



CREDIT NUMBER 7258-TZ

Financing Agreement

(Zanzibar Improving Quality of Basic Education Project)

between

THE UNITED REPUBLIC OF TANZANIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION



FINANCING AGREEMENT

AGREEMENT dated as of the Signature Date between THE UNITED REPUBLIC OF TANZANIA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

- 2.01. The Association agrees to extend to the Recipient a credit, which is deemed as Concessional Financing for purposes of the General Conditions, in an amount equivalent to thirty-nine million Special Drawing Rights (SDR 39,000,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").
- 2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section III of Schedule 2 to this Agreement.
- 2.03. The Maximum Commitment Charge Rate is one-half of one percent (1/2 of 1%) per annum on the Unwithdrawn Financing Balance.
- 2.04. The Payment Dates are June 1 and December 1 in each year.
- 2.05. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.
- 2.06. The Payment Currency is Dollar.

ARTICLE III — PROJECT

- 3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions, Schedule 2 to this Agreement and the Project Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following:
- (a) the Project Agreement has been duly executed and delivered, and all conditions precedent for its effectiveness, other than the effectiveness of this Agreement, have been fulfilled;
 - (b) the Subsidiary Agreement has been duly executed and delivered between the Recipient and the Project Implementing Entity, and all conditions precedents to its effectiveness or to the right of the Project Implementing Entity to receive the proceeds of this Financing thereunder have been fulfilled; and
 - (c) the Project Implementation Manual has been duly adopted by the Project Implementing Entity in form and substance satisfactory to the Association.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.
- 4.03. For purposes of Section 10.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Recipient's Representative is the Recipient's Minister of Finance and Planning.
- 5.02. For purposes of Section 11.01 of the General Conditions:
- (a) the Recipient's address is:

Ministry of Finance and Planning
Government City - Mtumba
Treasury Avenue
P.O. Box 2802
40468 Dodoma
Tanzania; and
 - (b) the Recipient's Electronic Address is:

Facsimile: +255-26-296-3109

5.03. For purposes of Section 11.01 of the General Conditions:

(a) The Association's address is:

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

(b) the Association's Electronic Address is:

Facsimile: 1-202-477-6391

AGREED as of the Signature Date.

THE UNITED REPUBLIC OF TANZANIA

By:



Authorized Representative

Name:

Saada Mkunga Salum

Title:

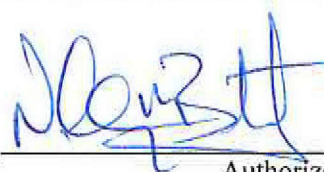
Minister

Date:

10th February 2023

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:



Authorized Representative

Name:

Nathan M. Belete

Title:

Country Director

Date:

Feb. 18, 2023

SCHEDULE 1

Project Description

The objectives of the Project are to improve teaching competencies and learning outcomes, and reduce the gender gap in transition rates within basic education.

The Project consists of the following parts (each a “Component”):

Component 1: Strengthen Teacher Effectiveness

- 1.1. *Teacher Competencies and Skills.* Carrying out a program of activities designed to improve teacher competencies and skills as required to implement the new competency-based curriculum (and related pedagogical approaches and classroom assessment techniques) for primary and lower secondary levels such a program to include: (a) development and/or adaptation of high-quality teacher training modules, training manuals and materials; and (b) delivery of teacher training through the school-based and cluster-based Continuous Professional Development (CPD) models.
- 1.2. *Digital content and digital skills.* Carrying out a program of activities designed to support the use of education technology to facilitate teaching and learning such a program to include: (a) curation, adaptation, content creation and the development of Virtual Learning Environment (VLE) platform comprising the Open Education Resource (OER) and the Learning Management System (LMS); (b) training, management and maintenance of the VLE platform; (c) carrying out an evaluation of the VLE platform, content and courses, through iterative testing and monitoring of performance indicators; and (d) provision of Information and Communication Technologies (ICT) equipment and connectivity package to facilitate teachers’ access to the VLE platform and improve teaching in the classroom.
- 1.3. *Pre-service teacher training.* Carrying out a program of activities designed to align pre-service teacher training and new curriculum and instruction approaches such a program to include: (a) review of the existing curriculum and development of a revised curriculum; (b) development of new teaching and learning materials to be used across teacher training colleges and the State University of Zanzibar; (c) training of instructors at teacher training colleges and the State University of Zanzibar; and (d) renovation of teacher training colleges.

