the reforms is for the community, the local government, and the schools to operate on a self-sustainable basis. The reforms have introduced the concept of cost sharing. Hitherto, the practice has been for social services (water, medicine, education) to be provided free. Under

¹¹ United Republic of Tanzania, *Education and Training Policy*, Ministry of Education and Culture, February 1995.

the reforms, the communities are required to contribute to the costs of the educational services. The Government has been successful in its efforts as the number of schools built by the private sector including NGOs and communities have increased.

2.3.6 The Government is striving to overcome the challenges and improvements are visible. In primary education the Gross Enrolment has improved from 1995 to 2004 by 77.6% to 106.3% and with similar Net Enrolment Ratio from 55.4% to 90.5%, which implies that Tanzania is catching up on the backlog from years of missed education access and is now approaching education for all. The improvement is also visible in terms of gender as the 2004 Gross Enrolment ratio of female is 104.2% and Net 89.7% compared to male: 108.3% and 91.4%¹². The key figures indicate progress but at the same time underscore the importance of continuing the efforts to improve access and equality in education and meet the educational Millennium Development Goals. The Government intends to increase the focus on quality of education in parallel with its efforts to provide education to all. In so doing, the Government should review and update its policy and Educational Sector Development Programmes, where the main focus is on quantity rather than quality.

2.4 Relevance of Bank Assistance Strategy

2.4.1 The Bank assistance strategy and policies have in general been highly relevant to the education needs of Tanzania. The Bank's goals of promoting sustainable economic growth and reducing poverty in Africa by investing in human capital development, human capital, here defined as increased access to education, better health and more gender equity and the education sector interventions meet these goals. The Bank's members, including Regional and Non-Regional countries, share this goal, which also has been assumed by the international community through the Millennium Development Goals¹³ to be attained by 2015.

2.4.2 With both the Government and the Bank having poverty reduction as the overall goal, their objectives of the education support and the education policies are thus corresponding. They both share the aim to improve the human resource base and reduce poverty as specified in the Tanzania Poverty Reduction Strategy. The Bank strategy for support is to some extent hampered by the slow implementation of interventions. The support to key areas like technical training is implemented at such a slow pace that the Tanzanian sector strategies overtake the Bank supported projects. Examples of this is technical training at secondary level, where Tanzania is changing its emphasis on this type of training and in vocational training, where the previous support has been too hardware focused and is similarly lacking touch with current developments.

2.4.3 On the overall, however, the Government seems to appreciate the Bank's strategy of trying to keep a balanced support involving all the different levels of education as supplement to the thrust of primary level investments. The Government is rather worried over possible duplication of efforts by the Bank maintaining a more project-focused approach, with little attention to overall sector plans and timing. The Bank's strategy differs from the Government's strategy for implementing the education sector investments by having a

¹² United Republic of Tanzania, *Basic Statistics in Education*, 1995-2004, Ministry of Education and Culture, July 2004, p. 21-22.

¹³ The Millennium Development Goals formulated by the United Nations in 2000 aim at: a) eradicating extreme poverty and hunger; b) achieving universal primary education; c) promoting gender equity and empower women; d) reducing child mortality; e) improve maternal health; f) combating HIV/Aids, malaria, and other diseases; g) ensuring environmental sustainability and h) developing a global partnership for development.

separate Project Implementation Unit (PIU) and having administrative procedures separate from the SWAp modalities. In terms of the Bank's education policies, it could be argued that the Bank would have a larger impact in the education sector, by joining the SWAp and working towards specific areas that today has less attention in the SWAp. By ensuring that the SWAp in its planning pays more attention to the balanced approach, including the vocational training and the inclusion of education to vulnerable groups in the country, the Bank would be fully in line with the Bank's education policy and the overall education priorities of Tanzania.

2.4.4 In general, the evaluated Bank investments in the education sector constitute an appropriate response to the financial constraints of Tanzania to accelerate progress towards Millennium Development Goals. However, to produce the expected outcomes and impacts in the long run, the investments face limiting and enabling factors at different phases of project cycle that must be evaluated in-depth.

3. EVALUATION OF RESULTS: LENDING OPERATIONS

3.1 Lending Operations to the Education Sector

3.1.1 The Bank has supported three lending projects in education and of these one project is completed and two are ongoing. Furthermore the Bank has approved another lending project, the Education III, which is still to start and therefore not part of this evaluation. The total lending interventions approved are as follows:

Table 3. Bank Lending Interventions to the Education Sector, (in UA as at Dec. 2004)

Project Title	Approval	Signed	Start	Last Disb.	Net Signed	Disburs. %
Vocational Training Project	19-Dec-78	16-May-79	16-Apr-81	3-Mar-97	5,365,834	100
Education II Project	10-Dec-97	5-May-98	27-May-99		20,000,000	53
Alternative Skills Dev. Zanzibar	31-Oct-00	30-Jan-01	24-Dec-01		5,560,000	13
Education III Project	9-Jul-03	15-Sep-03			14,220,000	0
Total Lending					45,145,834	37

Source: ADB Data.

3.1.2 The Vocational Training Project was aiming to strengthen vocational and technical training in Tanzania. The project was mainly supporting construction, furnishing and equipping of student boarding facilities, additional school buildings, workshops and staff housing. This was supplemented by support to strengthen the PIU and staff training. The project was part of Government efforts to expand the vocational training centres countrywide. However, the implementation period included some of the years where Tanzania faced economic difficulties and the implementation dragged on for long time and at the time of completion in 1997, the project had only utilised approximately UA 5.5 million, leaving more than UA 1 million of the original loan unutilised. Despite the surprisingly long duration from approval in 1978 to finalisation in 1997 (a total of almost 19 years), the Borrower had problems in providing audited accounts and the performance was rated unsatisfactory in the Country Portfolio Review Report¹⁴.

3.1.3 The objective of the ongoing Education II Project is to assist the Government in achieving its long-term goals for the education sector. The project will provide broad-based support for more equitable access to primary and secondary education, quality improvements

¹⁴ ADB, *Country Portfolio Review Report*, October 1997, p. 31.

of education and expansion of non-formal education. From the Bank's previous experience, the major risk faced by the project was seen to be the likelihood of counterpart funding might not be readily available. The disbursement rate of 53% 5 years after project start indicates the somehow typical delayed implementation process of the Bank's interventions in the education sector.

3.1.4 The ongoing Alternative Learning & Skills Development Project in Zanzibar aims at contributing to human resource development and poverty reduction by providing alternative learning, skills and employment opportunities to out-of-school youth. The objective of the project is to improve the quality of training, non-formal education, and to link education to labour market needs. The project is quite innovative but the utilisation of project funding has been rather slow with 13% three years after start.

3.2 Relevance

3.2.1 Taken as a whole, the three lending interventions in the education sector are highly relevant to Tanzania's sector priorities. They respond to the needs for improving access to educational services in a country where access to education is not yet universal and where youth unemployment and school drop rates are high.

3.2.2 The Vocational Training Project was relevant and in line with the plans at the time of approval in 1978 but in today's competitive environment, a similar project would have to be adjusted. The Education II Project's construction of science labs, technical colleges, business incubator units, and out-of-school youth training centres, as well as provision of furniture, and other educational equipment and textbooks are all highly relevant. However, the delayed implementation of the Bank's projects combined with the Bank's approach to be outside the sector-wide approach places a risk of changes in overall sector priorities and strategies in the midst of implementing a Bank supported intervention, thus affecting overall relevance of interventions.

3.3 Achievement of Objectives (Efficacy)

3.3.1 The projects are likely to achieve their objectives consisting in improving access to education, to vocational training and increasing access to improved quality of teaching. For instance, with the Bank's interventions, sciences laboratories in 36 secondary schools have been constructed allowing education in science for 120 students annually each school when construction is completed. The interventions have also contributed to Government's effort to achieve the two educational Millennium Development Goals regarding improving access for all children to basic education and gender equity in education. However, more efforts are needed for Tanzania to achieve the educational Millennium Development Goals completely. There is a long way to go before education has improved sufficiently but there is statistical progress in the sector and some of the success can be attributed to the Bank's interventions.

