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Report No: PAD00027

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF US\$100 MILLION

WITH CO-FINANCING

IN THE AMOUNT OF US\$4 MILLION

FROM THE EARLY LEARNING PARTNERSHIP MULTI DONOR TRUST FUND

TO THE

UNITED REPUBLIC OF TANZANIA

FOR THE

PROJECT FOR ADVANCING GENDER EQUALITY IN TANZANIA
(P178813)

February 12, 2024

Social Sustainability and Inclusion Global Practice
Eastern and Southern Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective December 31, 2023)

Currency Unit =	TANZANIA SHILLINGS (TZS)
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TZS2,516.99 =	US\$1
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US\$1.34 =	SDR 1
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FISCAL YEAR

July 1 - June 30

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ABBREVIATIONS AND ACRONYMS

AWPB	Annual Work Plan and Budget
BoT	Bank of Tanzania
BP	Business Plans
CDCC	Community Daycare Centers
CDOs	Community Development Officers
CMG	Community Microfinance Group
COM	Community Operations Manual
COVID	Corona Virus Disease
CPF	Country Partnership Framework
DIT	District Implementation Team
ECD	Early Childhood Development
ELP	Early Learning Partnership
e-ProZ	E-Procurement Zanzibar
ESHS	Environmental, Social, Health & Safety
ESMFs	Environmental and Social Management Frameworks
ESMS	Environmental and Social Management System
FA	Financing Agreement
FI	Financial Intermediary
FM	Financial Management
GBV	Gender-Based Violence
GRS	Grievance Redress Service
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFC	International Finance Corporation
IFMIS	Integrated Financial Management Information System
IFR	Interim Financial Reports
IPF	Investment Project Financing
IPV	Intimate Partner Violence
LGAs	Local Government Authorities
M&E	Monitoring & Evaluation
MIS	Management Information System
MoCDGEC	Ministry of Community Development, Gender, Elderly and Children
MoCDGWSG	Ministry of Community Development, Gender, Women and Special Groups
MoF	Ministry of Finance
MoH	Ministry of Health
M-PIM	Mainland Project Implementation Manual
MUSE	<i>Mfumo wa Ulipaji Serikalini</i> – (government digital payment system for all government expenditure transactions)
NBS	National Bureau of Statistics
NeST	New National e-Procurement System
NOCP	National Open Competitive Procurement
NPA	National Plans of Action
NPA-VAWC	National Plans of Action to End Violence Against Women and Children
NPIT	National Project Implementation Team
OSC	One-stop Center

PAMOJA	Program for Advancing Gender Equality in Tanzania
PDO	Project Development Objective
PFI	Participating Financial Institutions
PIM	Project Implementation Manual
PITs	Project Implementation Team
PIU	Project Implementation Unit
PoFP	President's Office Finance and Planning
PO-RALG	President's Office - Regional Administration, Local Government and Special Departments
PP	Procurement Plan
PPRA	Public Procurement Regulatory Authority
PPSD	Project Procurement Strategy for Development
PSC	Project Steering Committee
PwDs	Persons with Disabilities
SEA	Sexual Exploitation and Abuse
SME	Small and Medium Enterprises
SPDs	Standard Procurement Documents
STEP	Systematic Tracking of Exchanges in Procurement
SWOs	Social Welfare Officers
TDHS	Tanzania Demographic Health Survey
TOR	Terms of Reference
ToT	Training of Trainers
UNDB	United Nations Development Business online
URT	United Republic of Tanzania
VAC	Violence Against Children
VAWC	Violence Against Women and Children
VICOBA	Village Community Banks
VSLAs	Village Savings and Loans Associations
WCPC	Women and Child Protection Committees
WHO	World Health Organization
WYDF	Women, Youth and People with Disabilities Revolving Fund
ZEEA	Zanzibar Economic Empowerment Agency
ZPPDA	Zanzibar Public Procurement and Disposal Authority



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**DATASHEET****BASIC INFORMATION**

Project Beneficiary(ies)	Operation Name		
Tanzania	Project for Advancing Gender Equality in Tanzania (PAMOJA)		
Operation ID	Financing Instrument	Environmental and Social Risk Classification	
P178813	Investment Project Financing (IPF)	Moderate	

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input checked="" type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
05-Mar-2024	28-Feb-2029
Bank/IFC Collaboration	
No	

Proposed Development Objective(s)

To increase access to (i) economic opportunities for women and (ii) Gender-Based Violence prevention and response services, in targeted areas of the United Republic of Tanzania.

