



## **PROJECT: Alternative Learning and Skills Development Project (Phase II)**

**COUNTRY: United Republic of Tanzania**

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### **PROJECT APPRAISAL REPORT**

**June 2011**

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## Currency Equivalents

February 2011

1 UA	=	TZS 2240.98
1UA	=	USD 1.562
1 USD	=	TZS 1435

## Fiscal Year

1<sup>st</sup> July – 30<sup>th</sup> June

## Weights and Measures

1 metric tonne	=	2204 pounds (lbs)
1 kilogramme (kg)	=	2.200 lbs
1 metre (m)	=	3.28 feet (ft)
1 millimetre (mm)	=	0.03937 inch (“)
1 kilometre (km)	=	0.62 mile
1 hectare (ha)	=	2.471 acres

## Acronyms and Abbreviations

ADF	African Development Fund
ADB	African Development Bank
ALC	Alternative Learning Center
BADEA	Arab Bank for Economic Development
BIF	Business Incubator Facility
CFC	Chlorofluorocarbon
CSOs	Civil Society Organizations
DoE	Department of Environment
EAP	Environmental Action Plan
EIA	Environmental Impact Assessment
ESMP	Environmental & Social Management Plan
GoT	Government of United Republic of Tanzania
GoZ	Government of Zanzibar
HIV/AIDS	Human Immunodeficiency Virus / Acquired Immune Deficiency Syndrome
ILFS	Integrated Labour Force Survey
KIST	Karume Institute of Science and Technology in Zanzibar
MKUKUTA	“ <i>Mpango wa Kuondoa Umaskini na Kukuza Uchumi Tanzania</i> ” - Tanzania Growth and Poverty Reduction Strategy
MKUZA	<i>Mpango wa kukuza Uchumi Zanzibar</i> - Zanzibar Growth and Poverty Reduction Strategy
MoEVT	Ministry of Education and Vocational Training
PCU	Project Coordination Unit
SDC	Skills Development Center
SELF	Small Enterprise Loans Facility
SIDA	Swedish International Development Agency
STDs	Sexually Transmitted Diseases
VTA	Vocational Training Authority
UA	ADB Unit of Account
USAID	United States Agency for International Development
VETA	Vocational Education and Training Authority
ZIToD	Zanzibar Institute for Tourism Development

## Loan Information

### Client's information

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<b>BORROWER:</b>	<b>United Republic of Tanzania</b>
<b>EXECUTING AGENCY:</b> Financing plan	<b>Ministry of Education and Vocational Training</b>

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Source	Amount (UA)	Instrument
ADF	15.00 Million	Loan
BADEA	4.48 Million	Parallel financing
GoT	1.54 Million	Counterpart Funds
<b>TOTAL COST</b>	<b>21.02 Million</b>	

### ADB's key financing information

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Loan currency	USD
Commitment fee	0.50% (50 basis pts.)
Other fees	0.75% (service charge)
Tenor	50 years
Grace period	10 years
ENPV (base case)	TZS 45.08m
EIRR (base case)	14.65%

*\*if applicable*

### Timeframe - Main Milestones (expected)

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Concept Note approval	September 2010
Project approval	July 2011
Effectiveness	September 2011
Last Disbursement	December 2016
Completion	June 2016

## PROJECT SUMMARY

*Project Overview:* The Alternative Learning and Skills Development Project Phase II (ALSD II) builds on an earlier phase completed in 2009 that was considered highly successful. It targets the Unguja and Pemba islands in Zanzibar. The main project outcomes include (i) reduced unemployment amongst the youth and (ii) increased skills availability for the labour market. The total project cost is UA 21.02 million over a five year period.

*Beneficiary Participation:* The direct target group is 116,547 unemployed youth but in the short term, the project will provide skills training in various trades or professions to 2,500 out of school and unemployed youth. The project will also support capacity development of institutions involved in youth employment and skills development issues. These are the Ministry of Education and Vocational Training (MoEVT), Vocational Training Authority (VTA), Zanzibar Institute for Tourism Development (ZIToD), Karume Institute of Science and Technology (KIST), the Labour Commission and Civil Society Organisations (CSOs). Indirect beneficiaries include the private and public sectors as well as the local communities who will benefit from the availability of requisite skills in the labour market. Beneficiaries were consulted during the design of the project and will provide on-going feedback through the project's Monitoring and Evaluation process.

*Project rationale and need:* This project is needed now to provide the youth with skills that will increase their competitiveness for jobs in Zanzibar or elsewhere in the East African Region. Young people aged 15 -34 years constitute about 36% of the population of Zanzibar but account for 30.6% of total unemployment on the Island. Similarly, about 20% of young people aged 15-24% is unemployed, 51.8% of whom are women. It has been observed that an important driver of unemployment in Zanzibar is the lack of skills with only 11.8% of unemployed persons having had certificate level training or informal apprenticeship.

*Bank's Added Value:* The project will build on the achievement of the first phase and contribute directly to the country's agenda on inclusive growth. It will also contribute directly to the implementation of the Tanzania National Strategy for Growth and Reduction of Poverty (MKUKUTA II) and the Zanzibar Growth and Poverty Reduction Strategy (MKUZA II) which both emphasise the need for skills development, improved access to education and employment as key instruments for poverty reduction. MKUZA II particularly stresses the need to improve the quality of the workforce in key growth sectors such as tourism.

*Knowledge Management:* The project's M&E process will include implementation monitoring by the PCU and the Bank as well as participatory monitoring with active Civil Society participation. This project will offer a good learning opportunity for the Bank on skills development and youth unemployment. Lessons from this project will be documented within and outside the Bank.

## Result-Based Logical Framework

**Country and project name: Tanzania (Zanzibar) – Alternative Learning and Skills Development Project –Phase Two**

**Purpose of the project:** To increase employment of the youth and women through improved access to technical and business skills required by the labour market.

	RESULTS CHAIN	PERFORMANCE INDICATORS			MEANS OF VERIFICATION	RISKS/MITIGATION MEASURES
		Indicator (including CSI)	Baseline	Target		
IMPACT	Improve social wellbeing and reduction in income poverty.	Percent of population below the basic needs poverty line.	51% in 2008 <b>Source:</b> MDG Review Report 2008/09	30% by 2015 <b>Source:</b> MDG Review report 2008/09	<ul style="list-style-type: none"> <li>Household Budget Survey.</li> <li>MKUZA II Reports.</li> <li>MDG Review Reports</li> </ul>	
OUTCOMES	Outcome 1 Reduced unemployment amongst the youth	Percentage of unemployed youth	23% in 2005 (youth), 21% in 2009 (women) <b>Source:</b> Zanzibar Youth Employment Action Plan	15% by 2015  12% by 2015 (women).	<ul style="list-style-type: none"> <li>Household Budget Survey.</li> <li>Integrated Labour Force Survey.</li> <li>PCR</li> </ul>	<b>Risks</b> <ul style="list-style-type: none"> <li>Socio-cultural factors affecting uptake of jobs in certain sectors e.g hotel industry.</li> <li>Sustainability and maintenance of the facilities.</li> </ul> <b>Mitigation</b> <ul style="list-style-type: none"> <li>Sensitisation of community leaders</li> <li>GoZ could draw on resources from the Tanzania Skills Development Levy for maintenance of the facilities.</li> </ul>
		Number of Skills Development Centre (SDC) graduates starting their own businesses per annum.	N/A	100 new business start-ups by SDC graduates each year (50% women owned)		
		Number of SDC graduates gaining formal employment with the private sector per annum	N/A	300 graduates employed by private sector operators per annum.		
	Outcome 2 Increased skills availability for the labour market	Ease of recruiting local labour by the private sector e.g hotel and tourism sector	N/A	50% of employers able to meet their needs for skilled workers from the local market.		