3.3.2 The achievement of objectives in the Bank-supported interventions seem to be forthcoming although hampered by the slow progress. This is especially the case in the Vocational Training Project, where the long delay is bound to have a negative impact on the achievement of objectives. In the schools visited the supported facilities were well used and textbooks were utilised. Discussions with education staff proved that the Bank has contributed to improving both access to and the quality of education in Tanzania.

3.4 Efficiency

3.4.1 Efficiency of interventions is among other things determined by the Quality at Entry. The delays in meeting loan conditions have delayed all of the Bank projects. Almost all stakeholders mention the problems associated with start-up delays as a factor negatively affecting project efficiency. This is amplified by the continued delays during implementation, leading to inefficiency, as it tends to frustrate the implementing agencies and the staff involved.

3.4.2 The recipient organisations mention a need for a more participatory dialogue during the preparatory phase. If the preparatory process is not involving all relevant stakeholders in the project design, this often leads to difficult and inefficient project implementation. One example is in the Education II Project, where a more thorough dialogue probably could have contributed to improving the quality of entry.

3.4.3 Audit reports for the Education II Project provide a brief assessment of progress to date. The project's audit reports clearly show that achievement of objectives and targets is some two thirds behind schedule, and about three years late, due to a number of problems. The problems outlined in the auditor's report, which concerns the Education II component on Zanzibar include delays in submission of accounts to auditors for purposes of audit and delays in execution of contracts leading to breaches of contracts by contractors. The delays in implementation were noted in the Bank Project Supervision Report Mission of August 2004. The report assumes that the project can make up progress by the revised completion date of June 2006¹⁵.

3.4.4 The problems stemming from inefficient communication between the implementing agency and the Bank have contributed to reduced efficiency regarding time spent on activities for all the projects reviewed. Delays in implementation ultimately led to increased salary costs of Project Implementation Unit staff and consultants hired. In order to increase efficiency, the Bank Task Managers have to reduce their large portfolio in order obtain sufficient time to address adequately the project problems.

3.4.5 The Bank interventions are implemented with two set of rules and regulations have to be followed, that is the Government's s well as the Bank's. The administrative burden of two sets of systems and procedures are high, especially given the situation with insufficient resources at both the Bank and the public sector in Tanzania. It also, as some of the auditors' reports on Education II suggest, opens the way for lack of transparency when several organisations are involved and communication and follow up are difficult.

3.4.6 In general, implementation and performance of the educational interventions are deemed to be inefficient and with considerable time over-run. The main reasons for this classification are: (a) inadequate communication between the Bank and lending institutions; (b) bureaucratic tendering and procurement procedures and; (c) changes in procurement procedures introduced by government, changes which have subsequently been reversed but which led to a three year delay in procurement to enable construction to start; d) lack of enough human resources in the implementing agencies and the Bank.

¹⁵ ADB, *Project Supervision Mission, Education II Project*, August 2004, p. 2.

3.5 Institutional Development Impact

3.5.1 Operating through the national institutions by default should, it might be argued, contribute to institutional development. In Zanzibar this seems to be the case as the PIU there is staffed with Government staff from the relevant ministries and institutions, persons who are likely to remain after project completion. However, that may not be the case if management resources and systems are insufficient to meet the challenges of implementation. In such cases, the institutional development impact would probably be higher if the Bank joins the common Sector Wide Approaches as favoured by the government. Another option is to emphasise more on supporting the institutional development process in institutions relevant to the projects.

3.5.2 The major problem hampering the potential institutional development impact from the support is the general staffing problems in Tanzania's education sector. It seems fair to say that the magnitude of possible institutional strengthening from Bank-supported interventions cannot possibly cope with the inadequate staffing in the education sector. The human resource challenges in the sector have to be met in a more systematic way and by a concerted effort involving the Government and all development partners. This is in line with the evaluation results from 2001-2002, stating the importance of Government providing adequate staffing¹⁶.

3.5.3 Institutional development has been undertaken in all Bank supported projects. The activities include training of trainer's courses and in-service training to stimulate stronger and more developed institutions. The institutions benefiting are primary and secondary schools, technical secondary schools, vocational training centres, documentation and information management centres, skills development centres, alternative learning centres and business incubators. However, the degree of institutional development could probably be improved if the Bank participated effectively in institutional development at sector level and had pursued institutional development more decisively in a participatory manner throughout the project cycle.

3.6 Sustainability

3.6.1 The main challenge to sustainability of interventions is on the Government's ability to sustain the funding of continued maintenance and replacement of facilities improved in Bank interventions. The buildings, the infrastructure and the textbooks need continued updating and maintenance and the current Government budgets are low. The progress made in the education sector is partly due to Government abolishing school fees as part of the education strategies. The development partners contribute considerably to enable the Government to make the ends meet in spite of the huge educational challenges. For this to continue, the Government will need to continue improving its track record in strengthening the management capacity of educational institutions.

3.6.2 At present, the schools have limited resources for proper maintenance, and where preventive maintenance is not institutionalised or even prevented from lack of resources, the overall sustainability is at stake. Furthermore, preventive management procedures combined with private sector involvement have to be built into running these services for schools to be sustainable in the future. The available project review reports, and the Bank supervision reports, point to possible problems of sustainability in the education projects. However, the

¹⁶ ADB, *Review of 2001-2002 Evaluation Results*, OPEV, March 2004, p. 36.

facilities are utilised and parents and teachers seem determined to sustain the progress, and with combined efforts sustainability looks more positive.

3.6.3 In conclusion, the sustainability of the interventions is considered satisfactory, although there is room for improvements and the human resources aspect has to be addressed. The sustainability will ultimately rest with the users of the education services but the Bank could have played a more important role in addressing these aspects at sector policy and strategy level and by using a more participatory approach in the project cycle.

4. EVALUATION OF RESULTS: NON-LENDING OPERATIONS

4.1 Economic and Sector Work/Policy Dialogue

4.1.1 During the period evaluated, the Bank has not been actively involved in education sector policy dialogue nor in the economic and sector relevant work, but this is expected to improve after opening the Bank Country Office. The contribution has mainly been through the non-lending interventions, which are again linked to the lending operations covered in the previous chapter. The Bank has approved the following three non-lending interventions, out of which one is completed, one is ongoing and one is yet to start and thus not part of this evaluation.

Table 4. Bank Non-lending interventions to the Education Sector (in UA as at Dec. 2004)

Project Title	Approval	Signed	Start	Last Disb.	Net Signed	Disburs. %
Employm. & Tech. Educ. Study	23-Jun-93	23-Jul-93	12-Jun-96	21-May-99	626,252	100
Alternative Skills Dev. Zanzibar	31-Oct-00	30-Jan-01	24-Dec-01		1,010,000	41
Strategic Action Plan Voc. Educ.	9-Jul-03	15-Sep-03			1,600,000	0
Total Non-lending					3,236,252	37

Source: ADB Data.

4.1.2 The *Employment and Technical Education Study* was meant to establish a framework for future policy and action to promote technical education and employment and was executed by the Planning Commission under the President's Office. The start up was delayed 3 years and there were further 3 years of delays in implementation before completion. Although the delays hampered the impact the study was rated marginally successful¹⁷. The *Alternative Learning and Skills Development Project* in Zanzibar was the result of a process that began with Government's programme to improve access to and the quality of education in Tanzania. The Zanzibar Education Master Plan identified out-of-school children as a special target group for alternative educational approaches. The Bank secured Dutch trust funds to finance a study on "alternative learning for out-of-school children" in 1998. The Alternative Learning and Skills Development Project in Zanzibar was born from this. Thus the planning stages for the project involved targeted policy dialogue between the Government of Zanzibar, the Bank and key stakeholders in the education sector and were the result of a careful preparation period and study.

