

## Case Study

# Education Performance for Results Program in Tanzania

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### Introduction

The Tanzania Education Program for Results (EPforR) Additional Financing (AF) is a World Bank-funded program applying a results-based financing approach: the performance for results (PforR) tool. The EPforR AF provides the government funding that is released in regular intervals and it depends on the achievement of results collaboratively formulated in the form of disbursement linked indicators (DLIs). The PforR tool reduces transaction costs, ensures transparency, incentivizes the achievement of project targets, and streamlines the coordination between the Government of Tanzania and the World Bank (Guarnaschelli et al., 2014).

The objective of the program is to enhance the quality of education at the primary and secondary school level (The World Bank, n.d.). Through this, the Tanzania EPforR AF aims to complement the government's efforts to implement the Education Sector Development Plan (2017–2021) and the “Five Year Development Plan (FYDP II) 2016–2021, Nurturing Industrialization for Economic Transformation and Human Development” (The World Bank, 2017a, p. 8). The program was expected to be effective as of August 30, 2017, and was expected to conclude on January 31, 2020.

### Rationale for the Institution of the PforR Tool

The Tanzanian government expected a large increase in primary and secondary school enrollment owing to the rollout of educational policies that increase the age limit for starting primary school to seven years of age and the removal of previously required fees at the secondary school level (The World Bank, 2017b). This led to a projected financing gap of USD 120 million in the educational sector in FY 17/18 and USD 194 million in FY 19/20. Of this, USD 80 million was requested from the International Development Association (IDA) under the PforR AF (The World Bank, 2017b). The rationale for adopting the PforR tool is that it allows governments working with the World Bank to receive assistance in funding and implementing ongoing and new programs within pre-existing infrastructures (Saadah, 2015).

### Description of the PforR Tool

Financing for the Tanzania EPforR AF is being disbursed as an IDA credit, which is a concessional loan that has a repayment period of 38 years, including a grace period of 8 years—in line with traditional World Bank financing regulations (Sida, 2015; The World Bank, 2017). In line with traditional multilateral collaboration with developing countries, under the Tanzania EPforR AF, of a total funding amount of USD 160 million, Swedish International Development Cooperation Agency (SIDA) financed USD 50 million, the government financed USD 30 million, and the World Bank (through its IDA) financed USD 80 million to be disbursed in three tranches of USD 21 million, USD 40 million, and USD 19 million over a three-year period (2017–2020) (The World Bank, 2017b). The funds were transferred to, and are managed by, the Ministry of Finance, Tanzania.

What differentiates the PforR tool from traditional IDA loans is its focus on tying in disbursements to results and administrative milestones (in the form of DLIs) and that it was established in response to requests by national governments for an opportunity to acquire loans for programs being implemented within the pre-existing infrastructure (Saadah, 2015). By tying funding release to the achievement of DLIs, the mechanism incentivizes the achievement of key deliverables (The World Bank, 2011).

DLIs in the Tanzania EPforR AF are related to tracking an increase in learning outcomes as measured by national exams, especially for girls. Here, there is a focus on reading and math skills. To overcome supply-side constraints, students are provided textbooks, and their disbursement and maintenance by schools are incentivized through the creation of a DLI monitoring these elements. DLIs are also related to ensuring student retention and completion of school, again with a focus on gender equality. To incentivize improved school performance (as measured by student performance in exams), school improvement grants (SIGs) are to be issued to high-performing schools (The World Bank, 2017a).

To support educational quality, including the amount of time teachers dedicate to teaching and learning at schools, the formulated DLIs incentivize the display of report cards on school premises (The World Bank, 2017a). DLIs pertaining to school construction focus on the construction of new classrooms and toilets and on increasing physical access so that participation of disabled children in schools could be increased. To develop the capacity of the government's educational planning and policy, the issuance of commissions to manage increased educational demand and supply is also formulated as a DLI. Additional DLIs are related to meeting administrative milestones, such as the timely release of funds for the program and uploading the school's education management information system data (The World Bank, 2017a).

Table 1. EPforR AF: Disbursement Linked Indicators (DLIs)