KEY ACTIVITIES	OUTPUTS	1.1. Skills Development Centres (SDCs) and Alternative Learning Centres (ALCs) Constructed	1.1. Number of new Alternative Learning and Skills Development Centers constructed	1.1. Two Skills Development Centres and One Alternative Learning Centre Constructed under ALSD I.	1.1. Three Skills Development Centres and four Alternative Learning Centres constructed by 2015.	<ul style="list-style-type: none"><li>PCU Quarterly Reports</li><li>Bank Supervision and Monitoring Reports</li><li>ALSD II MTR</li><li>Independent Monitoring Reports by Civil Society.</li></ul>	<b>Risks</b> <ul style="list-style-type: none"><li>Procurement delays may affect project implementation</li><li>Socio-cultural factors may hinder enrolment.</li></ul> <b>Mitigation Measures</b> <ul style="list-style-type: none"><li>Recruitment of a procurement specialist.</li><li>Sensitisation of local communities to increase awareness and appreciation of the value of skills development for the youth..</li></ul>
		1.2. Skills provided to young people	1.2. Number of youth enrolled for training	N/A	1.2. 2500 youth trained by 2015 (50% women).		
		1.3. Enrolment drive through sensitization of communities	1.3. Proportion of the population sensitised	N/A	1.3. 50% of the population of Unguja and Pemba by 2015.		
		1.4. Labour market responsive curriculum developed.	1.4. Curriculum for ALSD I revised.	1.4. ALSD I Curriculum	1.4 Training curriculum revised by 2012 to reflect labour market needs.		
		2.1. Institutional support to MoEVT, Commission for Labor, TVA, KIST, and ZIToD	2.1.1.Number of staff trained 2.1.2. Review of institutional policies and governance arrangements	N/A	2.1.1. A total of 17 core staff from KOST, ZIToD and Labour Commission trained by 2015. 2.1.2. ZIToD and KIST Governance Review conducted by 2012	<ul style="list-style-type: none"><li>PCU Quarterly Reports</li><li>Bank Supervision and Monitoring Reports</li><li>ALSD II MTR</li></ul>	
		2.2. Staff of CSOs trained on Fund raising, advocacy, project mgt and M&E	2.2. Number of CSO staff trained	N/A	2.1. A total of 50 CSO staff trained by 2015.		
COMPONENTS						INPUTS	
<b>Component 1</b> <ul style="list-style-type: none"><li>Construction of Skills Development Centres</li><li>Construction of Alternative Learning Centres</li><li>Rehabilitation of KIST</li><li>Construction of ZIToD training facility</li><li>Sensitisation of local communities on youth employment</li></ul> <b>Component 2</b> <ul style="list-style-type: none"><li>Institutional support for selected institutions</li><li>Training of CSO staff</li><li>Sensitisation of local communities on HIV/AIDS, Drug abuse, gender equality, reproductive health, etc</li></ul> <b>Component 3</b> <ul style="list-style-type: none"><li>Project Management</li></ul>						Component 1  UA 12.20m   Component 2 UA 5.46m   Component 3 UA 1.02m	

## Project Timeframe

[illegible]



# **REPORT AND RECOMMENDATION OF THE MANAGEMENT OF THE ADF BOARD OF DIRECTORS ON A PROPOSED LOAN TO THE UNITED REPUBLIC OF TANZANIA FOR THE ALTERNATIVE LEARNING AND SKILLS DEVELOPMENT PROJECT –PHASE II**

Management submits the following Report and Recommendation on a proposed ADF loan for UA 15.00 million to finance the second phase of the Alternative Learning and Skills Development Project in Zanzibar, United Republic of Tanzania.

## **I – STRATEGIC THRUST & RATIONALE**

### ***1.1. Project linkages with country strategy and objectives***

1.1.1 The proposed project is in line with the Tanzania National Strategy for Growth and Reduction of Poverty (MKUKUTA II) and the Zanzibar Growth and Poverty Reduction Strategy (MKUZA II). Both strategies emphasise the need for skills development, improved access to education and employment as key instruments for poverty reduction. MKUZA II particularly stresses the need to improve the quality of the workforce in key growth sectors such as tourism. It also emphasises the need to increase the share of local horticultural products such as vegetables in the Zanzibar tourism industry.

1.1.2 By tackling youth unemployment through skills development and building capacity of youth development institutions, the project would contribute directly to the three clusters of MKUZA II which include: (i) Economic growth and reduction of income poverty, (ii) Wellbeing and social services, (iii) Good Governance and National Security. The project is also consistent with the Zanzibar Youth Policy and Youth Employment Action Plan (2007) which focus on employment creation, youth employability, entrepreneurship development and equal opportunities especially for girls and women.

1.1.3 The project is also consistent with the Bank's commitment to supporting pro-poor and inclusive growth in Regional Member Countries as articulated in the Medium Term Strategy. Developing skills for young people would enable them contribute to and benefit from the country's growth and development process. The project would increase availability of skilled labour and reduce youth unemployment thereby contributing directly to the Enabling Environment and Competitiveness Pillar of the CSP. It will be financed as part of the ADF XII Lending Programme for the United Republic of Tanzania.

1.1.4 ALSD II will also contribute directly towards the implementation of the policy and action plan for youth in Zanzibar (2007) and the Zanzibar Vocational Education and Training Policy (2005). These policy aims at ensuring a flexible vocational education and training system capable of enhancing employment opportunities for the youth by providing them with skills relevant to the job market and fostering self-employment by impacting entrepreneurial values amongst young people.

### ***1.2. Rationale for Bank's involvement***

1.2.1 Rising levels of youth unemployment in Tanzania and in particular, in Zanzibar, is having long term negative consequences on poverty reduction, social unrest and economic stability. With over 20% of its youth unemployed, Zanzibar is losing on the potential contribution of the youth to nation building including losses in tax revenues. Young people aged 15 -34 years constitute about

36% of the population of Zanzibar<sup>1</sup> but account for 30.6% of total unemployment on the Island<sup>2</sup>. About 20% of young people aged 15-24% are unemployed, 51.8% of whom are women. Similarly, one in every four urban youth in Zanzibar is unemployed. If left unchecked, this level of youth unemployment could be a catalyst for social unrest, anti-social behaviours and insecurity including organised crime. This would undermine growth and exacerbate poverty.