4.1.3 In terms of sector related work and policy dialogue the Bank is clearly welcome by the Government and other sector stakeholders, but the Bank has not been prominent in sector work. The Bank is contributing indirectly from its interventions but in Tanzania's education

¹⁷ ADB, *Country Portfolio Review Report*, October 1997, p. 31.

sector, the Bank is project focused rather than sector oriented. Internally, however, the Bank has been quite rapid when necessary. An example is the addendum to the ‘Tanzania: 2002-2004 Country Strategy Paper’¹⁸, written one month after the paper was issued. The Addendum was issued to meet the requirements of the Boards for additional information on a few areas highlighted during discussions on the Country Strategy Paper and to bring recent developments to the attention of the Boards. The issues include the linkage between the Country Strategy Paper and the Poverty Reduction Strategy Paper, selection of areas of intervention, the updated HIPC Debt Sustainability Analysis.

4.1.4 The Government leads the dialogue and the work in the education sector and in general the sector is well organised in terms of sector dialogue and coordination. Many stakeholders were involved in the intense dialogue leading to the development of an Education Sector Development Programme, although notably not the Bank. In July 2001 the first sub sector programme emerged: Primary Education Development Programme and this paved the way for the sector wide approach in education.

4.2 Resource Mobilization/Co-financing

4.2.1 At sector level, the Bank has not been active in resources mobilisation and co-financing. In general, the Bank has provided the resources in collaboration with the Government and to a limited extent by mobilising other resources, as the Dutch Trust funds mentioned above. The Bank Supervision Summary for the Alternative Learning and Skills Development in Zanzibar provides information on Government counterpart funding of an extra 29 Million TShs, which the Government of Tanzania released in 2004 to fund on-going civil works¹⁹. Delays in disbursing funds are found both on the Government and on the Bank’s side. Due to delays in disbursing the 3rd Replenishment, the National Bank of Commerce allowed the Alternative Learning and Skills Development in Zanzibar to run an overdraft until funds would be replenished²⁰. Another aspect of co-financing is in the education support, where the Bank interventions support science laboratory blocks to schools established by the communities themselves. Through the interventions, the impact of the local contribution to the schools is increased and at the same time sustainability is improved

4.2.2 Government and some of the development partners spearhead the mobilisation of resources and co-financing at sector level, notably the World Bank and some of the bilateral donors including Sweden and the Netherlands. The Bank is commonly regarded as a key player and is invited for a more proactive role in the education sector despite its relatively low contribution. For the last four financial years, the following donors have contributed and for this period the Bank support is around 1% of total external education support to Tanzania:

¹⁸ ADB, *Tanzania: Country Strategy Paper 2002-2004, ADF/BD/WP/2003/42, Addendum*, ADF/BD/WP/2003/42/Add.1, 24 June 2003.

¹⁹ African Development Bank, *Tanzania: Alternative Learning & Skills Development: Supervision Summary, I Basic Data*, January 2004, p. 9.

²⁰ *Alternative Learning & Skills Development: Supervision Summary, op. cit.*, p. 9.

Table 5. Donor Disbursements to Education, 2000/01-03/04

Development Partners	Tanzanian Shillings	%
ID A	1 15,837,896,330	30.1
SW EDEN	55,353,681,444	14.4
NETHERLANDS	54,345,099,354	14.1
NORWAY	25,644,265,211	6.7
CANADA	25,160,701,702	6.5
JAPAN	23,642,748,905	6.2
FRANCE	19,445,518,138	5.1
EU	14,845,053,222	3.9
IRELAND	9,331,310,028	2.4
FINLAND	7,960,097,033	2.1
UNICEF	5,808,215,003	1.5
GERMANY	5,424,349,252	1.4
BELGIUM	4,842,160,003	1.3
WFP	4,646,911,100	1.2
A D F	4,091,980,875	1.1
DENMARK	3,918,202,655	1.0
DFID	2,462,590,946	0.6
OTHERS	1,558,458,444	0.4
TOTAL	384,319,239,645	100.0

Source: Ministry of Finance, weighted average rate: US\$ 1 = T.shs 985.6

4.2.3 The mobilisation and co-financing process was linked to the development of the Education Sector Development Programme Plan and the Primary Education Development Plan in 2001. By that time almost all donors involved in the sector had linked up in the SWAp to streamline support and harmonise procedures and input. The total planned support for the period 2001-2006 is more than 500 million USD and the financing is shown in Annex 3²¹.

4.2.4 In terms of budget support, the World Bank is the key donor with its 150 million USD support (of which 26.4 million USD is a grant). Other development partners are discussing their future support to the education sector, and most are interested in moving to education sector budget support aiming at financing basic education (including non-formal, primary and secondary). Apart from the current sub-sector support for Primary Education Development Programme, almost all donors (except GTZ and the UN-organisations as well as the Bank) also assist the Government with General Budget Support. The General Budget Support is linked to the policies of the Poverty Reduction Strategy and is meant as general support to poverty alleviation. Under this concept, donors cannot earmark the funds for specific sectors, but are expecting the Government to invest in priority areas (e.g. health, education, roads, water).

4.2.5 The current sub-sector support to Primary Education Development Programme is in principle provided from two sources; the World Bank (including co-financing from the Netherlands) and the Pooled Fund Partners (all donors mentioned above except World Bank). The modality is that pooled funds are transferred to the Primary Education Development Programme Account under the Ministry of Finance and will be released when agreed conditions have been met. A Memorandum of Understanding signed by Government and the Pooled Fund Partners reflects the specific conditions (annual reporting, planning, and auditing and review process). When the funds are released, they are transferred from the Primary Education Development Programme Deposit Account to the Ministry of Finance's Exchequer Account. The funds from the World Bank and the co-financing from the Netherlands are released directly to the Ministry of Finance's Exchequer Account once the World Bank considers specific tranche release conditions (as part of a process of three releases) have been

²¹ Please note, that Annex 3 at the same time illustrates the exact layout of the currently used monitoring instrument of the Government and the Development Partners in the education sector.

met. Pooled Fund Partners and World Bank's tranche release conditions are different, so full harmonisation of development partners has not yet been achieved.

4.3 Aid Coordination, Harmonization and Results Orientation

4.3.1 Aid plays a crucial role in Tanzania, as illustrated in the FY 2002/03 where aid supports 45% of the Government budget, 87% of the development budget and 24% of recurrent budget, which implies that Tanzania is aid-dependant. Since 2002, efforts have been made to improve the predictability of budget support, to move away from complicated conditionalities of project funding, and to improve transparency. The Tanzania Assistance Strategy is the framework guiding development cooperation. It sets out Government priorities for building capacity using national, rather than parallel, aid management systems. Some of the shortcomings of the project approach are; a) high transaction cost of individual projects; b) multiplicity of donor project implementation units; c) variations in donor conditionalities; d) variations in donors' procedures; and e) donor-driven accountability systems²². Another shortcoming of the project approach is illustrated by the burden of missions upon the Government administration. For example, in FY 2003/03, more than 500 missions were undertaken and involved Government and development partners²³.

4.3.2 The SWAp may not be suitable for all countries. Some initial conditions including accountability management capacity and an effective Government-led sector coordination must be met before it is adopted as an effective development strategy²⁴. Presently, the Bank is not participating in the SWAp. Most other Development Cooperating Partners are using the SWAp and basket funding. However, in reality many partners pay into the Ministry of Finance with conditions and earmarked sector support. The interventions can be modelled in different ways and still remain within the overall joint basket arrangements, while the Bank could make use of this option. The advantage of using a combined approach where all donors join into a government led SWAp where resources are pooled from all donors is for the government that this approach will reduce its workload having to deal with the donors separately.