Components

Component Name	Cost (US\$)
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Promoting Economic Opportunities for Women through Community-Based Models	54,000,000.00
Strengthening Gender Based Violence Prevention and Response Services	30,000,000.00
Innovations and Partnerships	9,500,000.00
Project Management and Monitoring and Evaluation	10,500,000.00

Organizations

Borrower:	United Republic of Tanzania represented by the Ministry of Finance Ministry of Community Development, Gender, Elderly and Children (MoCDGEC),
Implementing Agency:	Ministry of Community Development, Gender, Women and Special Groups (MoCDGWSG), Presidents Office, Regional Administration and Local Government (PO-RALG), Zanzibar Economic Empowerment Agency (ZEEA)

PROJECT FINANCING DATA (US\$, Millions)**Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Operation Cost	104.00
Total Financing	104.00
of which IBRD/IDA	100.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	100.00
IDA Credit	100.00

Non-World Bank Group Financing

Trust Funds	4.00
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Early Learning Partnership

4.00

IDA Resources (US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
National Performance-Based Allocations (PBA)	100.00	0.00	0.00	0.00	100.00
Total	100.00	0.00	0.00	0.00	100.00

Expected Disbursements (US\$, Millions)

WB Fiscal Year	2024	2025	2026	2027	2028	2029
Annual	1.00	27.00	26.00	25.00	16.00	5.00
Cumulative	1.00	28.00	54.00	79.00	95.00	100.00

PRACTICE AREA(S)**Practice Area (Lead)**

Social Sustainability and Inclusion

Contributing Practice Areas

Social Protection & Jobs; Education; Finance, Competitiveness and Innovation

CLIMATE**Climate Change and Disaster Screening**

Yes, it has been screened and the results are discussed in the Operation Document

SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category

Rating



1. Political and Governance	● Moderate
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Moderate
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Substantial

POLICY COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

ENVIRONMENTAL AND SOCIAL

Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant



ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
ESS 8: Cultural Heritage	Relevant
ESS 9: Financial Intermediaries	Relevant
NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).	

LEGAL

Legal Covenants

Sections and Description

Sections I.A.1(a) of the Schedules 2 to the Financing Agreement & the ELP Grant Agreement: GoT to establish, by no later than one (1) month after the Effective Date, and thereafter maintain throughout the Project, a Project Steering Committee ("PSC").
Sections I.A.1(b) of the Schedules 2 to the Financing Agreement & the ELP Grant Agreement: GoT to establish, by not later than one (1) month after the Effective Date, and thereafter maintain throughout its Respective Parts of the Project, a Project Technical Committee for Mainland ("M-PTC").
Sections I.A.1(e) of Schedules 2 to the Financing Agreement & the ELP Grant Agreement: GoT to cause the each Selected District in Mainland to establish, as precondition for its inclusion and participation in Project activities, and thereafter maintain throughout the period of such participation, a District-Level Implementation Team ("DIT").
Section I.A.1(a) of Schedule to the Project Agreement: RGoZ to establish, by not later than one (1) month after the Effective Date, and thereafter maintain throughout the period of implementation of its Respective Parts of the Project, a Project Technical Committee for Zanzibar ("Z-PTC")
Section I.A.1(c) of Schedule to the Project Agreement: RGoZ to cause each Selected District in Zanzibar to establish, as precondition for its inclusion and participation in Project activities, and thereafter maintain throughout the period of such participation, a District-Level Implementation Team ("DIT").

Conditions

Type	Citation	Description	Financing Source
Effectiveness	Financing Agreement, Article IV, Section 4.01(a)	The ELP co-financing grant agreement has been executed and delivered and all conditions precedent to its effectiveness have been fulfilled.	IBRD/IDA
Effectiveness	Financing Agreement , Article IV, Section 4.01(b)	The subsidiary agreement between GoT and Zanzibar has been executed and delivered conditions	IBRD/IDA



		precedents to its effectiveness have been fulfilled.	
Effectiveness	Financing Agreement, Article IV, Section 4.01(c)	GoT to establish within MoCDGWSG the MoCDGWSG-Project Implementation Team.	IBRD/IDA
Effectiveness	Financing Agreement, Article IV, Section 4.01(d)	GoT to establish, within PO-RALG, the PO-RALG-Project Implementation Team.	IBRD/IDA
Effectiveness	Financing Agreement, Article IV, Section 4.01(e)	RGoZ to establish, within MoCDGEC, the Zanzibar-Project Implementation Team.	IBRD/IDA
Effectiveness	Financing Agreement, Article IV, Section 4.01(f)	GoT and/or RGoZ to prepared and adopt either one of the Mainland PIM and the Zanzibar-PIM.	IBRD/IDA
Disbursement	Financing Agreement, Section III.B.1(b); Grant Agreement, Schedule 2, Section III.B.1(b)	For amounts under Categories (1) and (2), GoT to adopt Mainland PIM, an ESMF and a Labor Management Plan.	IBRD/IDA, Trust Funds
Disbursement	Financing Agreement, Section III.B.1(c)	For amounts under Category (3), GoT to adopt the Community Operations Manual, an ESMF and a Labor Management Plan.	IBRD/IDA
Disbursement	Financing Agreement, Section III.B.1(d)	For amounts under Category (4), GoT to adopt the PFI-OM and the MoCD-PIT-ESMS.	IBRD/IDA
Disbursement	Financing Agreement, Section III.B.1(e); Grant Agreement, Schedule 2, Section III.B.1(c)	For amounts under Category (5), RGoZ to adopt the Z-PIM, an ESMF and a Labor Management Plan.	IBRD/IDA, Trust Funds
Disbursement	Financing Agreement, Section III.B.1(e)	For amounts under Category (6), RGoZ to adopt the PPG-OM, an ESMF and a Labor Management Plan.	IBRD/IDA