1.2.2 It has been observed that an important driver of unemployment in Zanzibar is the lack of skills with only 11.8% of unemployed persons having had certificate level training or informal apprenticeship. The existing skills development institutions have limited capacity. The facilities are overstretched, poorly equipped and with training curricula not tailored to the demands of the labour market.

1.2.3. At completion, the first phase of the proposed project, ALSD I financed by the Bank, achieved its objectives of improving access to non-formal education and strengthening linkages with labour needs in Zanzibar, assisting out of school youth including girls to acquire basic and secular education and enhancing self-employment of the youth (see details in Technical Annex C). Although the first phase of ALSD made an important contribution to skills development, it was only able to absorb 10% of the target population. Through ALSD II, additional youth will be trained and the Bank will be assisting to cultivate the skills needed to drive the private sector as an engine of growth in Zanzibar and allow the youth to increase labour mobility of Zanzibaris in East Africa to access the wider regional job market. The beneficiaries of the project will be able to create their own businesses and become eligible to receive financing from the SELF II Project financed by the Bank in Tanzania (See Technical Annex C).

### **1.3. Donor coordination**

1.3.1. Tanzania has a strong record of coordination of development assistance with robust mechanisms for dialogue between donors and government and strong alignment with government systems. However, coordination of donor support to Zanzibar is not fully developed. A donor group on Zanzibar is being formed under the leadership of SIDA and the Bank will play an active part in this, in particular, through the country office. Skills Development and vocational education is part of donor dialogue within the education donor group in Tanzania.

1.3.2. The Development Partners in Zanzibar are active in the education sector. Currently the single largest donor is the World Bank, followed by USAID, SIDA, the Arab Bank for Economic Development in Africa (BADEA) and the Government of Norway in partnership with UN-HABITAT launched the Zanzibar Urban Youth Fund (USD 100,000) in February 2010 to support job creation initiatives by urban youth. (see Appendix III and Technical Annex A).

1.3.3. The project will benefit from parallel funding of UA 4.48million from BADEA and an ADF loan of UA 15million. This partnership enables both donors to pool resources and dialogue on a common agenda. This is an important step in advancing commitments in the Paris Declaration and the Accra Agenda for Action. The funding from BADEA will be used to construct two Alternative Learning Centres and one Skills Development Centre while the ADF Loan will finance the construction of two Alternative Learning Centres, two Skills Development Centres and capacity building of key institutions..

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<sup>1</sup> 2002 Population and Housing Census, Zanzibar.

<sup>2</sup> 2006 Integrated Labour Force Survey, Zanzibar

## II – PROJECT DESCRIPTION

### 2.1. Project components

2.1.1. The project aims to improve employment of the youth and women through improved access to technical and business skills required by the labour-market.

2.1.2 Table 2.1 provides further details on project components. In selecting the locations for training centres, the government considered the population and centrality to ensure easy access.

**Table 2.1: Project components**

nr.	Component name	(UA)	Component description
1	Support to Skills Development, Vocational Training and Alternative Learning:	12.20	<ul style="list-style-type: none"> <li>▪ Construction of Alternative Learning Centres.               <ul style="list-style-type: none"> <li>(i) <b>ADF:</b> Kinduni (North Region Unguja) and Ungi (North Region Pemba)</li> <li>(ii) <b>BADEA:</b> Binguni (South Region Unguja), Makombeni (South Region Pemba)</li> </ul> </li> <li>▪ Construction of Skills Development Centres:               <ul style="list-style-type: none"> <li>(i) <b>ADF:</b> Makunduchi (South Region Unguja) and Daya (North Region Pemba).</li> <li>(ii) <b>BADEA:</b> Bweleo (Urban-West, Unguja).</li> </ul> </li> <li>▪ Constructing and equipping training facilities for the Zanzibar Institute of Tourism and Karume Institute of Science and Technology including provision of documentation and library materials.</li> <li>▪ Provision of TA to ZITA for curriculum development and development of public-private partnerships for skills development.</li> <li>▪ Establishment of BIF Facility at ZIToD</li> <li>▪ Community sensitisation and enrolment drive for skills development and alternative learning</li> <li>▪ Community sensitisation on reproductive health issues, HIV/AIDs, impact of drug abuse on youth development, environmental issues, etc.</li> </ul>
2	Capacity Building/Institutional Development	5.46	<ul style="list-style-type: none"> <li>▪ Training and Institutional Support to MoEVT, VTA, ZIToD, KIST, Labour Commission.</li> <li>▪ Training of Civil Society Organisations.</li> </ul>
3	Project Management	1.02	<ul style="list-style-type: none"> <li>▪ Operational cost</li> <li>▪ Procurement of project vehicles and office equipment</li> </ul>

### 2.2. Technical solution retained and other alternatives explored

2.2.1 Drawing on lessons from the first phase and current labour market dynamics, the project adapted the concept used for phase 1 with some modifications. Key modifications include (i) provision for curriculum review to reflect current labour market needs, (ii) modification of engineering designs to accommodate the specific needs of disabled persons and young mothers (iii) inclusion of pre-vocational skills training in Alternative Learning centres, (iv) support to relevant institutions, (v) involvement of civil society, and (vi) inclusion of soft issues such as enrolment drives and community sensitisation on social issues including drug abuse, HIV/AIDS, reproductive health and gender equality.

2.2.2. An alternative technical solution was to maintain the design as used in ALSI I but this was not considered due to the reasons given in Table 2.2 below:

**Table 2.2: project alternatives considered and reasons for rejection**

Alternative	Brief description	Reasons for rejection
Maintain Engineering designs and curriculum used for phase 1	The first phase had standard engineering designs which guided the construction of the centres. There was a curriculum for the courses taught in the Alternative Learning and Skills Development Centre	<ul style="list-style-type: none"> <li>Engineering designs did not include disability access and day-care centres to accommodate needs of disabled trainees and young mother who may come with their children.</li> <li>The curriculum also needs to reflect the skills needs in the labour market.</li> </ul>

### 2.3. Project type

This is an investment project designed to tackle youth unemployment through skills development and literacy.

### 2.4. Project cost and financing arrangements

2.4.1 The total cost of the project is estimated at UA 21.02 million, net of taxes and duties, of which UA 12.28 million (58.4%) is in foreign currency and UA 8.74 million (41.6%) in local currency. The cost estimate includes 5% physical contingency for both foreign and local cost items, and price contingency of 7.5 % on all works, goods and services items. A summary of cost by component of the project is presented in Table 2.3 below.