4.3.3 The overall impact of the Bank interventions in the education sector has in reality been hampered by the non-presence of the Bank in Tanzania. The Bank has good policies that could benefit the development in Tanzania more if the Bank was present in the ongoing sector dialogue. This was reported both in Zanzibar and on mainland Tanzania and during interviews and the other development partners in the sector expressed concern about the Bank not being more directly involved. The added value of the Bank, which includes expertise and innovative policies on vocational training and educational financing arrangements are needed in the sector.

5. CONTRIBUTORS' PERFORMANCE

5.1 Borrower and Executing Agencies

5.1.1 On the side of the Borrower, recognition should also be given for identifying highly relevant projects and for constantly striving to upgrade the impact of the projects in

²² The United Republic of Tanzania, 2003a, 2003b. Undated.

²³ The United Republic of Tanzania, 2003a, p. 22.

²⁴ ADB, *Revised Guidelines for Bank Group Operations Using Sector Wide Approaches (SWaps)*, ADF/BD/WP/2003/88/Rev.2, 27 April 2004.

constructive dialogue with the Bank. However, the available documentation points to a performance less than satisfactory on the side of the Borrower and its executing agencies. The attested problems mainly concern management, supervision of contractors and reporting standards. In the Bank supported education projects, the role of the Project Implementation Unit is essential for implementing and for supervising the contractors and consultants. However, it has not met the required standards as judged by the Supervision Summary Reports, auditor's reports and other documents. Particularly worrying are attested incorrect statements regarding implementation progress in Quarterly Progress Reports produced by the Project Implementation Unit in Ministry of Education and Culture reporting on the construction status of Education II²⁵.

5.1.2 The unsatisfactory performance of the Project Implementation Unit in the Ministry of Education and Culture may be due to several factors such as understaffing and subsequent poor management of the unit. The frequent Bank recommendations to strengthen the capacity of the Project Implementation Unit would strongly support the assessment of the Unit's staff as not having the capacity to keep to implementation targets. The delays in construction have been partly due to delays in disbursing Bank funds (the yearly Bank replenishments are often delayed), and partly due to some delays from the side of the Government of Tanzania in disbursing counterpart funds. The combined delays have affected the construction, capacity building, training, and public awareness campaigns and other activities of the Education II Project and the Alternative Learning and Skills Development Project in Zanzibar in particular.

5.1.3 It should be noted that the Government and its executing agencies are faced with a range of challenges in implementing the Bank supported projects and at the same time having to implement the SWAp model in the sector. The resources to implement the investments in education are limited and if the Bank-supported interventions are designed and agreed on in a rather optimistic than realistic mode, the results will most often lead to frustrations on both sides. When projects are constantly delayed there is a shared responsibility on both sides, the Borrower executing the projects and the Bank approving the funding.

5.2 Bank Performance

5.2.1 The Bank has performed very well in terms of the relevance of the projects and to some extent also on the quality of the data gathered by the pre-appraisal and feasibility studies. However, judged in terms of implementation speed, the overall picture of the Bank is that it has performed in a less than optimal way. It would seem that the slowness in getting started has been partly due to the fact that desk officers in the Bank are not able to dedicate sufficient time to follow the progress adequately. Added to the constant communication problems between the Borrower and the Bank and the delayed disbursements, is the fact that the project design tends to be much too optimistic and thus unrealistic in terms of timing and of Government implementation capacity. A more realistic design could be obtained by systematically using participatory techniques in all phases of the project cycle.

5.2.2 Despite some severe problems in speed of implementation, the Bank's innovations and ability to respond to new ideas and special requests for assistance have on the overall led to a promising education and poverty alleviation portfolio. The major concern is on the future support to vocational training where there seems to be a need for a more innovative approach and for capacity building of the implementing agency before starting up a new project.

²⁵ ADB, *Tanzania: Education II Project: Supervision Summary*, I Basic Data, January 2004, p7.

Finally, the Bank could probably assist the Government and its implementing agencies by joining into the common approaches with other donors. This would also give the Bank a chance to have a larger impact through policy contributions to the sector dialogue. The establishment of Bank presence in Tanzania opens up a possibility for seizing the opportunity for greater sector impact and here it would be crucial to ensure that the staffing has the required profiles in relation to the sectors receiving Bank support.

5.3 Other Donors and Co-financiers

5.3.1 The education sector is receiving a lot of attention from both the Government and from its development partners, as detailed in Annex 3. The other donors' contribution to Government's SWAp in education appear quite effective in view of the improvements in access to education. The contribution of those outside the SWAp seem less convincing in terms of effectiveness and focus, although notably adding to the sector's improvements. Whilst the Government welcomes the external support to the education sector, the administrative modalities of support outside the SWAp puts obligations on the side of the Government and adds to the administrative burden of the under-resourced public sector. Harmonising efforts would ease the administrative burden and be in line with the Paris Declaration on Aid Effectiveness²⁶. Relating this to the Bank's interventions, the way forward would be to join the Government's efforts and add to the thrust of education support channelled through the SWAp. This would be in line with the recommendations of the Bank Study of the SWAps²⁷ and the modalities available for joining provide ample room for the Bank to join in a manner satisfying both the needs of the Government and the Bank. To make the SWAp effective and thus attractive to the development partners, the Government will continuously have to strive to improve its aid effectiveness and mutual accountability and capacity development will be needed to undertake the task. The Government of Tanzania has allocated a large amount of domestic resources to support the Primary Education Development Programme. However, the enrolment surge following the abolition of school fees and added school resources will put a strain on government's domestic revenue, for which reason the Government sees external funding as critical, particularly at the early stage for effectively tackling the sector issues.

5.3.2 The above sets the frame under which the key education sector donors work and the obligations implied on the side of Government and the development partners. The World Bank is the major donor in education, providing the Primary Education Development Programme Project Adjustment Credit for Tanzania, a \$150 million IDA credit, which aims to support efforts by the Government of Tanzania to improve education quality, expand access to schools and increase school retention at the primary level. The IDA operations support major policy measures including: (a) introduction of primary school capitalization and development grants; (b) provision of funds for further development of educational inputs; and (c) institutional capacity building at central, district, and school levels for efficient operation of the primary education system. The Swedish International Development Agency (SIDA) and the Government signed in January 2003 a new agreement amounting to SEK 455 million in support of the Primary Education Development Programme for the period 2003 - 2006. The funds will be disbursed through the Pooled Fund Mechanism. A range of other bilateral and multilateral donors support education and one example is the EU, which under EDF 8 supported the Governments Primary Education Development Plan (2002 – 2006) with an

²⁶ World Bank, *Paris Declaration on Aid Effectiveness*, March 2005. Also signed by the Bank.

²⁷ ADB, *Revised Guidelines for Bank Group Operations Using Sector-Wide Approaches (SWAps)*, POPR, Feb. 2004.

allocation of 25 Million Euros. For the EU, basic education remains a priority for EU assistance to Tanzania

5.3.3 It should be stated explicitly that the combined efforts in the education sector have produced remarkable results: The total enrolment in primary education rose from 3.9 million pupils in 1995 to more than 7 million in 2004, an increase of around 83%. The similar figures for secondary enrolment rose from 196 thousand pupils to 432 thousand, a total increase of 120%. The task ahead is still huge as the backlog in primary education is still there and the ratio of pupils joining secondary education is by far too low.

5.4 Other Stakeholders (Civil Society, Private Sector)

5.4.1 The civil society and the private sector are important players in the education sector and their involvement is a prerequisite for sustainability. Many communities have built their own schools and handed these over to Government. Of the primary schools, more than 99% are Government schools. In secondary education, the enrolment in non-governmental schools has increased by 67% to 168 thousand pupils from 1995 to 2004. In 2004, the non-governmental schools cater for 39% of the total secondary enrolment²⁸.