I. STRATEGIC CONTEXT

A. Country Context

1. **Over the past two decades, the United Republic of Tanzania (URT), which includes the mainland and Zanzibar, has experienced strong economic growth and a significant poverty decline, leading to the country's transition to lower-middle income country status in July 2020.** Since 2000, the country's gross domestic product (GDP) has grown by an average of 6.1 percent annually. Between 2007 and 2018, Tanzania Mainland basic needs poverty rate fell from 34.4 percent to 26.4 percent, and extreme poverty fell from 12 percent to 8 percent.¹ In Zanzibar, basic needs poverty rate fell from 34.9 percent in 2009/10 to 25.7 percent in 2019/20 while food (extreme) poverty rate fell from 11.7 percent to 9.3 percent in the same reference period.² Inflation rates in the country have remained relatively stable, and among the lowest, least volatile in Eastern Africa. While the economy has suffered from the COVID-19 pandemic induced-shock as well as from global economic challenges, there are signs of a stable economic recovery. Real GDP growth rose from 3.8 percent in the second quarter of 2021 to 4.8 percent in the second quarter of 2022 and is expected to continue recovering.³ As of 2022, there has been a 43 percent increase in workplace activity compared to the pre-pandemic baseline.⁴

2. **Economic growth in Tanzania has translated to improvements in socio-economic welfare indicators.** Between 2011/12 and 2017/18, net educational enrollment rates at the primary level increased from 78 percent to 83 percent and from 29 percent to 34 percent at the secondary level in Tanzania Mainland. In Zanzibar, net enrollment increased at the secondary level from 40.5 percent to 52.1 percent between 2014/15 and 2019/20.⁵ Between 2000 and 2020/21, the life expectancy of Tanzanians increased from 52 years to 67 years. Between 2010 and 2020, the share of the population with access to electricity increased from 10 percent to 40 percent, and access to internet increased from 3 percent to 22 percent.⁶

3. **However, high levels of population growth, driven by elevated levels of child-marriage and high fertility rates, have increased the absolute number of poor people, and put pressure on government capacity to deliver services.** An estimated 42.8 percent of Tanzania's population of 61.7 million in 2022 is young (15 years and below), and growing, with a population growth rate of 3.2 percent annually, the third fastest globally. Although the country has made progress in reducing the total fertility rate from 6.2 births per women in 1991 to 4.8 in 2022, this rate is higher than the Sub-Saharan African average of 4.6.⁷ This high total fertility rate is associated with decreased economic activity, poverty and lower levels of education and agency. Early marriage is declining but remains a severe problem: an estimated 1 in 3 women in Tanzania are married before their 18th birthday.⁸ Child marriage catapults population growth as it is significantly related with early childbearing and higher levels of fertility. High population growth has also increased the total number of poor people, from 12 million in 2012 to 14 million in 2018⁹ constraining Tanzania's ability to make a demographic transition.

¹ World Bank. 2020. Tanzania Mainland Poverty Assessment: Path to Poverty Reduction and Pro-Poor Growth. Washington, DC: World Bank Group.

² Household Budget Survey (HBS) 2019/20 (Zanzibar).

³ World Bank. 2023. *Tanzania Economic Update – Privatizing Growth, A Country Economic Memorandum for the United Republic of Tanzania*; issue no. 19 Washington, D.C.: World Bank Group.

⁴ World Bank. 2022. *Tanzania Economic Update - Clean Water, Bright Future: The Transformative Impact of Investing in Water, Sanitation, and Health (WASH)*; issue no. 18 Washington, D.C.: World Bank Group

⁵ HBS 2011/12 and 2017/18 (Mainland Tanzania); and HBS 2014/15 and 2019/20 (Zanzibar).

⁶ World Bank. 2023. *Tanzania Economic Update – Privatizing Growth, A Country Economic Memorandum for the United Republic of Tanzania*; issue no. 19 Washington, D.C.: World Bank Group

⁷ Ministry of Health (MoH) [Tanzania Mainland], MoH [Zanzibar], National Bureau of Statistics (NBS), Office of the Chief Government Statistician (OCGS), and ICF. 2023. Tanzania Demographic and Health Survey and Malaria Indicator Survey 2022 Key Indicators Report. Dodoma, Tanzania, and Rockville, Maryland, USA: MoH, NBS, OCGS, and ICF.

⁸ World Bank. 2022. *Tanzania Gender Assessment*. Washington, D.C.: World Bank Group.

⁹ World Bank. 2020. Tanzania Mainland Poverty Assessment: Part 1 - Path to Poverty Reduction and Pro-Poor Growth. World Bank, Washington, DC.: World Bank Group.



4. **The country is very vulnerable to climate change, and women are particularly affected.** According to the 2018 Notre Dame Global Adaptation Initiative Country Index, Tanzania ranks 145th out of 185 countries in terms of vulnerability to climate change and readiness to deal with its effects.¹⁰ Historical trends show increased temperatures, little change in precipitations, and rising sea levels since the 1960s.¹¹ Currently, the main climate risks in the country are floods, droughts, and sea level rise, while projections show further increases in temperature, heatwaves, and heavy rainfalls by 2050.¹² Climate change has already had profound economic costs, especially in the agriculture sector, which comprises most of the labor force. Women's limited access to "moveable" livestock assets, credits and savings, information and communication technology for early warning, and adaptation technology makes them particularly vulnerable to climate change.¹³ Slow-onset climate events, such as heavier rainfalls and prolonged droughts, can disrupt agricultural patterns, leading to migration, sexual trafficking, exploitation, and human right abuses. Moreover, climate-induced disasters, such as severe flooding, can also increase the risks of violence, such as sexual assault, harassment, Intimate Partner Violence (IPV), child marriage, and trafficking.