**Table 2.3: Project Cost Estimates by Component (in million)**

Component	USD	Cost (UA)			%	
	Total	Local	Foreign	Total	Foreign	Base
Component 1: Alternative Learning & Skills Development Centers	18.99	4.75	7.45	12.20	61.08	65.29
Component 2: Capacity Building & Institutional Development Services	8.50	2.00	3.46	5.46	63.41	29.24
Component 3: Project Management	1.59	1.02	-	1.02	-	5.47
Total Base Cost	29.08	7.77	10.92	18.69	58.42	100.00
Physical Contingency (5%)	1.45	0.39	0.55	0.93		
Price Contingency (7.5%)	2.18	0.58	0.82	1.40		
<b>TOTAL</b>	<b>32.71</b>	<b>8.74</b>	<b>12.28</b>	<b>21.02</b>		

2.4.2 The project will be financed by the ADF, BADEA and Government of the United Republic of Tanzania (GoT). The respective contributions are as shown in Table 2.4 below.

**Table 2.4: Sources of financing ('million UA)**

Sources of Financing (UA)	FE	%	LC	%	Total	%
ADF Loan	9.089	74.01	5.913	67.65	15.00	71.36
BADEA	3.192	25.99	1.292	14.78	4.48	21.33
GoT Contribution	-	-	1.54	17.57	1.54	7.31
Total	12.28		8.74		21.02	100
Percentage	58.42	-	41.58	-	-	-

2.4.3 The cost of the project by category of expenditure is presented in Table 2.5 to 2.7 below

**Table 2.5: Project Cost by Category of Expenditure: ADF Loan**

Disbursement categories	Cost In million UA								
	<i>Local</i>			<i>Foreign</i>			<i>Total Cost</i>		
	ADF	BADEA	GOT	ADF	BADEA	GOT	ADF	BADEA	GOT
Civil Works	2.09	0.98	-	4.58	2.29	-	6.67	3.27	-
Goods	1.64	0.31	0.11	3.29	0.90	-	4.93	1.21	0.11
Services	1.39	-	1.20	1.22	-	-	2.61	-	1.20
Operating Costs	0.79	-	0.22	-	-	-	0.79	-	0.22
<b>Total cost</b>	<b>5.91</b>	<b>1.29</b>	<b>1.54</b>	<b>9.09</b>	<b>3.19</b>	<b>-</b>	<b>15.00</b>	<b>4.48</b>	<b>1.54</b>

**Table 2.6: Project Expenditure Schedule (million UA)**

<i>Components</i>	2011	2012	2013	2014	2015	Total
Component 1: Alternative Learning & Skills Development Centers	0.14	2.33	2.47	1.41	0.70	7.05
Component 2: Capacity Building & Institutional Development Services	0.11	1.83	1.95	1.11	0.56	5.56
Component 3: Project Management	0.01	0.24	0.25	0.15	0.07	0.73
<b>Total Base Cost</b>	<b>0.27</b>	<b>4.40</b>	<b>4.67</b>	<b>2.67</b>	<b>1.33</b>	<b>13.34</b>
Physical Contingency (5%)	0.01	0.22	0.23	0.13	0.07	0.67
Price Contingency (7.5%)	0.02	0.33	0.35	0.20	0.10	1.00
<b>TOTAL</b>	<b>0.30</b>	<b>4.95</b>	<b>5.25</b>	<b>3.00</b>	<b>1.50</b>	<b>15.00</b>

## 2.5. Project's target area and population

2.5.1. The project area will cover both Unguja and Pemba islands in Zanzibar. The targeted beneficiaries comprise out-of-school youth belonging to age group 9-30 in rural and urban areas of both islands. The target population is estimated at 116,547 unemployed and out of school youth.

2.5.2 Overall, the project is expected to improve literacy and skills amongst out-of-school youth, 50% of whom will be women. The project would equip the youth with skills for the labour market and for self-employment particularly in the establishment of growth-oriented businesses in emerging sectors such as tourism. It would reduce unemployment amongst the youth including women. The project will also benefit key institutions involved in youth development issues. These include MoEVT, VTA, ZIToD, KIST, Labour Commission and Civil Society Organisations.

## ***2.6. Participatory process for project identification, design and implementation***

2.6.1. Inclusive brainstorming sessions and interviews were conducted with stakeholders including government officials, donors, civil society and local communities including women (see list of persons consulted during Appraisal in Technical Annex B 9). In addition, field visits took place to sites earmarked for Skills Development Centres and Alternative Learning Centres and beneficiary assessments and consultations were conducted in each community. Key issues that emerged from the consultative sessions are included in the design of the project as reflected in paragraph 2.2.1.

2.6.2 An Annual Stakeholder Review Forum has been instituted to enable all project beneficiaries and other stakeholders participate in reviewing project implementation progress. Selected Civil Society Organisations will be engaged to implement the community sensitisation and awareness creation aspects of the project and to conduct independent participatory Monitoring and Evaluation of the project. They will also be represented on the project's Steering Committee. Finally, it is foreseen under the project to provide TA to the target groups to facilitate partnership development with the private sector in areas such as curriculum development, internship programmes, apprenticeships, etc.

## ***2.7. Bank Group experience, lessons reflected in project design***

2.7.1. The design of the project draws on the lessons learnt from the implementation of the first phase of the Alternative Learning and Skills Development Project as well as other social sector projects in country. The main lessons learnt from the implementation of ALSD I include the following: (i) Alternative Learning (non-formal education) based on a standard classroom teaching curriculum of numeracy and literacy will not attract and retain young school drop-outs especially adolescents unless it is combined with skills training; and (ii) recruiting staff for a PIU with a limited duration is not sustainable and undermines alignment with country systems. A generic lesson from the social sector includes the need to strengthen procurement capacity.

2.7.2 Based on the above lessons, the sizes of training centres under ALSD II will be smaller and all the Alternative Learning Centres will include workshops for pre-vocational training. This would meet the need of trainees for basic vocational skills. There is also a provision for community sensitisation to stimulate enrolment particularly among girls. The project will use existing staff of the Ministry of Education and Vocational Training and other relevant ministries.

2.7.3 The design of this project has also drawn on the lessons from similar projects in the country. For example, weak procurement capacity of VETA caused delays to the implementation of certain activities of the Support to Strategic Action Plan for Vocational Education and Training Project especially the construction of the National Hotel and Tourism Training Centre in mainland Tanzania. (see details in Technical Annex B1)

## ***2.8. Key performance indicators***

2.8.1 The ALSD II Results-Based Logical Framework contains key impact and outcome indicators. The main outcomes expected are related to: (i) reduction in unemployment especially amongst the youth and women, (ii) growth in business start-ups by the youth, and women, (iii) increased participation of Zanzibaris in the tourism labour market and (iv) increased incomes.

2.8.2 Progress towards achieving these outcomes will be monitored through the Monitoring and Evaluation System to be put in place (see section 4.2 on monitoring arrangements) on a quarterly basis and during supervision missions.

### **III – PROJECT FEASIBILITY**

#### ***3.1. Economic and financial performance***

3.1.1 In view of its enormous economic benefits, the project yields positive returns both in the NPV and IRR decision criteria. Accordingly, the Economic Net Present Value (ENPV) and Economic Internal Rate of Return (EIRR) are estimated at TZS 45.08 million and 14.65% respectively.