|                |  |
|----------------|--|
| <b>DLI 1.1</b> | Approved a school quality assurance (QA) operations manual   |
| <b>DLI 1.2</b> | Approved an updated national teacher deployment strategy that includes the agreed formula for the deployment of new teachers across LGAs         |
| <b>DLI 1.3</b> | Approved a strategy for primary and secondary students with special needs  |
| <b>DLI 1.4</b> | Approved a school construction strategy  |
| <b>DLI 21</b>  | Bi-annually released the total amount of funds per agreed EPforR budget framework (revised at MTR)   |
| <b>DLI 2.2</b> | Released the full amount of capitation grants agreed upon for each year to all schools within each LGA on a monthly basis                        |
| <b>DLI 2.3</b> | Percentage of schools providing evidence of receipt of textbooks showing subject and grade level   |
| <b>DLI 3.1</b> | Released an annual summary education performance report (ASEPR) in acceptable format   |
| <b>DLI 3.2</b> | Made available online the annual school-level EMIS data with unique school identifiers   |
| <b>DLI 4.1</b> | Percentage of LGAs achieving the acceptable range of primary PTRs  |
| <b>DLI 4.2</b> | Number of primary schools achieving the acceptable range of primary PTRs in each LGA   |
| <b>DLI 5.1</b> | Number of primary and secondary schools that have received monetary SIGs based on performance  |
| <b>DLI 6.1</b> | National average for reading correct words per minute (wpm) in the Oral Reading Fluency (ORF) sub-module of 3R assessment among Grade 2 students |
| <b>DLI 6.2</b> | National average on the Addition and Subtraction sub-module of 3R assessment among Grade 2 students  |
| <b>DLI 7.1</b> | Percentage of LGAs/regions achieving year-on-year increase in the aggregate primary and basic education survival rates                           |
| <b>DLI 7.2</b> | Percentage of regions achieving year-on-year increase in the aggregate transition rate from primary Standard 7 to secondary Form I for girls     |
| <b>DLI 8.1</b> | Percentage of public primary and secondary schools displaying school report cards based on whole school inspection                               |
| <b>DLI 8.2</b> | Increase in the school quality score for the selected schools that are to be inspected twice in consecutive years                                |
| <b>DLI 9.1</b> | Number of new policy, planning, and innovation commissions granted   |

There are two key stakeholders in the EPforR AF mechanism. The World Bank that provides funding support for the intervention and the Government of Tanzania that directly receives the funding and implements the intervention. The World Bank not only provides financing but, in project implementation stages, as discussed, also provides quality assurance and capacity building support (The World Bank, 2011). The government retains the responsibility for implementing programs. Finally, in the Tanzania EPforR AF, local communities were involved as partners to ensure quality assurance, and in the development of the environment and social systems assessment (ESSA), the World Bank consulted local schools and a non-governmental organization (NGO) representative in addition to Tanzanian line ministries and departments (The World Bank, 2017a).

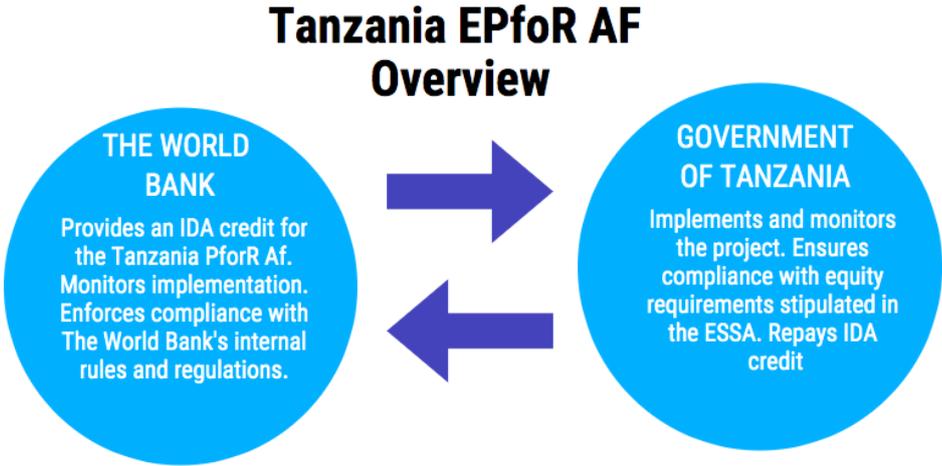


Figure 1. The EPforR functioning

In this, innovation lies in the fact that it is a novel mechanism that reduces transaction costs, ensures transparency, incentivizes the achievement of project targets, and streamlines the coordination between the Government of Tanzania and the World Bank (Guarnaschelli et al., 2014). The additional capacity-building support that the Tanzanian government simultaneously receives with funding not only contributes to the overall sustainability of the supported projects but also promises spillover effects—through better management as well as monitoring and evaluation capacities—in the ongoing and future ventures.

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*This case description is a result of the COFER Innovative Financing in Education and Development: Case Studies and Multi-Media Material for E-Learning project, partially funded by the swissuniversities Development and Cooperation Network (SUDAC) under the development of 'Consortia for Education and Research (COFER)'. Additional funding and resources were provided by the Open Societies Foundation (OSF) and the Swiss Agency for Development and Cooperation (SDC). Please visit [www.norrag.org/ife](http://www.norrag.org/ife) for more information and resources on the topic of Innovation Finance for Education.*



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