B. Sectoral and Institutional Context

5. **Despite some progress, women have not benefited equally from Tanzania's development trajectory and continue to face several interrelated economic and social barriers.** These barriers do not operate in isolation. Economic gender gaps in income, access to jobs and credit are closely linked to patriarchal norms and beliefs that prevent women from engaging in profitable income-generating activities, push them into low-paid or underpaid jobs, and force them to drop out of school, marry early and perform unpaid domestic work.¹⁴

6. **Female labor force participation rose from 67 percent in 2000/01 to 80 percent in 2019, above the 63 percent average for Sub-Saharan Africa, and among the highest rates in Africa, however, women continue to suffer from obstacles accessing economic opportunities.**¹⁵ Women are much more likely than men to be engaged in unpaid labor. Although the gender gap in wage employment has decreased, women wage workers earn about 88 cents for each dollar earned by men and are often not paid for their work.¹⁶ Drivers of the gender wage gap include: (i) women being overrepresented in the informal job market, due to lower levels of educational and skills attainment, (ii) gendered norms, which push women to dedicate a greater share of their time to unpaid domestic and care work, jeopardizing their capacity to be competitive in the labor market, and (iii) limited access to safe, quality, and affordable childcare close to home as suggested in the global literature.¹⁷ In this context, climate change aggravates women's vulnerability, by forcing them to invest more effort in household tasks (e.g., getting water and food from further distances due to droughts), thus having less time for skilled jobs.

7. **Because of a series of structural barriers, female entrepreneurs' sales are 46 percent less than male entrepreneurs.**¹⁸ Drivers of the gender gap in sales include: (i) men are more likely to use their savings from their non-agricultural businesses as startup capital, whereas women are more likely to use start-up capital if it was gifted by family or friends, and (ii) men entrepreneurs pay higher wages to their workers than female entrepreneurs, suggesting they are

¹⁰ The ranking summarizes a country's vulnerability to climate change and other global challenges in combination with its readiness to improve resilience. The score for Tanzania indicates that the country has high vulnerability levels and low levels of readiness to adapt to climate change.

¹¹ Average temperature increased by 1°C during 1960–2006; sea level rose by 4–20 cm per decade (1955–2003) everywhere except Zanzibar, which recorded a decrease during 1984–2004; while precipitations have slightly decreased from 1961 to 2013 (USAID, 2018).

¹² USAID. 2018. Climate Risk Profile. Tanzania. USAID.

¹³ World Bank. 2023. *Regional Climate Resilience Program for Eastern, Southern Africa*. Project Appraisal Document. Washington, DC: World Bank Group.

¹⁴ World Bank. 2022. *Tanzania Gender Assessment (English)*. Washington, D.C.: World Bank Group.

¹⁵ Tanzania Economic Update 17: Empowering Women - Expanding Access to Assets and Economic Opportunities (English). Tanzania economic update; issue no. 17 Washington, D.C.: World Bank Group.

¹⁶ World Bank. 2022. *Tanzania Gender Assessment (English)*. Washington, D.C.: World Bank Group.

¹⁷ Ibid.

¹⁸ Ibid.



more likely to operate in more productive economic sectors. Women are less likely to register their businesses, and, compared to male entrepreneurs, are less educated and more likely to be widowed, divorced, or separated. In addition, certain gender norms, such as being perceived as less credit worthy than men, continue to affect women's access to financial services.¹⁹

8. **Women's burden of care impacts their economic activities.** Social norms require women to be responsible for most unpaid domestic and childcare obligations which puts a strain on their time. A multi-country study²⁰ suggests that marriage, and parenthood, penalizes time-use patterns of women, especially those of prime working age, who face decreased labor market participation and higher engagement in unpaid domestic work. Regional evidence shows women with access to childcare were more likely to be employed, or have worked, in the last month;²¹ and that women-owned businesses faced a double burden during COVID-19 following school closures, with 43 percent of women-owned businesses forced to close due to the additional responsibility of childcare, compared to 34 percent of men-owned businesses.²² A recent systematic review focused on lower, and middle-income countries shows that access to institutional childcare has a positive effect on female labor force participation and market outcomes.²³

9. **Tanzanian women are left behind when it comes to accessing finance.** Women represent 51 percent of the country's population and 60 percent are currently employed,²⁴ yet they remain undeserved and unserved in access and usage of financial services. Through the implementation of strategies such as the 2013 Tanzania National Financial Inclusion Framework, progress has been made on financial inclusion for women, narrowing the gender gap from 10 percent in 2017 to 3.6 percent in 2023t. This indicates that the gender gap is narrowing, however still persistent. The level of women using formal financial services remains at 74 percent compared to 77 percent for men in 2023 and 18 percent of women use banking services compared to 27 percent of men.²⁵ The National Financial Inclusion Framework 2023-2028 is putting in place efforts to address the barriers that impede women from accessing banking services and other formal financial services. The interventions include promoting gender inclusive financial policies, tailoring financial products and services to women's needs and enhancing women's capabilities through the implementation of financial literacy programs. Ultimately, achieving financial inclusion for women in Tanzania is expected to have significant social and economic benefits, including increased economic growth, reduced poverty, and improved gender equality.