5.4.2 Several NGOs are actively supporting education and one example is Oxfam, an international NGO working in the public education sector in Tanzania. The NGO has provided desks and teaching materials to schools in rural areas and is now giving training and support to teachers. Oxfam has supported schools with a range of projects including installing water and sanitation facilities, building classrooms, raising the standard of teaching, and providing basic furniture and textbooks. Oxfam also lobbies the Government of Tanzania to improve the quality of education and to give all children the chance to go to school.

6. OVERALL ASSESSMENT

6.1 Cross-cutting Aspects

6.1.1 The Bank-supported interventions have contributed to gender equity in education. However, having the gender imbalance in mind when designing projects would be even better. One example is to including female students' boarding facility in all supported schools already from the design stage as the girls have the largest drop out rate. Another area for improvement could be to support Zanzibar in developing its own Gender Strategy.

6.1.2 Environment has not been a specific area of focus for Bank-supported interventions, however, where applicable, environmental considerations have been taken. One example is in the technical education school blocks where the equipment caters appropriately for acid and other dangerous chemistry educational material.

6.1.3 The Tanzania Poverty Reduction Strategy is guiding Bank-supported interventions to ensure that the support is pro-poor. In addition, increased access to primary education is expected to have an impact on poverty over time. The support of vocational training is also expected to improve Tanzania's human resource base, and increase employability as well as self-employment opportunities.

²⁸ United Republic of Tanzania, *Basic Statistics in Education, 1995-2004*, Ministry of Education and Culture, Dar es Salaam July 2004.

6.1.4 The private sector is participating in the construction of facilities and thus benefiting from the interventions. However, the main contribution to the private sector is indirect, by improving the human resource base through improved education. Vocational training is also promoting self-employment and thereby promoting the private sector.

6.1.5 The interventions in education promote community participation by involving communities in school construction, and by increasing the quality and quantity of local schools. Yet the Bank could improve significantly on the community participation aspects by systematically utilising a participatory approach in all aspects of the project cycle. The practice up to now leaves more to be desired, if optimal impact is to benefit future interventions.

6.2 Counterfactual

6.2.1 The Bank-supported interventions have played an important role. Examples include the construction of 248 classrooms, as well as the innovative Alternative Learning and Skills Development Project in Zanzibar. Without Bank support, Tanzania could only have replaced this support by extra economic hardship. However, the country is already striving to maintain a high investment level in the education sector and the external support options appear fully utilised, so it does not seem likely that additional donors could take over the Bank finance.

6.2.2 Despite the problems of efficiency, the Bank-supported interventions have produced increased access to education at various levels and the facilities are being utilised. This implies that without the Bank finance, the education sector capacity and outcome would have been reduced.

6.3 Overall Assessment of Bank Assistance to the Sector

6.3.1 The Bank-supported education portfolio has been rated based on the evaluation criteria of relevance, efficacy, efficiency, institutional development impact and sustainability²⁹:

Table 6. Rating of the Bank's Education Sector Interventions

Project	Relevance	Efficacy	Efficiency	Institutional Development	Sustainability	Average	Comment
Education II	4	3	2	3	3	3	Satisfactory
Alternative Learning Zanz.	4	3	2	3	2	3	Satisfactory
Vocational Training	3	2	2	2	3	2	Unsatisfactory
Average	4	3	2	2	3	3	Satisfactory
Comment	Highly Relevant	Satisfactory	Inefficient	Sustainable	Likely	Satisfactory	

6.3.2 The overall score for the education projects is 3, which is satisfactory. However, the vocational training project is rated unsatisfactory. The relevance of interventions is high whereas the major shortcoming is inefficiency, where all interventions are rated low. The

²⁹ Described in the African Development Bank: Guidelines For Country Assistance Evaluation. Operations Evaluation Department.

detailed comments are found in Annex 4 where the specific areas of improvement are presented.

6.3.3 The evaluation of Bank's interventions is supported by an evaluation of other key areas rated between 1 and 4, as detailed below in table 7. The Assistance Strategy is rated satisfactory while both the Bank's and the Government's performances are rated less than satisfactory. The capacity to implement Bank-supported investments in the education sector is in reality too low on both sides, compared to the over-optimistic design and planning. The responsibility for this over-optimistic approach is shared by both, as are the frustrations when performance limitations inevitably become visible. However, the shortcomings stated should not diminish the efforts that have been made, as well as the achievements gained over the evaluation period.

Table 7. Rating of Other Education Sector Aspects.

Rating of other key areas:	Score	Comments
Assistance Strategy	3	Relevant and support areas balanced, poverty reduction based and in line with Gov. Policy, but project focused, not proactive in sector dialogue and strategy development and not really combining education and vocational training with changes in the job market. The effects of the HIV/Aids pandemic is a tremendous challenge.
Bank Performance	2	Positive in addressing education needs, including vocational training, positive image but performance limited by project concept and too optimistic project design, overburdened task-managers, slow implementation, in-effective communication and lack of a systematic participatory approach. The project concept was relevant earlier but in recent years both Government and other development partners are increasingly sector oriented.
Government Performance	2	Good in developing and promoting the SWAp, in mobilizing donors, but too optimistic and not proactive in relation to Bank interventions, insufficient resources for effective implementation and supervision, the challenge to increase synergy opportunities between job market and education remains untapped.

6.3.4 The overall rating when combining the evaluation of sector interventions with the evaluation of other key areas is satisfactory. The Bank has contributed positively to the sector developments, and the problems stated could be challenged effectively. In addition, the Bank has the potential to deliver a much higher contribution to the sector if the Bank decides to actively participate in policy dialogue.

Table 8, Overall Rating of Education Sector Support.

Overall	Score	Comments
Assistance Strategy	3	Satisfactory
Lending	3	Satisfactory
Non-lending	3	Satisfactory
Bank Performance	2	Un-satisfactory
Government Performance	2	Un-satisfactory
Overall rating	3	Satisfactory

6.3.5 In comparison to many other development partners, the Bank is perceived as the Borrower's own bank, as the African Bank. No other development partner is viewed in the same manner, and this provides the Bank with a unique opportunity to further the development in a more proactive way - for the benefit of both the Borrower and the Bank. The overall assessment of the Bank is therefore undoubtedly positive, albeit with ample room for improvements.

7. LESSONS LEARNED AND RECOMMENDATIONS

7.1 Lessons Learned

7.1.1 Use of a participatory approach throughout the project cycle, including the involvement of stakeholders at all relevant levels is likely to improve performance in interventions (3.6.3; 6.1.5)

7.1.2 A good policy dialogue with development partners may lead to the design and implementation of an innovative project assisting vulnerable, out-of-school children, as demonstrated by the Bank's ongoing education interventions in Zanzibar (3.1.4; 4.1.2; 6.2.1).

7.1.3. The user fees policy in education creates negatives incentives to send children at school, especially for poor families (3.6.1, 5.3.1).

7.2 Recommendations

To the Government

7.2.1 The Government should intensify efforts to improve the human resources problem in the sector, including staff accommodation and other incentives, especially in under-privileged areas (2.2.2; 3.6.3; 3.5.2).

7.2.2 The Government should ensure that the Project Managers effectively manage, implement and report in order obtain project objectives (5.1.1; 5.1.2; 3.1.2).

7.2.3 In order to meet the opportunities in the job market, efforts should be made to define the best strategic options before embarking on new projects in this area (5.2.2; 2.1.4; 2.4.2; 6.3.2).

7.2.4 The Government should improve its financial arrangements in order to avoid negative effects from user fees on poor families (3.6.1).

To the Bank

7.2.5 In order to improve the implementation of future interventions, and to assist Government administration in the sector, the Bank should join the SWAp, participate effectively in the sector policy dialogue and avoid the ongoing problems with low capacitated PIUs (2.1.5; 2.3.3; 2.4.3; 5.2.2).