3.1.2 In addition to the economic results accruing from the base costs and benefits of the project, the sensitivity analysis with 4 scenarios also shows viable economic returns. Thus, the ENPV and EIRR are estimated as TZS 369.08, TZS (229.28), TZS (236.30) and TZS 889.39 and then 20.25%, 11.28%, 10.93% and 19.67% respectively based upon the 4 scenarios (see Technical annex B7). Therefore, the viability of the project is robust.

#### ***3.2. Environmental and Social impacts***

##### ***Environment***

3.2.1 In accordance with the Bank's Environmental and Social Assessment Procedures for Public Sector Operation (2001), the ALSD II project has been classified as category 2. The environmental and social assessment conducted on the project concludes that it is feasible and has no major negative environmental impact. A summary of the ESMP contained in Technical Annex B8 has been published on the Bank's website.

3.2.2 The following would be done to mitigate any unforeseen negative impact: (i) inclusion of design features to enhance management of possible oil spills, battery wastes (acids and lead) that may occur when the buildings are in use especially at the Centres that would offer training courses on auto-mobile repairs; (ii) inclusion of features for management of solid waste and wastewater because the land is highly porous with high percolation rates; (iii) provision for tree planting in and around the centres to compensate for any loss of vegetation during to construction which may trigger risks of soil erosion; (iv) as part of the ESMP, to minimise any conflicts or negative environmental impacts, the movement of people will be monitored as the development of the sites may attract people to settle nearer the centres especially in Makunduchi and Makombeni where the sites are in the outskirts of the communities; (v) the curriculum of each course would mainstream environmental dimensions so trainees learn about the potential environmental impact and risks of their activities and how to mitigate them; and (vi) the designs of the buildings will include provisions for rainwater harvesting to minimise surface run-off which could cause soil erosion while ensuring water availability especially all year round.

##### ***Climate Change***

3.2.2. The project will impact very minimally on climate change. However, climate factors such as increased rainfall and possible flooding may impact on the Ungi site at Pemba where water table is high. The design of buildings and choice of building materials and technology will take this into

account. Solar panels will be used in some sections of the training centres such as libraries and student dormitories where electrical voltage requirements are relatively low.

### ***Gender***

3.2.3. Zanzibar has made progress on gender equality and continues to formulate and implement gender sensitive policies and programmes. These policies provide a supportive environment for the gender dimensions of the Alternative learning element of ALSD II. For example, the Education Policy formulated in 2006 offers married students, pregnant girls and young mothers the opportunity to continue their education. In addition, the construction of Alternative Learning Centres under ALSD I helped ensure that 55 out of 67 girls who dropped out of school between 2006 and 2008 for pregnancy related reasons were re-enrolled (see details in Technical Annex B8).

3.2.4 ALSD II will address the issue of low primary school completion rate among girls by supporting community sensitisation on girls' education and skills training and ensuring 50% of participants in Alternative Learning and Skills Development Centres are girls.

3.2.5 Given that about 51% of unemployed youth are women, the skills acquired through this project would position them to take up jobs in both the formal and informal sectors. The Ministry will also second a Gender Specialist to the PCU to support with implementation. The cost of this specialist has been budgeted for under PCU operating expenses. Every Skills Training and Alternative Learning Centre will have a day-care centre to address the needs of young mothers who may enrol for training.

### ***Social***

3.2.6. The overall impact of the project will be an increase in incomes and overall reduction in poverty amongst the youth especially women. The proportion of people living below the basic needs poverty line in Zanzibar was 51% in 2008 and projected to drop to 30% by 2015. The 2009 Zanzibar Human Development Report reveals that income inequality is low across the Island and the severity of poverty is higher in the Pemba region than in Unguja.

3.2.7 Through the provision of skills training and enterprise development advice, the project will directly benefit 2,500 youth in the short term and contribute to the national target of reducing unemployment amongst young people aged 18-35 from 23% in 2007<sup>3</sup> to 15% by 2015. A total of 100 new business start-ups by the youth are expected by 2015 and would increase significantly thereafter when Skills Development Centres and the national Skills Training Institutes begin operating at full capacity.

3.2.8 The project will help build institutional capacity while promoting skills for employment, economic growth and poverty reduction. Although the project is in particular aimed at benefitting the youth who are out of school and unemployed, it will also benefit the most vulnerable groups of the society at large. The design of all Skills Development and Alternative Learning Centres will include disability access to make them more inclusive. The project would reduce the vulnerability of the youth and empower them with information.

3.2.9 The project will sensitise communities and the youth on issues relating to drug abuse, reproductive health, HIV/AIDS and gender equality. Indeed, emerging social issues in Zanzibar include rising levels of drug abuse amongst the youth, HIV infection with rates of 0.8% and 0.3% for Unguja and Pemba respectively.

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<sup>3</sup> 2007 Household Budget Survey, Zanzibar



### ***Involuntary resettlement***

3.2.10. **Relocation/compensation:** All sites on the Unguja and Pemba Islands belong to the Government and have been reserved for construction of education facilities. None of them is occupied by local populations, except at the Makombeni site in Pemba where about 20 farmers use the government land temporarily for cultivation of food crops. Therefore, there will be no compensation for land but Government will compensate for food crops on the land before the beginning of construction.

3.2.11 At Daya, the site contains some economic trees (clove trees) currently under the management of the Ministry of Agriculture. The Government has agreed that the design and spacing of physical structures will preserve the trees and the compensation process will be in accordance with the Bank's rules and procedures. The MoEVT will consult with the Ministry of Agriculture on this issue. The Borrower will prepare a report indicating the modalities of compensation for Project Affected Persons and submit it for Fund review and approval.

## **IV – IMPLEMENTATION**

### ***4.1. Implementation arrangements***

#### **Implementation structure:**

4.1.1. The project will be embedded within existing country systems and government structures. The Ministry of Education and Vocational Training (MoEVT) in Zanzibar will be the Executing Agency and will be responsible for providing project oversight. The project will be managed within the institutional set-up of the MoEVT. The MoEVT will establish a Project Coordination Unit which will be staffed through a deployment of existing expertise in the Ministry. The Project Coordination Unit will include a Project Director, Deputy Project Director, Procurement Specialist, a Gender Specialist, two Civil Engineers, M&E Officer, two Accountants, a Business Incubator Manager, Secretary and Driver. A consultant (Civil Engineer with procurement expertise) will be recruited on a short term basis to support the PCU with engineering designs and procurement for civil works as and when the need arises.

4.1.2 The project will have a Steering Committee with responsibility for providing strategic guidance and direction to the project. The Steering Committee will meet quarterly and comprise representatives from (i) the President's Office, Finance, Economy and Development Planning; (2) the MoEVT; (3) the Ministry of Information, Culture, Tourism and Sports; (4) Ministry of Labour, Economic Empowerment and Co-operatives and (5) Ministry of Tourism, Trade and Investment. The Committee will also include a representative each from Civil Society and the Zanzibar National Chamber of Commerce.