10. **Women's Village Savings and Loans Groups are widely used structures to fill the vacuum of financial products for women.** Village Community Banks (VICOBA) and Village Savings and Loans Associations (VSLAs) are grassroots, group-based lending schemes using member contributions. VICOBA were pioneered in the 2000s in Zanzibar and later multiplied to areas in mainland. There are approximately 50,000 VICOBA in Tanzania, with about 4.4 million clients and capital of 1.5 trillion Tanzanian shillings (US\$600 million).²⁶ Such groups are ubiquitous across Tanzania and are often used as the basis of microfinance support programs from government and development/ non-profit groups, including the government's own Women, Youth and People with Disabilities Revolving Fund (WYDF).

¹⁹ Manta, Arpita, Financial Inclusion and Gender Barriers for Rural Women (December 23, 2019). International Journal of Management, 10 (5), 2019, pp. 61–72.

²⁰ Gender Differences In Time Use: Allocating Time Between The Market And The Household," Washington D.C.: Washington, D.C.: World Bank Group.

²¹ Ibid; and Shelley, C., Kabiru, C., Laszlo, S., and Muthuri, S. "The Impact of Childcare On Poor Urban Women's Economic Empowerment In Africa," Demography 56, No. 4 (August 1, 2019): 1247–72.

²² Forthcoming Research from The World Bank's Africa Gender Innovation Lab.

²³ World Bank 2023. 'Childcare and Mothers' Labor Market Outcomes in Lower- and Middle-income Countries, World Bank Research Observer, 38:1.

²⁴ NBS, Office of the Chief Government Statistician (OCGS), and ICF. 2022. Tanzania Demographic and Health Survey and Malaria Indicator Survey 2022 Final Report. Dodoma, Tanzania, and Rockville, Maryland, USA: MoH, NBS, OCGS, and ICF; Ministry of Finance and Planning, National Bureau of Statistics Tanzania and Presidents' Office, Ministry of Finance and Planning Office of the Chief Government Statistician, Zanzibar. 2022 Census. Age and Sex Distribution Report.

²⁵ Finscope Tanzania 2023 Report; Insights That Drive Innovation.

²⁶ Joseph Magali. (2021), Paper Title: The Role of Village Community Banks (Vicoba) Microcredits in Promoting Sustainable Micro and Small-Scale Industrialization in Kilimanjaro Region, Tanzania. Business Education Journal (BEJ), Volume I, Issue II, 15 Pages.



11. **WYDF or the “10 percent fund” was established as a zero-interest revolving loan scheme to assist women and vulnerable groups who are unable to obtain loans from financial institutions, however, it has suffered from implementation challenges.** The scheme commenced in 1993 and was expanded by the 2019 amendment of the Local Government Financial Act, which made it mandatory for all Local Government Authorities (LGAs) to issue 10 percent of their revenue as interest-free loans. This currently includes 4 percent of the funds for women, 4 percent for youth, and 2 percent allocated to people with disabilities (PWDs). While popular, the fund has faced several administrative challenges. For instance, for the fiscal year 2020/21, 155 of 185 tested LGAs had failed to recover loans with mixed results on disbursement. Possible factors could be that recipients lacked awareness and training about repayment terms and loans were provided without entrepreneurial education, absence of sufficient loan officers on the ground, and a lack of due diligence about groups ability to repay. The fund’s administration is currently under review by the President’s Office-Regional Administration and Local Governance (PO-RALG).

12. **Women and girls in Tanzania continue to experience high levels of violence.** An estimated 32 percent of women aged 15 to 49 in mainland and 10 percent of women in Zanzibar have experienced physical violence committed by their current husband/intimate partner. Nationally, 11 percent of women have experienced sexual violence and 39 percent have experienced either physical or sexual violence by an intimate partner.²⁷ Moreover, around 75 percent of children experienced physical violence by a relative before the age of 18 years, and more than half of females aged 13 to 17 have experienced physical violence in the past year. Likewise, almost 30 percent of girls experience sexual violence before the age of 18.²⁸ An 18 country study (including Tanzania) found that an increase in the share of women subject to violence reduced economic activities by up to 8 percent, and that the effect is principally related to drops in female employment.²⁹ Furthermore, climate change is shown to worsen Gender Based Violence (GBV), particularly in the aftermath of extreme weather (e.g., due to stress and social instability), and during slow onset climate events (e.g., due to food insecurity related to prolonged droughts).³⁰