7.2.6 The Bank should increase support and follow-up to innovative projects, so that vulnerable out-of-school children can benefit from education (3.1.4; 4.1.2; 5.2.2).

7.2.7 To improve efficiency and impact, the Bank should upgrade its participatory approach in line with its policies, reduce the work load of task managers, as well as increase the quality

of its appraisal procedures and the training of staff in implementing agencies (3.5.5; 5.1.2; 5.2.1; 6.1.5).

8. OTHER SOCIAL SECTOR INTERVENTIONS

8.1 In addition to the key social sector interventions in Education and Health, the Bank has made an intervention in micro finance and poverty alleviation in Tanzania: The *Small Entrepreneur's Loan Facility (SELF)*. The Bank strategy for fighting poverty by providing access to micro finance to the very poor falls well in line with Government priorities and directly within the Poverty Reduction Strategy Paper.

Table 9. Bank's Lending intervention, (in UA end December 2004)

Project	Approval Date	Date Signed	Starting Date	Net signed	Disbursement in %
Small Entrepreneurs Loan Facility (SELF)	11-Nov-98	4-Dec-98	7-Sep-99	8,000,000	52

Source: ADB Data

The project is after some teething problems developing well although delayed in terms of disbursement, where only 52% have been disbursed five years after start up.

8.2 The objective of Small Entrepreneurs Loan Facility is to improve access of the poor in rural areas to micro finance services and thereby reduce poverty. The project is over 5 years expected to yield the following results: a) strengthen the capacity of at least 30 micro-finance institutions; b) provide credit to at least 23,000 informal sector operators; and c) strengthen the capacity of the Office of the Vice-President in overseeing poverty reduction programmes and projects.

8.3 *Relevance:* The Small Entrepreneurs Loan Facility is innovative and highly relevant to poverty-alleviation and poverty-reduction policies of the Bank and of the Government. The project target underprivileged areas and is thus complementing other efforts to increase productivity in Tanzania.

8.4 *Efficacy:* According to a recent Bank Mission, the Small Entrepreneurs Loan Facility project was seen to be making steady progress as manifested by the loan portfolio growth and quality, outreach and impact. A review of the verifiable indicators agreed upon during the December 2003 Mission revealed that most milestones were attained. The project is still ongoing but the trend towards achieving its objectives is very encouraging.

8.5 *Efficiency:* The design and appraisal stage ought to have addressed the "urban-bias" issue by introducing compensatory mechanisms or a preferential basis for permitting inclusion of some of the rural-based micro-finance institutions. The project management was able to overcome the problems of low capacity in rural Finance Institutions via increased emphasis on training and coaching in rural micro-finance institutions. All in all, however, despite some initial urban bias problems and the delayed utilisation of project funds, 52% after 5 years, the project is proving to be highly beneficial and hence to have been characterised by a good efficiency.

8.6 *Sustainability*: The available monitoring and evaluation reports point to fairly good sustainability in terms of loan repayment, which is the long-term indication of customer appreciation of services and of repeated utilisation, which could lead to viability. The institutional sustainability of the micro-finance institutions is undoubted as long as the Bank funds for disbursement to loan-takers are provided. The challenge will be what happens after Bank funds stop. However, currently the organisation is under the Vice-President's Office, which is unsustainable and should the ongoing efforts to register the SELF as a separate limited liability company with its own Board fail, the sustainability could be at risk.

8.7 On the basis of the above analysis of the evaluation criteria of relevance, efficacy, efficiency, institutional development impact and sustainability, ratings are listed below. The micro finance project is overall satisfactory and in all criteria, except for institutional development:

Table 10. Rating of Micro Finance and Poverty Alleviation Intervention

Project	Relevance	Efficacy	Efficiency	Institutional development	Sustainability	Average
SELF	4	3	3	3	2	3
Comments	Highly relevant	Satisfactory	Efficient	Sustainable	Unlikely	Satisfactory

8.8 *Performance and cross cutting*: The Government and its implementing agent have in general performed very well. The project is working towards sustainability by becoming a limited liability company and the Government actively supports this move. However, in dealing with this type of projects it is important to avoid political bias in performing the micro credit business. A worrying incident affecting the Small Entrepreneurs Loan Facility project has been attested political interference in the management and selection of loan recipients³⁰. The political pressure is an instance of "poor performance" on the part of some few officials and staff. By supporting the Small Entrepreneurs Loan Facility Manager who is performing well, the Bank is helping to reinforce the good governance, transparency and accountability.

8.9 Other NGOs and donors are supporting micro finance but mainly outside the rural target areas of the SELF. In the micro finance project, more than 60% of client beneficiaries are women, which is a very satisfactory gender result. Gender monitoring indicators have been successfully included in the micro finance monitoring and evaluation systems, both in the government and the Bank project monitoring systems.

8.10 *Overall Assessment*: Without the Small Entrepreneurs Loan Facility project to reduce poverty among the very poor by providing micro finance, some 7,377 clients would not have been able to access credit. 37 Micro Finance Institutions and a total of 182 staff would not have received capacity building and training in micro finance management. Thus it is apparent that the Bank has significantly contributed to developing and strengthening the micro finance sector in Tanzania.

³⁰ ADB, Tanzania: *Small Entrepreneurs Loan Facility (SELF): Supervision Summary*, I Basic Data, 1. Dec. 2004, p. 12, p. 15.

8.11 Most of the lessons learned and recommendations are also valid for the micro finance intervention. The following have been noted specifically for this project: a) The Beneficiary Assessment Study and other monitoring activities performed by SELF are highly recommendable and very useful tools; b) Given the apparent poverty reduction impact of the micro finance project, the Bank is recommended to expand the project further and include targeting youth training for self-employment; c) The project seems to have potentials for regional integration and this should be developed further.

ANNEX 1: LIST OF DOCUMENTS CONSULTED

Country Strategy Papers:

1. ADB, *Tanzania: 2002-2004 Country Strategy Paper*, ADF/BD/WP/2003/42, 5 May 2003.
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6. ADB, *Tanzania: Country Strategy Paper 2002-2004*, ADF/BD/WP/2003/42, Addendum, ADF/BD/WP/2003/42/Add.1, 24 June 2003.
7. ADB, *Tanzania: Country Strategy*, ADF/BD/WP/96/11, 5 February 1996.
8. ADB, *Tanzania: Economic Prospects and Country Programming, 1993-1995- Revised Version*, ADB/BD/WP/92/144-ADF/BD/WP/92/154, 31 December 1992.
9. ADB, *Tanzania: Economic Prospects and Country Programming, 1993-1995*, March 1993.
10. ADB, *Tanzania: Economic Prospects and Country Programming, 1993-1995- Revised Version*, ADB/BD/WP/92/144/Rev.1-ADF/BD/WP/92/154/Rev.1., 28 Mai 1993.
11. ADB, *Guidelines for Country Assistance Evaluation*. Operations Evaluation Department
12. ADB, *Revised Guidelines for Bank Group Operations using Sector-wide Approaches (SWAs)*, February 2004.