#### **Procurement Arrangements**

4.1.3. All procurement of goods, works and acquisition of services financed by the Bank shall be carried out in accordance with the Bank's "Rules and Procedures for the Procurement of Goods and Works" or as appropriate, Rules and Procedures for the Use of Consultants" using relevant Bank Standard Bidding Documents. The Ministry of Education and Vocational Training, Zanzibar (MoEVT) will be responsible for procurement of goods, works, and consultancy services for the project.

## **Procurement Reviews**

4.1.4. The procurement capacity assessment carried out has shown that, the MoEVT has established a Procurement Management Unit as required by Zanzibar Public Procurement Act of 2005. However the unit is short on technical capacity to perform and manage procurement activities of the project in addition to the on-going procurement functions carried out by the Ministry. As a mitigation measure, the project will recruit a Procurement Specialist to support the project procurement activities and build up more capacity in the existing Procurement Management Unit. The Procurement Arrangements for the project including detail procurement capacity assessment are provided in Technical Annex B5.

## **Financial Management and audit Arrangements**

4.1.5. A Review of Public Financial Management (PFM) Performance in Zanzibar conducted by the Norwegian Agency for Development Cooperation (NORAD) in 2010 noted a major improvement in the credibility of public expenditure since the last PFM performance review in 2006. According to the NORAD review, aggregate fiscal discipline in Zanzibar is fair. The reviewers noted a reduction in expenditure arrears and a reduction in the audit backlog but significant under-spending on both the recurrent and development budgets were also noted. There is also limited focus on system audits and responses to audit recommendations could be improved.

4.1.6. All payments are centralised in the President's Office Management, Finance and Economic Development Programme and IFMS has been rolled out to all MDAs. This has enabled up to date reporting on revenues and expenditures. Bank reconciliations are also up to date. The Government uses flash reports and quarterly reports to monitor revenue and expenditure though this does not include donor funded projects. Since ALSD II will be using government systems, its finances will be subjected to these monitoring arrangements.

4.1.7. The project will be supported by a Financial Management Specialist to be recruited on a consultancy basis as and when necessary. The Chief Accountant of the MoEVT will be responsible for the financial aspects of the project assisted by two project accountants (one based in Pemba and the other based at Unguja). The Financial Management Specialist will also help build capacity within the Ministry of Education and Vocational Training to account, record and report on financial transactions.

4.1.8 In accordance with the Bank's requirements, a separate audit report will be prepared for the project by the Office of the Controller and Auditor General (CAG) in Zanzibar as per their mandate and sent to the Bank within six (6) months of the end of the fiscal year in question. The project audit will be carried out in accordance with a Terms of Reference (TOR) approved by the Bank. In addition to the audit report, the auditors will also submit a management letter to the Bank.

## **Funds Flow and Disbursement Arrangements**

4.1.9. The Project will use the direct payment and special account disbursement methods. In case the project would also like to use other disbursement methods, prior approval from the Bank will be required. The Bank will issue a disbursement letter, which will provide specific guidelines on how the disbursements will be carried out.

4.1.10 The project will open a project Special Account in foreign currency, and a local currency account with a bank acceptable to the Fund. Funds will be transferred from the foreign currency special account to the local currency account to cover eligible Project expenditures. The special

account will be replenished on the condition that the Bank has received Statements of Expenditures for at least 50% of the immediately preceding advance and 100% of the older advances. An initial advance covering an estimated budget of activities for six months based on a previously approved annual work program will be deposited in the special account. The statement of expenditures and the related supporting documentation must be audited regularly.

4.1.11 A maximum of two replenishments will be granted between submissions of a clean audit opinion. If the project requires more than two replenishments between annual audits, an interim audit of the Special account and related statements of expenditure, and an audit opinion will be required. The minimum value for withdrawal application is specified in paragraph 4.1 of the Disbursement hand book.

### **Implementation schedule**

4.1.12. The project will be implemented over a period of 5 years. The physical works are expected to start by September 2012 and completed by April 2014. The Bank will monitor implementation through reviews of project reports and field visits to be conducted twice every year. Once every year, the PCU will be responsible for routine monitoring and will organize a stakeholder review meeting to assess implementation progress and issues arising. A report on this will be submitted to the Bank.

## **4.2. Monitoring**

4.2.1 Monitoring will be done jointly by the Bank and the PCU at MoEVT. The M&E specialist in the PCU will have principal responsibility for project monitoring. The Bank's monitoring will be periodic including six-monthly supervision missions, a mid-term review and a review at completion and this will be supported by the Tanzania Field Office.

4.2.2 All the monitoring reports will include gender disaggregated data. A gender audit will be conducted as part of the project's Mid-term Review. The National Planning Commission with the involvement of selected CSOs will conduct independent participatory monitoring of the project. A further mechanism for stakeholder involvement is the annual stakeholder review meeting which will be organised by the PCU to discuss implementation issues. Table 4.2 shows the detail sequence of monitoring activities

**Table 4.2 Monitoring schedule**

Timeframe	Milestone	Monitoring process /
		feedback loop
June 2011	Board Approval	ADF
July 2011	Nomination of PCU staff	GoT
September 2011	Signing of Loan Agreement	ADF and GoT
October 2011	Project Launching	GoT and ADF
November 2011	Loan Effectiveness	GoT and ADF
May 2012	First Project supervision Mission	GoT and ADF
December 2012	Stakeholder Review meeting	PCU
December 2012	Submission of first Audit report	PCU
July 2013	Submission of Mid-term Report	GoT
December 2013	Submission of 2 <sup>nd</sup> Audit Report	GoT
December 2014	Submission of 3 <sup>rd</sup> Audit Report	GoT
December 2015	Submission of 4 <sup>th</sup> Audit Report	GoT
June 2016	Submission of PCR	GoT and ADF
December 2016	Preparation of final Audit Report	GoT and ADF

### 4.3. Governance

4.3.1 National elections were conducted peacefully in October 2010 to elect the Presidents of the United Republic of Tanzania and Zanzibar as well as members of the Houses of Representatives. In both cases, the ruling parties were returned to power. Unlike the 2005 elections, these were generally peaceful; providing an enabling environment and continuity of development policies, strategies and programmes including MKUZA II.

4.3.2 Two of the focal areas of the Governance Pillar of MKUZA II are directly relevant to the governance dimensions of this project. This includes the focus on (i) empowering and encouraging non-state actors and (ii) promoting transparency and accountability. The first focus area on non-state actors involves measures to create an enabling environment for private sector participation including formulation of an investment policy, promotion of business initiatives amongst entrepreneurs and creation of business promotion institutions. It also involves strengthening civil society participation especially in public expenditure reviews and poverty monitoring. The second focus area is on promotion of accountability and transparency including speeding up submission of National Audit Reports and building foundations for Value for Money Audits.

4.3.3. The project will be overseen by a multi-sectoral Steering Committee. The Committee will review reports on implementation progress as well as audit reports and provide guidance on strategic issues amongst others. The project will be audited as stipulated in section 4.1.5.