13. **Harmful, gendered, social norms and practices, which help normalize GBV, persist.** Although changing norms and values which perpetuate gender inequality is one of the core pillars of the National Plans of Action to End Violence Against Women and Children (NPA-VAWC) in mainland Tanzania (2017/18-2021/22) and Zanzibar (2017-2022), several harmful gender norms persist. For instance, wife-beating seems to be a widely accepted practice: an estimated 48 percent of women, and 32 percent of men, believe that a husband is justified in beating his wife for at least one of the following reasons: if she burns the food, she argues with him, she goes out without telling him, she neglects the children, or she refuses to have sex with him. In Zanzibar, this number is at 28 percent of females and 13 percent of males.³¹

14. **Help seeking remains low among the high number of people experiencing GBV, but demand has slowly grown.** Only 49 percent of women who experienced physical or sexual violence seek help.³² However, the number has decreased by almost five percent from the 2015 Tanzania Demographic Health Survey (TDHS) to 2022 TDHS. A study in three regions of Tanzania found that socio-cultural barriers, such as women’s lack of awareness of their rights, societal acceptance and normalization of GBV, women’s fear of being blamed for reporting rape, and the expectation that victims of GBV first seek family members help before considering help from external or formal sources of support, impede women’s access to

²⁷ NBS, Office of the Chief Government Statistician (OCGS), and ICF. 2022. Tanzania Demographic and Health Survey and Malaria Indicator Survey 2022 Final Report. Dodoma, Tanzania, and Rockville, Maryland, USA: MoH, NBS, OCGS, and ICF.

²⁸ World Bank. 2022. *Tanzania Gender-Based Violence (GBV) Assessment: Scope, Programming, Gaps and Entry Points*. Washington, D.C.: World Bank Group.

²⁹ 2021. The Heavy Economic Toll of Gender based Violence: Evidence from Sub-Saharan Africa. IMF WP/21/277, Washington DC: USA

³⁰ For example, UN Women/IUCN. 2022. Tackling Violence against women and girls in the context of climate change. UN Women, and Desai, B.

³¹ NBS, Office of the Chief Government Statistician (OCGS), and ICF. 2022. Tanzania Demographic and Health Survey and Malaria Indicator Survey 2022 Final Report. Dodoma, Tanzania, and Rockville, Maryland, USA: MoH, NBS, OCGS, and ICF

³² Ibid.



adequate care. The study also found that structural barriers, such as cost of treatment, lack of survivor-centered care, distance to services, and delays in delivery of quality services, made reporting more challenging.³³

15. **NPAs reflect investments in a multi-sectoral, systems-based response to GBV.** The NPA-VAWC in Tanzania (2017/18-2021/22) and Zanzibar (2017-2022) were created by the respective Gender Ministries in Mainland and Zanzibar and are within their mandate. The second NPA-VAWCs (2022-2026) are currently under preparation. They provide a comprehensive framework for addressing GBV and Violence Against Children (VAC) in the country. This approach has brought together a range of functions and capacities across key sectors, including social services, health, justice, security, and education, from national to local levels. Implementation plans have also focused on strengthening data collection and reporting. In Zanzibar, the Ministry of Community Development, Gender, Elderly and Children (MoCDGEC) is responsible for coordination and implementation. In mainland, the Ministry of Community Development, Gender, Women and Special Groups (MoCDGWG) is responsible for technical guidelines, coordination and capacity building at national level, but implementation is carried out at the local level through PO-RALG, with structures for implementation at Regional, Council, Ward and Village/Mtaa levels. This is carried out by the Women and Children Protection Committees (WCPC) that exist at all these levels. As of 2022, over 18,000 WCPC Committees have been formed across Zanzibar and Mainland Tanzania but there are still gaps in national coverage.³⁴

16. **Although the NPAs provide a comprehensive framework for addressing GBV and VAC in the country, challenges in implementation remain.** Funding gaps, weak institutional capacities and limited infrastructure remain a challenge. Constraints include a lack of staffing, especially at the ward, and village levels and a lack of training and capacity building for local actors, who are often the first point of contact for survivors. This is particularly relevant in terms of psychosocial support, for which guidelines are available but for which delivery remains limited at community level.

17. **One-stop centers (OSC) exist, but they often lack funding and service quality is not uniform.**³⁵ As part of the Tanzania NPAs, OSCs have been scaled up from 4 to 26 centers. The OSCs are generally integrated within healthcare facilities and aim to offer wraparound services to victims of GBV, including access to healthcare, legal assistance, and psychosocial support. However, these centers also struggle with issues in capacity, such as lack of adequate staffing for psychosocial support, lack of availability of standardized quality-of-care feedback mechanisms offered to survivors receiving care, absence of harmonized monitoring and evaluation (M&E) systems, and insufficient coordination among social welfare officers.

18. **Guidelines for Safe Houses exist, but they are entirely privately run.** Before 2019, most survivors of violence and trafficking were being accommodated and receiving services through private Safe Houses with minimum government guidance or enforcement of standards, leading to differences in quality of care. In 2019, the MoCDGWG prepared National Guidelines for the Establishment and Management of Safe Houses for Victims of Trafficking in Persons and Survivors of Violence. The Guidelines provide comprehensive requirements for the establishment and management of safe houses, guidance for offering services to survivors, including those with special needs, and guidance on monitoring and evaluation of operations. In Zanzibar, MoCDGEC developed the National Guideline for Establishment and Management of Safe Houses in April 2022. The only existing government safe house in Unguja is due to be demolished.