ADB Review Reports:

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ADB Education Sector Policy papers:

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17. Omar Kabbaj, *The Challenge of African Development*, 2003, ISBN 0-19-925385-4.
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25. ADB, *Revised Guidelines on Project Completion Report (PCR) evaluation note and project performance evaluation report (PPER)*, 10 May 2001, OPEV, ADFBBD/IF/2001/94.
26. ADB, *Selected Statistics on African Countries*, 2003, Volume XXII.
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28. ADB, *Statistics Pocketbook*, 2004, Volume VI, ISSN 1563-4361.
29. ADB, *Stepping up to the Future: An independent Evaluation of African Development Fund VII, VIII and IX*, July 2004, ISBN 2-910253-50-3.
30. ADB, *Strategic Plan 2003-2007*, August 2004.
31. ADB, Uganda: *Annual Report 2003*, May 2004, ADB-ADF/BG/AR/2003.
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44. Government of the Republic of Tanzania 2001, *The United Republic of Tanzania Poverty Monitoring Master Plan – Tanzania*. Dar es Salaam, December 2001
45. World Bank, *Social Sector Review, Tanzania*. 1995.
46. United Republic of Tanzania, *Household Budget Survey 2000/01*, July 2002
47. United Republic of Tanzania, *Action Plan for Implementation of the Tanzania Assistance Strategy*, 2003b.
48. *Paris Declaration on Aid Effectiveness*, March 2005
49. UN, *Millennium Development Goals Needs Assessment, Tanzania Country Study*, January 2004

Education Projects:

50. ADF, United Republic of Tanzania: *Education II Project*, 24 November 1997. Appraisal Report, ADF/BD/WP/97/194.
51. ADF, *Revised Appraisal Report. Technical and Vocational Training Project in the United Republic of Tanzania*, May 1979, ADF/OPS/TAN/EDUC/01/REV.
52. ADB, ONSD, *Tanzania, Inter-Office Memorandum: Back to Office Report*, August 2004.
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ANNEX 2: DETAILS ON THE BANK'S SOCIAL SECTOR POLICES

Policy Document	Year	Reference
Education Sector Policy	1986	
Health Sector Policy	1987	
Environment Policy	1990	
Women in Development Policy	1990	
Health Sector Policy	1996	ADB/BD/WP/96/52
Strategy and Assistance in Microfinance to RMCs	1997	ADF/BD/WP/97/48
Education Sector Policy	1999	ADB/BD/WP/99/92
Agricultural and Rural Development Policy	1998	ADF/BD/WP/99/105
Integrated Water Resources Management	2000	ADB/BD/WP/99/146
Policy for Cooperation with Civil Society Organizations (CSOs)	2000	ADB/BD/WP/2000/05 Rev.1
Population Policy and Strategies for Implementation	2001	ADB/BD/WP/2000/142
Gender Policy	2001	ADB/BD/IF/2001/62
Policy on Poverty Reduction	2001	ADB/BD/IF/2000/83
Environment Policy	2003	ADB/BD/WP/2003/116
Policy on Poverty Reduction	2004	ADF/BD/WP/2003/151/Rev.2
HIV/AIDS Strategy for Bank Group Operations	2001	ADB/BD/WP/2001/11/Rev.3
ADF Strategy and Assistance in Microfinance to RMCs	2001	ADF/BD/WP/2001/97/Add.5
Malaria Control Strategy	2001	ADB/BD/WP/2002/25/Add.2
Malaria Control Operational Guidelines	2001	ADB/BD/WP/2002/45
Policy on Involuntary Resettlement	2002	ADB/BD/WP/2002/98
Policy on Poverty Reduction	2002	ADB/BD/IF/2002/248
Guidelines for Bank Operations Using Sector Wide Approaches (SWAp)	2003	ADB/BD/WP/2003/88
Guidelines on Development Budget Support lending (DSL)	2003	ADB/BD/WP/2003/182
Bank Group Post-Conflict Assistance Policy Guidelines	2003	ADB/BD/WP/2003/184
Gender Plan of Action	2004	ADB/BD/IF/2004/88
Guidelines on Communicable Disease	2004	ADF/BD/WP/2004/19/Rev.1/
Guidelines for the Implementation of Bank Group's Policy on Population	2004	ADB/BD/IF/2004/10
Operational Guidelines on User Fees in Health and Education	2004	ADB/BD/WP/2004/144

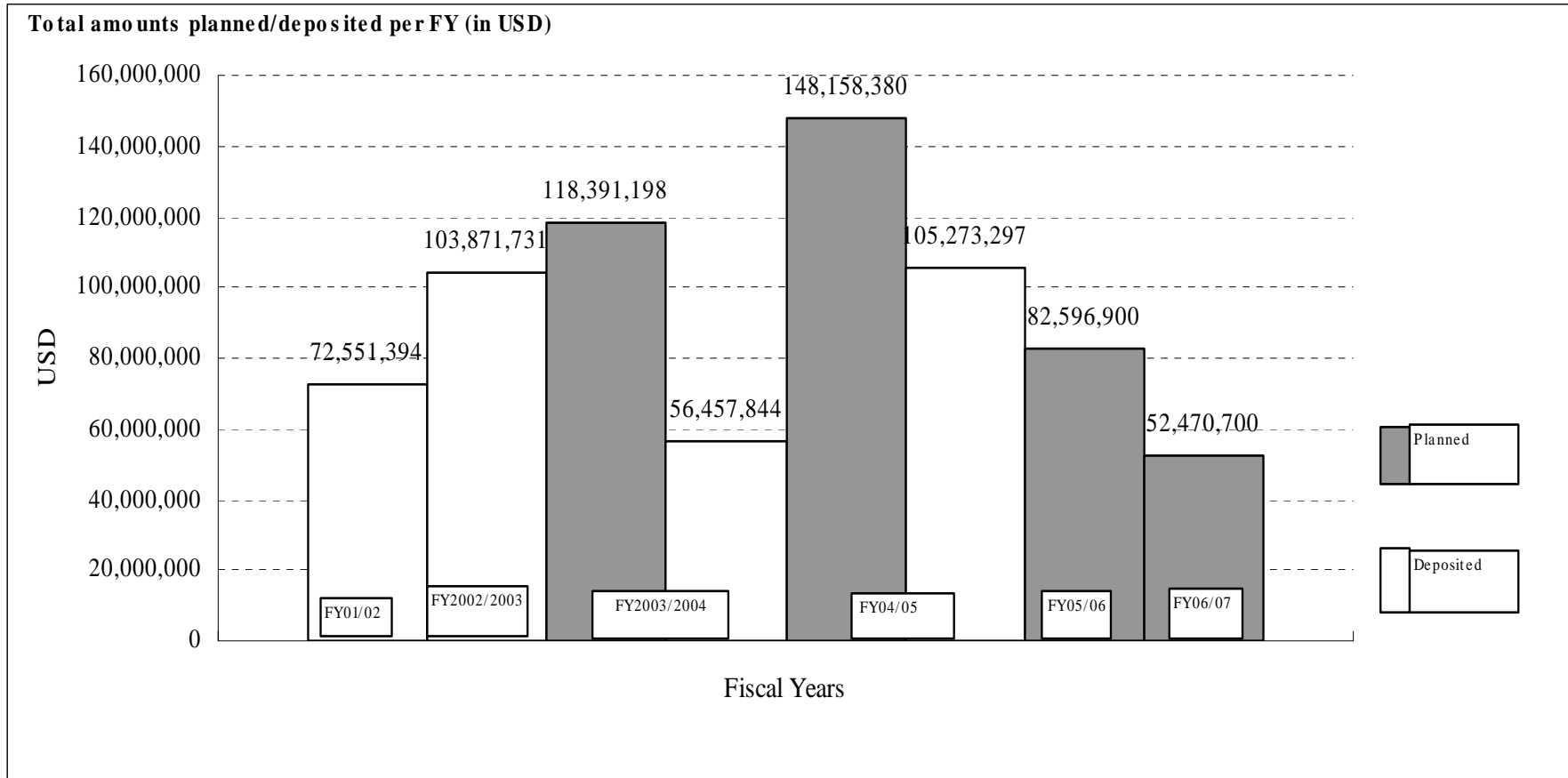
ANNEX 3: DONOR FUNDING

Annual donor planning/contributions for Primary Education Development Plan (in donor currencies)