### 4.4. Sustainability

The experience with ALSD I suggests that Government has taken necessary steps to ensure sustainability of the skills development and alternative learning centres. Resources have been committed for the staffing and operating costs of these centres. The Government has instituted Skills Development Levies<sup>4</sup> in both Mainland Tanzania and Zanzibar which is paid by private sector operators (including public sector in the case of Zanzibar) to finance recurrent cost of skills development. MoEVT in Zanzibar could draw on proceeds from this levy for the maintenance of the Centres. In addition, the project will support development of Public-Private Partnerships to encourage private sector contribution for skills development. Private sector participation would ensure that the curricula for skills training are relevant to the needs of employers. This would also strengthen dialogue with the private sector on opportunities for placements of trainees as apprentices, interns, etc in private enterprises.

### 4.5. Risk management

The projects could face some risks to timely implementation, sustainability or impact on intended beneficiaries. These risks and associated mitigation measures have been articulated in Table 4.6.

**Table 4.6. Risks and risk mitigation measures**

<b>Risk</b>	<b>Mitigation Measure(s)</b>
Socio-cultural beliefs could hinder the participation especially of girls in certain trades	Series of community sensitisations targeted at community leaders, religious leaders, parents and the youth will be conducted. This increase buy-in amongst community members. The Aga Kha Foundation is doing similar work with religious leaders in Zanzibar and the project would learn from this experience.

<sup>4</sup> A mandatory monthly levy of 6% of the gross emoluments payable by an employer to his employees in a month.

Funding for routine maintenance of the training centres could be a challenge	Part of the skills development levy described in 4.4 above will be used for maintenance purposes. Also, when school is not in session, local communities can use the centres for social events at a fee which could be used to finance minor maintenance cost.
Procurement delays may hinder smooth implementation of the project	The project has budgeted for the recruitment of a Procurement Specialist. The PCU will have a dedicated procurement Officer to be guided by the TZFO Procurement Specialist.

#### **4.6. Knowledge Management**

Beneficiary Assessments including a gender assessment will be conducted as part of the project's Mid-Term Review. Upon completion an experience and lessons learning report on the ALSD approach will be produced as a key knowledge product. This would be useful to other Bank complexes but also to RMCs and other stakeholders grappling with the issues of youth unemployment.

### **V – LEGAL INSTRUMENTS AND AUTHORITY**

#### **5.1. Legal Instrument**

An ADF Loan will be used to finance the project.

#### **5.2. Conditions Associated with Bank's Intervention**

##### **A. Conditions Precedent to Entry into Force**

The Loan Agreement shall enter into force upon satisfaction of the terms of Section 12.01 of the General Conditions applicable to the African Development Fund Loan Agreements and Guarantee Agreements.

##### **B. Conditions Precedent to First Disbursement**

Section 5.01. Conditions Precedent to First Disbursement. The obligation of the Fund to make the first disbursement of the Loan shall be conditional upon the entry into force of this Agreement in accordance with Section 4.01 above and evidence provided by the Borrower, in a form and substance satisfactory to the Fund, of the fulfillment of the following conditions:

- (a) The opening of a special foreign currency account with a bank acceptable to the Fund for the receipt of Project funds;
- (b) Submission for the Fund's no-objection of the Project Implementation Manual with specifics on the execution of the Project including disbursement, financial management and procurement procedures;
- (c) The nomination of a Project Director and Deputy Project Director to the Project Unit (PCU) Coordination, with qualifications and experience satisfactory to the Fund;
- (d) The establishment of a Project Steering Committee comprised of representatives from: (1) the President's Office, Finance, Economy and Development Planning, (2) the MoEVT; (3) the Ministry of Information, Culture, Tourism and Sports; (4) the Ministry of Labour, Economic Empowerment and Co-Operatives; (5) Civil Society (one (1) representative); and (6) the Chamber of Commerce of Zanzibar (one (1) representative).

Section 5.02. Other Conditions. The obligation of the Fund to make further disbursements of the Loan under this Agreement shall be conditional upon the Borrower having provided evidence, in form and substance acceptable to the Fund, of:

- (a) Having recruited a procurement specialist and nominated two accountants (one for Pemba and one for Unguja) to the PCU all with qualifications and experience satisfactory to the Fund,; and
- (b) Having compensated Project Affected Persons prior to the start of construction on any Project work-sites.

## **UNDERTAKINGS**

Section 6.01. The Borrower undertakes to:

- (a) Prepare and submit to the Fund annual environmental action plans;
- (b) Implement the Environmental and Social Management Plan (ESMP) and report, in a form acceptable to the Fund, on the status thereof, on a bi-annual basis; and
- (c) Cause Project contractors to comply with all applicable Bank environmental and social safeguard policies.

### **5.3. *Compliance with Bank Policies***

This project complies with all applicable Bank policies.

### **5.4 *Recourse Mechanism***

The Bank Group has established an Independent Review Mechanism (IRM) to enable affected people complain to the Bank if they believe that as a result of non-compliance with Bank policies and procedures, their rights or interest have been or are likely to be adversely affected in a direct and material way. Information about the IRM and the procedure for submission of complaints are available at [www.afdb.org/irm](http://www.afdb.org/irm).

## **VI – RECOMMENDATION**

Management recommends that the Board of Directors approve the proposed loan of UA 15.00 million to the Government of the United Republic of Tanzania for the project and subject to the conditions stipulated in this report.