19. **Similarly, although there has been an increase in promising GBV prevention initiatives, these are mostly small-scale and driven by civil-society actors.** Prevention programming initiatives are often siloed and lack quality control and

³³ McCleary-Sills, J., Namy, S., Nyoni, J., Rweyemamu, D., Steven, E., Salvatory, A. (2013). Help-Seeking Pathways and Barriers for Survivors of Gender-based Violence in Tanzania: Results from a Study in Dar es Salaam, Mbeya, and Iringa Regions. Dar es Salaam, Tanzania: EngenderHealth/CHAMPION

³⁴ Ibid.

³⁵ World Bank. 2022. *Tanzania Gender-Based Violence Assessment: Scope, Programming, Gaps and Entry Points*. Washington, D.C.: World Bank Group.



a nationwide coordination system that guarantees mechanisms to ensure that these are cascaded regionally.³⁶ The National Communications and Outreach Strategy to End VAWC relies on support from civil society to implement strategies to combat GBV and VAC regionally.

C. Relevance to Higher Level Objectives

20. **Addressing gender inequality is a strategic priority for URT.** President Dr. Samia Suluhu Hassan has delineated women's empowerment and gender equality as a key strategic priority and is providing leadership for its translation into action. Speaking to that commitment, MoCDGWSG in mainland and MoCDGEC in Zanzibar were carved out from the respective Ministries of Health as standalone ministries in early 2022. Gender is integrated into the National Five-Year Development Plan (2021/22-2025/26), and the Tanzania Development Vision 2025 emphasizes the country's commitment to promoting gender equality socially, economically and politically. The government has passed and implemented several policy reforms which have supported gender equality and women's empowerment in terms of education, health, employment, access to assets, and protection from GBV. This is mirrored in Zanzibar, with its Zanzibar Development Vision (2050), the Zanzibar Gender Policy 2016 and its Implementation Plan (2016-2020). Tanzania is also among the participating states that has adopted the thematic area on Economic Justice and Rights at the Generation Equality Forum 2021, leading to the formulation of the Tanzania Generation Equality Program in February 2022, which tackles key result areas on women's economic opportunities.

21. **The project is aligned with the World Bank's mission to end extreme poverty and boost prosperity on a livable planet.** It contributes to advance two of the five the IDA20 Special Themes on Gender and Development, and Jobs and Economic Transformation. It addresses the World Bank's Evolution priorities and aligns with the World Bank Group's Climate Change Action Plan (CCAP FY2021-2025) and the World Bank Action Plan on Adaptation and Resilience (2021) by boosting financing in support of adaptation and resilience, specifically social resilience. The project addresses two of the three strategic objectives of the World Bank Group's forthcoming new Gender Strategy 2024-2030: (i) end gender-based violence and elevate human capital, and ii) expand and enable economic opportunities.³⁷

22. **The project is aligned with the new Country Partnership Framework (CPF) for Tanzania (Fiscal Year 2025-2029), which is currently under preparation and foresees women and youth inclusion as one of two cross-cutting themes.** While programming in the current portfolio most strongly addresses dimensions of women's human capital as related to health and education, the project will complement this approach with a focus on aspects of women's economic opportunities and the underpinning issues of norms and GBV. In doing so, the project builds on the work conducted under the Tanzania Gender and Disability Inclusion Platform (P177923) and the World Bank Gender and GBV Assessments for Tanzania published in March 2022.

23. **The project is fully aligned with the country's climate commitments, as follows:** (a) Tanzania's Nationally Determined Contribution 2021 emphasizes priorities for adaptation (e.g., promoting climate-smart agriculture interventions, enhancing gender equity, promoting measures to address negative impacts of climate change on women) and mitigation. The project is directly aligned with these priorities, by supporting climate-smart economic opportunities for women, and promoting energy-efficient sources; (b) Tanzania's National Climate Change Response Strategy 2021-2026 includes objectives to promote gender-responsive climate change adaptation and mitigation interventions and facilitate transfer of climate-smart technologies. The project is aligned with these objectives by expanding access to, and capacity for climate-resilient livelihoods for women; (c) Zanzibar's Climate Change Strategy (2014) promotes the vision of building a climate resilient, sustainable Zanzibar by 2030, and has a specific objective to build capacity, raise awareness, and

³⁶ Ibid.

³⁷ Consultation draft: World Bank Gender Strategy 2024-2030: Accelerate Gender Equality for a Sustainable, Resilient and Inclusive Future.



promote climate aware and sustainable livelihoods, especially in local communities. The project addresses this objective by strengthening community-based women groups and promoting livelihood options that improve their resilience to climate change; (d) Tanzania's National Adaptation Programme of Action 2007 aims to create long-term sustainable livelihood and development activities at both community and national level, in a changing climate. The project aligns with this objective by supporting the improvement of women's livelihoods through actions that promote climate resilience and carbon emissions reduction; and (e) the National Strategy on Gender and Climate Change (2013) aims at ensuring that the country mainstreams gender considerations into policies, programs and strategies related to climate change, to enable equal access participation, contribution to, and benefit from climate change initiatives. The project directly addresses this objective, by aiming to advance gender equality and promote climate-resilient economic opportunities among women groups.