Fiscal years		2001/2002	2002/2003	2003/2004	2004/2005	2005/2006		
Donor	Currency	Deposited	Deposited	Planned for PEDP	Deposited	Planned for PEDP	Deposited	Planned for PEDP
<i>World Bank</i>	USD	50,001,573	55,957,547	50,000,000		50,000,000	59,379,155	
<i>N'Lands co-financing with WB</i>	USD	10,000,000	16,670,000	3,300,000	3,300,000	20,030,000	20,030,000	0
<i>N'Lands PF</i>	EUR		3,473,933	9,999,975	4,999,975	12,000,000	7,704,900	11,768,092
<i>Canada</i>	CAD\$	143,200	12,000,000	15,000,000	15,000,000	14,000,000		14,000,000
<i>Sweden</i>	SEK	95,201,358	95,000,000	42,500,000	42,500,000	170,000,000	55,000,000	125,000,000
<i>Ireland</i>	EUR	577,738	3,905,601	2,500,000	801,500	2,800,000	2,500,000	3,000,000
<i>Finland</i>	EUR		0	3,400,000	2,969,000	1,700,000		1,700,000
<i>EU</i>	EUR		0	12,250,000	12,250,000	12,250,000		21,750,000
<i>Norway</i>	NOK	25,000,000	50,000,000	50,000,000	50,000,000	25,000,000	25,000,000	50,000,000
<i>France</i>	EUR		0	2,195,510		955,000	2,195,510	1,100,000
<i>Belgium</i>	EUR		0	4,000,000	4,000,000	4,000,000		
TOTAL DP's	USD	72,551,394	103,871,731	118,391,198	56,457,844	148,158,380	105,273,297	82,596,900
TOTAL PFP's	USD	12,549,641	31,244,184	65,091,198	53,157,844	78,128,380	25,864,142	82,596,900
TOTAL in TSH.	TSH	66,478,842,725	101,409,970,677	125,925,613,755	60,050,821,192	159,122,100,120	113,063,520,978	88,709,070,463
		BEDC-approval	1/10/2002	BEDC-approval	20/2/04	BEDC-approval	26/10/04	
		BEDC-approval	15/10/02	BEDC-approval	16/4/04			
	WB release	16/01/02	25/06/03			WB release	28/10/04	

Remarks (Data collected from the Netherlands Embassy, Dares es Salaam, December 2004):

- 1) Some donors (Pooled Fund Partners) deposit funds in the PEDP-holding account before BEDC-approval of action plans/reports, others do only after approval.
- 2) WB transfers are made directly to exchequer/MOF-account and are based on tranche release conditions.
- 3) Totals (in USD) over whole PEDP-period are based on the average exchange rate from start of the programme till date. Planned totals for 2004/5 till 2006/7 are based on current rates (see sl
- 4) PEDP : Primary Education Development Plan ; BEDC: Basic Education Development Committee.
- 5) PFP: Pooled Fund Partners.



ANNEX 4: DETAILED RATINGS OF THE BANK'S EDUCATION PORTFOLIO

1 of 2

Alternative Learning and Skills Development Project in Zanzibar	Score	Comments (Team assessment)
Relevance	4	Relevant. Study identified out of school youth outside the education system. Helping out of school youth corresponds to government policy.
Quality of Entry	3	Good; government involved in designing project which responds to expressed problems on Zanzibar
Efficacy (Achievement of objectives)	3	Ongoing project which contributes to human resource development by providing access to alternative learning, skills and employment opportunities to out-of-school youth, including business incubator and micro credit. 75% of construction work is complete in four out of seven civil works sub projects; Design and supervision of Skills Development Centres are at an advanced stage; construction of Alternative Learning Centre is planned to start December 2004.
Efficiency	2	Delayed implementation and loan processing; as of Dec. 2004, 3rd replenishment was still delayed, leading to the project account having an overdraft and being overdrawn.
Institutional Development	3	Average: - the PIU was unable to support the Business Incubator component; the new building needs to be completed so the entire department of Education can be housed together with the PIU
Sustainability	2	Will depend on government assuming recurrent costs after Bank funds end. Staff trained to help out of school youth will need to be paid sufficient salary to retain them and the buildings will need to be maintained in the future by means of district education maintenance funds.
Cross Cutting Issues	3	Gender good, females are beneficiaries as well as males (both as out of school youth and as teachers).
Total	20	
Average	3	

EIIP (Education II Project)		Comments (Team Assessment)
Relevance	4	Relevant to government education policies to improve quality of education and thereby to reduce school drop out rate.
Quality of Entry	3	Average
Efficacy (Achievement of objectives)	3	Satisfactory: a) Improvement of technical secondary education objective: 140 teachers have been trained; Improving the Quality of Primary Education component (Zanzibar): Rehabilitation, construction & completion of 200 classrooms are on schedule. 7,200 pupils are now utilizing 160 classrooms.
Efficiency	2	Delays of several years, leading to opportunity costs and wastage of materials
Institutional Development	3	Following completion, the project is appreciated and following completion, has impact
Sustainability	3	Will depend on government assuming recurrent costs after Bank funds end. Staff trained will need to be paid sufficient salary to retain them. Buildings will need to be maintained in the future by means of district education maintenance funds.
Cross Cutting Issues	3	Gender good: - pupils are girls and boys. Environmental issues poor because not considered in laboratories (storage & disposal of chemicals) component.
Total	21	
Average	3	Satisfactory

VETA: Vocational Education and Training Project	Score	Comments
Relevance	3	Relevant at the time of entry. The project supports the main objectives and functions of VETA which are to provide vocational training opportunities, establish a vocational education and training system that meets the needs of both the formal and informal sectors.
Quality of Entry	2	Unsatisfactory: the project was designed by a Bank team that presented the project to the government as a fait accompli and with the main focus on infrastructure.
Efficacy (Achievement of objectives)	2	Achievement of objectives measured in number of trainees that get jobs after training is a problem. The Ministry of Labour would like to see more formal involvement of VETA in future training of unemployed adults and youth so that trainees might be more likely to get access to business ideas and micro finance.
Efficiency	2	Slow implementation and disbursement, so overall inefficient.
Institutional Development	2	Poor: Bank Mission Back to Office Report (Dec. 04) states that "PIU needs to be strengthened so as to adequately supervise .. consultants.. and.. contractors".
Sustainability	3	VETA as an organisation appears to be financially sustainable as it has been able to attract sufficient support. However, VETA depends on significant funds (ADB, Danida, etc.) and if funds dry up VETA as an organisation appears unlikely to be viable since fee charged are probably too low to generate sufficient revenue and government subventions are still too low to dispense with donor / ADB funds.
Cross Cutting Issues	3	Trainees are female as well as male: good gender mainstreaming.
Total	17	
Average	2	Unsatisfactory

SELF: Small Entrepreneurs Loan Facility	Score	Comments
Relevance	4	Highly relevant to overall poverty reduction objectives of the government to promote employment via cheap credit to the poor in the informal sector.
Quality of Entry	3	Delays and lack of communication affected start-up in a timely fashion. More consultation with Tanzanian credit NGOs would have shown the need to include rural based MFIs in the design of the project. But the appraisal document correctly flags the weakness of MFIs.
Efficacy (Achievement of objectives)	3	Good in this ongoing project so far: Most milestones have been attained: a) component 1 savings & credit, 79 loans approved, Tsh 2.326.5 billion to 43 Micro Finance Institutions; 12,325 clients in 30 districts have benefited; b) component 2, capacity building; 592 trainees trained out of which 244 are from MFI staff and 248 from other credit NGOs. Baseline data, and beneficiary assessment studies conducted. PIU component: MIS system still not introduced.
Efficiency	3	Political pressure from politicians may threaten efficiency but up to now, the SELF has managed to fend political pressure of, - with the help of the Bank.
Institutional Development	3	Satisfactory and even better when the institution has taken of as an autonomous limited liability company
Sustainability	2	Sustainability is hinged on formally becoming a full institutional autonomy.
Cross Cutting Issues	3	SELF project has contributed to reducing poverty for poor and underprivileged populations, especially women (61% of beneficiaries obtaining loans are women).
Total	21	
Average	3	Satisfactory