Component 2: Strengthen Teacher Support

- 2.1. *Inspectorate reform.* Carrying out a program of activities designed to improve the inspectorate’s capacity to assess and provide feedback to teachers through more effective classroom observation tools and guidelines such a program to include:

- (a) review and revision of existing inspectorate tools and guidelines to ensure alignment with new pedagogical approaches and to improve effectiveness of inspector visits; (b) training of inspectors on the new tools and guidelines; and (c) support for the implementation and monitoring and evaluation of the revised inspectorate tools.
- 2.2. *Large-Scale Assessment.* Carrying out a program of activities designed to develop and implement two rounds of a large-scale assessment such a program to include: (a) development and implementation of at least two rounds of a Large-Scale Assessment (LSA) in standard 4 and form 2 to seek system-level feedback on achievement of core learning outcomes; and (b) dissemination of LSAs findings to teachers and other stakeholders.
- 2.3. *Teaching and Learning Materials (TLMs).* Carrying out a program of activities designed to provide learning materials aligned with the new curriculum such a program to include: (a) development, printing and distribution of student textbooks, teacher guides, readers and supplementary materials (including digital version of TLMs) for lower secondary grades; and (b) procurement and distribution of leveled readers for upper primary grades to improve reading fluency and comprehension and to strengthen the acquisition of English as a second language.
- 2.4. *Data Systems Strengthening.* Strengthening data systems through supporting *inter alia* the timely production of the annual school census and abstract; the integration of all platforms with the School Information System (SIS); and the roll-out of the SIS in the schools.

Component 3: Support Conducive Learning Environments

- 3.1. *Targeted school construction.* Carrying out a program of activities designed to support targeted school construction aimed at reducing class size and distance to school such a program to include: (a) developing a school construction strategy and standardized school design plans to inform targeted school construction program; and (b) implementation of a targeted school construction program focusing on districts with high pupil-classroom ratios and those where the closest school is more than 3km from the community.
- 3.2. *Boys and Girls Science and Leadership Program.* Carrying out a program of activities designed to develop and implement the Boys and Girls Science and Leadership Program, such a program to include: (a) design and implementation of the cohort program; and (b) an impact evaluation of the Boys' and Girls' Science and Leadership Program.

Component 4: Strengthen Systems and Support Project Management

- 4.1. *Capacity building for effective sector and reform management.* Carrying out a program of activities designed to enhance the capacity of MoEVT such a program to include: (a) a functional review/assessment of the MoEVT and its agencies and development of an action plan to improve governance in the education sector; (b) leadership training and capacity building for planning; (c) textbook chain management including quality assurance, publishing, printing, procurement, distribution management and support relevant research on curriculum emerging issues and innovation; (d) capacity building of fiduciary teams as well as safeguards focal points and engineers; and (e) expansion of the MoEVT ministry building in Unguja.
- 4.2. *Teacher reforms.* Carrying out studies to inform teacher policy reforms, specifically on teacher career path management.
- 4.3. *Project management and monitoring and evaluation.* Carrying out Project management, coordination and monitoring and evaluation (through *inter alia* funding the Project Coordination Unit).

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. **Subsidiary Agreement**

1. To facilitate the carrying out of the Project, the Recipient shall make the proceeds of the Financing available to the Project Implementing Entity under a subsidiary agreement between the Recipient and the Project Implementing Entity, under terms and conditions approved by the Association ("Subsidiary Agreement").
2. The Recipient shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive the Subsidiary Agreement or any of its provisions.

B. **Environmental and Social Standards**

1. The Recipient shall cause the Project Implementing Entity to ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Association.
2. Without limitation upon paragraph 1 above, the Recipient shall cause the Project Implementing Entity to ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Association.

Section II. Project Monitoring, Reporting and Evaluation

The Recipient shall cause the Project Implementing Entity to prepare and furnish to the Recipient and the Association each Project Report not later than thirty (30) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of the Proceeds of the Financing

A. **General**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Recipient may withdraw the proceeds of the Financing to finance Eligible Expenditures; in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Financing Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, School Transfers, non-consulting services, and consulting services, Training & Workshops and Incremental Operating Costs for the Project (other than works for Component 3.1 of the Project)	26,860,000	100%
(2) Works for Component 3.1 of the Project	12,140,000	100%
TOTAL AMOUNT	39,000,000	

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
 - (a) for payments made prior to the Signature Date.
 - (b) for payments under Category (2), unless the Project Implementing Entity has prepared and adopted the School Construction Strategy in form and substance satisfactory to the Association.
2. The Closing Date is January 31, 2029.