## Appendix I: Tanzania Comparative Socio-Economic Indicators

	Year	Tanzania	Africa	Developing Countries	Developed Countries
<b>Basic Indicators</b>					
Area ( '000 Km <sup>2</sup> )		945	30 323	80 976	54 658
Total Population (millions)	2009	43.7	1,008	5,629	1,069
Urban Population (% of Total)	2009	25.9	39.6	44.8	77.7
Population Density (per Km <sup>2</sup> )	2009	46.3	3.3	66.6	23.1
GNI per Capita (US \$)	2008	440	1 428	2 780	39 688
Labor Force Participation - Total (%)	2009	49.5	41.2	45.6	54.6
Labor Force Participation - Female (%)	2009	49.7	41.2	39.8	43.3
Gender -Related Development Index Value	2005	0.464	0.525	0.694	0.911
Human Develop. Index (Rank among 182 countries)	2007	151	0.514	n.a	n.a.
Popul. Living Below \$ 1 a Day (% of Population)	2006	...	50.8	25.0	...
<b>Demographic Indicators</b>					
Population Growth Rate - Total (%)	2009	2.9	2.3	1.3	0.7
Population Growth Rate - Urban (%)	2009	4.7	3.4	2.4	1.0
Dependency Ratio (%)	2009	91.6	78.0	52.8	49.0
Sex Ratio (per 100 female)	2009	99.4	100.7	93.5	94.8
Life Expectancy at Birth - Total (years)	2009	56.3	55.7	66.9	79.8
Life Expectancy at Birth - Female (years)	2009	57.1	56.8	68.9	82.7
Crude Birth Rate (per 1,000)	2009	41.3	35.4	21.5	12.0
Crude Death Rate (per 1,000)	2009	11.0	12.2	8.2	8.3
Infant Mortality Rate (per 1,000)	2009	61.6	80.0	49.9	5.8
Child Mortality Rate (per 1,000)	2009	100.0	83.9	51.4	6.3
Total Fertility Rate (per woman)	2009	5.5	4.5	2.7	1.8
Maternal Mortality Rate (per 100,000)	2004	578.0	683.0	440.0	10.0
Women Using Contraception (%)	2004	26.4		61.0	75.0
<b>Health &amp; Nutrition Indicators</b>					
Physicians (per 100,000 people)	2007	4.8	42.9	78.0	287.0
Nurses (per 100,000 people)*	2007	102.4	120.4	98.0	782.0
Births attended by Trained Health Personnel (%)	2005	43.4	50.5	63.4	99.3
Access to Safe Water (% of Population)	2008	54.0	64.0	84.0	99.6
Access to Health Services (% of Population)	2006	...	61.7	80.0	100.0
Access to Sanitation (% of Population)	2008	24.0	38.5	54.6	99.8
Adults (aged 15-49) Living with HIV/AIDS (%)	2007	5.7	4.5	1.3	0.3
Incidence of Tuberculosis (per 100,000)	2007	297.0	313.7	161.9	14.1
Child Immunization Against Tuberculosis (%)	2007	89.0	83.0	89.0	99.0
Child Immunization Against Measles (%)	2007	90.0	74.0	81.7	92.6
Underweight Children (% of children under 5 years)	2005	22.0	25.6	27.0	0.1
Daily Calorie Supply per Capita	2005	2 019	2 324	2 675	3 285
Public Expenditure on Health (as % of GDP)	2006	3.7	5.5	4.0	6.9
<b>Education Indicators</b>					
Gross Enrolment Ratio (%)					
Primary School - Total	2008	110.2	100.2	106.8	101.5
Primary School - Female	2008	109.3	91.7	104.6	101.2
Secondary School - Total	2006	...	35.1	62.3	100.3
Secondary School - Female	2006	...	30.5	60.7	100.0
Adult Illiteracy Rate - Total (%)	2007	27.7	59.4	19.0	...
Adult Illiteracy Rate - Male (%)	2007	21.0	69.8	13.4	...
Adult Illiteracy Rate - Female (%)	2007	34.1	57.4	24.4	...
<b>Environmental Indicators</b>					
Land Use (Arable Land as % of Total Land Area)	2007	10.2	6.0	9.9	11.6
Annual Rate of Deforestation (%)	2006	...	0.7	0.4	-0.2
Annual Rate of Reforestation (%)	2006	...	10.9	...	...
Per Capita CO <sub>2</sub> Emissions (metric tons)	2008	0.1	1.1	1.9	12.3
Sources : ADB Statistics Department Databases; (compiled from World Bank: World Development Indicators; UNAIDS; UNSD; WHO, UNICEF, WRI, UNDP; Country Reports). last update : September 2010					
Note : n.a: Not Applicable ; ... : Data Not Available.					

## ***Appendix II. Bank Group Operations in Tanzania***

Sectors	TOTAL	Type	Assessment (Mar 2011)	Approval Date
<b>AGRICULTURE</b>				
1. District Agric. Sector Inv. Program				
ADF Loan	36.00	Loan	2.17	24-Nov-04
ADF Grant	7.00	Grant		
Agriculture Sector Dev. Program (ASDP)	40.00	Loan	2.41	5-Sept-07
1. Support to Lake Tanganyika Integrated	4.99	Loan		
<b>TRANSPORT</b>				
2. Zanzibar Roads Upgrading				
ADF Loan	16.22	Loan	1.41	9-Jun-04
ADF Grant	0.25	Grant		
3. Singida – Babati- Mijingu Road Upgrading	60.00	Loan	2.44	17-Sep-07
4. Road Sector Project I	152.00	Loan		02-Dec-09
<b>ENERGY</b>				
5. Electricity V Project			-	
ADF Loan	28.68	Loan		14-Dec-07
ADF Grant	1.32	Grant	-	
6. Iringa-Shinyanga Transmission Line	45.36	Loan	-	26-Oct-10
<b>WATER</b>				
7. Zanzibar Water Supply & Sanitation Program				
ADF Loan	25.00	Loan	2.17	11-Nov-08
RWSII Grant	2.76	Grant		
10. Rural Water Supply and Sanitation II				
ADF Loan	59.0	Loan	-	15-Sept-10
RWSII Grant	6.00	Grant	-	
<b>SOCIAL SECTOR</b>				
11. Support to SAP for VETA Project				
ADF Loan	14.22	Loan	2.08	9-Jul-03
ADF Grant	1.60	Grant		
12. Support to Maternal Mortality Reduction	40.00	Loan	2.39	11-Oct-06
13. Small Entrepreneurs Loan Facility II	20.00	Loan	2.41	10-May-10
<b>MULTI SECTOR</b>				
I. ISP for Good Governance II	5.2		-	26-Sept-10
<b>PRIVATE SECTOR</b>				
15. Equity Investment to Access Bank	0.55		2.50	18-Dec-06
16. CRDB Partial Guarantee Scheme - Loan	4.9	Loan		22-Jul-08
FAPA Grant	0.59	Grant	2.50	
<b>REGIONAL OPERATIONS</b>				
17. Arusha –Namanga-Athi River Road	4.03	Loan	2.58	13-Dec-06
18. East Africa Transport & Trade Fac.(EAC)	6.20	Grant	2.74	29-Nov-06
19. East Africa Transport & Trade Fac.(TTFA)	1.00	Grant	2.26	29-Nov-06
20. Lake Victoria Water Supply & Sanitation	17.24	Loan		17-Nov-05
21. Isaka-Kigali-Musongati Railway Line	1.06	Grant	-	20-Oct-04
<b>Total</b>	<b>601.17</b>			
<b>Total Loan</b>				
<b>Total Grant</b>				



***Annex III: Major Related Projects Financed by the Bank and other Development Partners***

<b>DONOR</b>	<b>PROJECT TITLE</b>	<b>Amount</b>	<b>INTERVENTION AREAS</b>
<b>World Bank</b>	Zanzibar Basic Education Improvement Project	USD 42 Million	Infrastructure for Junior and Secondary Education, Provision of learning materials, Support for Teacher upgrading
<b>USAID</b>	21 <sup>ST</sup> Century Basic Education Project	USD 50 Million	Numeracy, Literacy and Science Education
<b>SIDA</b>	Swedish Support to the Education Sector	SEK 16 Million	N.A.
<b>ADB</b>	Small Entrepreneurs' Loan Facility -SELF II	UA 20 Million	Micro Finance
	Support to SAP for VETA	UA 15.82 Million	Technical and Vocational Education
<b>BADEA</b>	Construction of State University	USD 7.5 Million	Tertiary Education
	Construction of Secondary Schools	USD 6.6 Million	Secondary Education
<b>Govt of Norway/UN HABITAT</b>	Urban Youth Fund	USD 100,000	Youth initiated Enterprise

***Appendix IV: Map of the United Republic of Tanzania***