C. Additional Provisions

1. It is the Recipient's own undertaking that the importation, procurement, and/or supply of any goods, works and/or services, which are wholly and exclusively for the purpose of the execution of the Project and financed with the proceeds of the Credit, will be exempted from taxes and duties.

SCHEDULE 3

Repayment Schedule

Date Payment Due	Principal Amount of the Credit repayable (expressed as a percentage)*
On each June 1 and December 1, commencing on June 1, 2033 to and including December 1, 2072.	1.25%

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.05(b) of the General Conditions.

APPENDIX

Definitions

1. “Annual Work Plan and Budget” or “AWP&B” mean each annual work plans, together with their envisioned budgets, to be prepared by the Project Implementing Entity pursuant to the provisions of Section I.C of Schedule to the Project Agreement.
2. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
3. “Boys and Girls Science and Leadership Program” means an initiative which aims to support student readiness, engagement and resilience especially those at risk of dropping out early in lower secondary school.
4. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
5. “Component” means each set of Project activities clustered under the titles: “*Component 1: Strengthen Teacher Effectiveness*”; “*Component 2: Strengthen Teacher Support*”; “*Component 3: Support Conducive Learning Environments*” and “*Component 4: Strengthen Systems and Support Project Management*” in the Project description in Schedule 1 to this Agreement.
6. “COVID-19” means the coronavirus disease caused by the 2019 novel coronavirus (SARS-CoV-2).
7. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 18, 2022, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Recipient shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
8. “Environmental and Social Standards” or “ESSs” means, collectively:
(i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social

Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Association.

9. “Fiscal Year” means the twelve-month financial reporting period of Zanzibar’s government, beginning July 1 of a calendar year, and finishing on June 30 of the next following calendar year.
10. “General Conditions” means the “International Development Association General Conditions for IDA Financing, Investment Project Financing”, dated December 14, 2018 (revised on August 1, 2020, April 1, 2021, and January 1, 2022).
11. “Incremental Operating Costs” means the reasonable costs of incremental expenditures incurred by the Project Implementing Entity on account of Project implementation, management and monitoring, including, *inter alia*: (i) costs of incremental contractual staff salaries (other than consultants) and civil servants deputed to the Project; (ii) dissemination of Project related information; (iii) office rental and leasing operation and maintenance of equipment; (iv) office supplies and utilities; (v) travel and boarding/lodging allowances; (vi) leasing, operation and maintenance of vehicles; (vii) advertising and communication expenses; and (viii) bank charges.
12. “Ministry of Education and Vocational Training” and the acronym “MoEVT” means the Revolutionary Government of Zanzibar’s ministry responsible for basic education, or any successor thereto.
13. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated November 2020.
14. “Project Agreement” means the agreement for the Project between the Association and the Project Implementing Entity, as the same may be amended

from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement.

15. "Project Implementing Entity" means Zanzibar with which the Association will enter into a Project Agreement and the Recipient will enter into a Subsidiary Agreement.
16. "Project Implementation Manual" and the acronym "PIM" mean the Project's implementation manual to be prepared and adopted by the Recipient pursuant to Section I.B.1 of the Schedule to the Project Agreement, as said manual may be amended from time to time with the prior written agreement of the Association, and such term includes any annexes or schedules to such manual.
17. "Signature Date" means the later of the two dates on which the Recipient and the Association signed this Agreement and such definition applies to all references to "the date of the Financing Agreement" in the General Conditions.
18. "School Construction Strategy" means the strategy referred to in Section I.E.1 of the Schedule to the Project Agreement.
19. "School Transfers" means grants extended to schools targeted through the Project to finance reasonable costs of expenditures intended to facilitate the effective coordination, monitoring and support the implementation of school-based Continuous Professional Development under Component 1.1(b), including, *inter alia*: (i) costs of relevant printed materials; (ii) stationery; and (iii) transportation costs as the details of such eligible expenditures are set forth in Project Implementation Manual and in the Annual Work Plans and Budgets.
20. "Subsidiary Agreement" means the subsidiary agreement to be entered into by and between the Recipient and Zanzibar pursuant to Section 1.A.1 of Schedule 2 to this Agreement.
21. "Training & Workshops" means the reasonable costs of training, workshops and conferences conducted in the territory of the Recipient, or, subject to prior approval by the Association, attended abroad by the Project Implementing Entity' officials and staff in connection with the Project, including the purchase and publication of materials, rental of facilities, course fees and travel and subsistence of trainees.
22. "Zanzibar" means the Recipient's semi-autonomous part Tanzania - as referred to in the Constitution of The United Republic of Tanzania (1977) - as represented by the Revolutionary Government of Zanzibar.