II. PROJECT DESCRIPTION

A. Project Development Objective

PDO Statement

To increase access to (i) economic opportunities for women and (ii) Gender-Based Violence prevention and response services in targeted areas of the United Republic of Tanzania.

PDO Level Indicators

- (i) Direct project beneficiaries (number, percentage female)
- (ii) Microenterprises led by women still in business 12 months after receiving financing under the project (number)
- (iii) Reduction in acceptability of intimate partner violence among project beneficiaries (percentage, Mainland, Zanzibar, and gender-disaggregated)

B. Project Components

24. **The project will be implemented in Tanzania Mainland and Zanzibar.** MoCDGWSG Mainland and the MoCDGEC Zanzibar will lead overall implementation given their technical mandate at the national level on the project's key objectives. The overall split of the project financing between mainland and Zanzibar is 87 percent to 13 percent respectively and is further indicated for each component and sub-component.

25. **The project will address the interlinked social and economic dimensions of gender inequality.** By combining economic empowerment interventions for women with gender-transformative approaches to prevent GBV, the project aims to improve gender attitudes while improving women's economic position. In bundling economic and social interventions targeting the same beneficiaries, the project therefore addresses multiple constraints that women face. Only such a multi-faceted approach can address the intersectional barriers faced by women. As women remain at the core of climate-sensitive sectors, the project is also expected to unlock their agency in resilience and recovery efforts, to build climate-resilient communities in Tanzania.

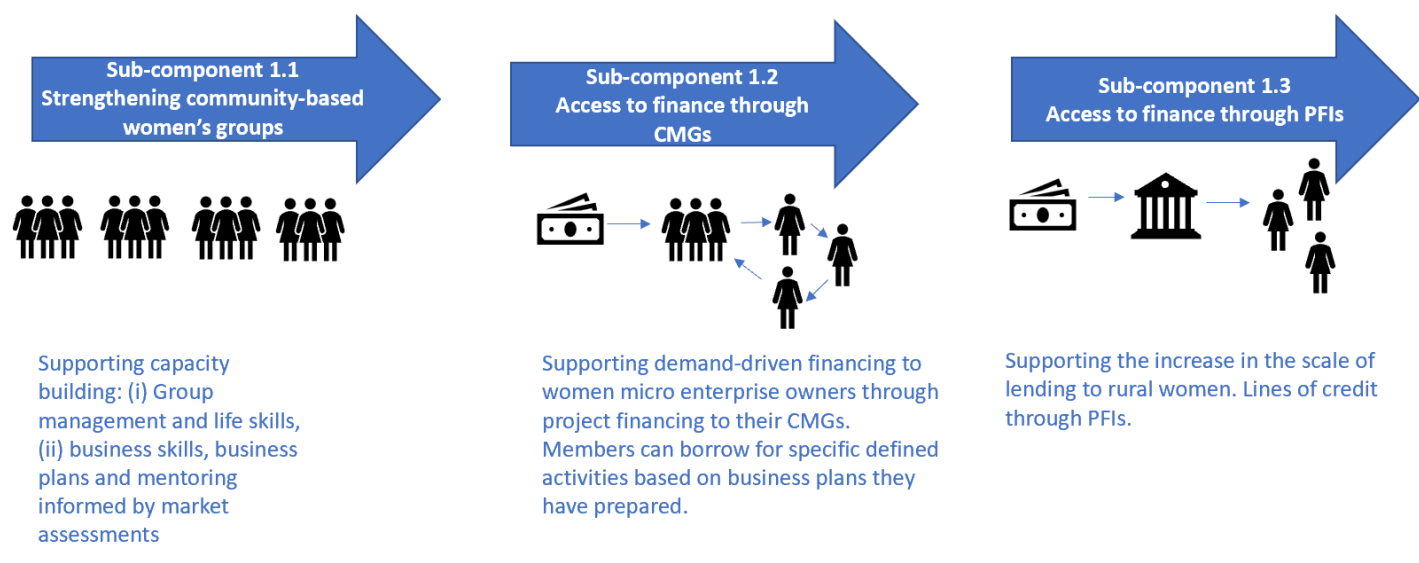
26. **The project will address gender equality at multiple levels but with a strong focus on group-based interventions models at the community-level,** setting it apart from projects that primarily focus on the individual, household, or firm level. Group-based intervention models at the community level are an effective tool for empowering women both socially and economically.



Component 1: Promoting Economic Opportunities for Women through Community-Based Models (IDA credit: US\$54 million equivalent– Mainland: US\$47 million; Zanzibar: US\$7 million)

27. **This component will finance access to economic opportunities for women, using their community-based groups as entry points and platforms.** Activities will be implemented through three sub-components: (1) strengthening community-based women’s groups, women’s business skills and market linkages, (2) increasing access to finance to individuals with micro businesses or collective group micro businesses through registered Community Microfinance Groups (CMGs), and (3) increasing access to finance to women-owned micro enterprises and productive groups through the formal financial sector. The component will provide different packages of capacity building and financing support to women’s groups and women enterprise owners along a graduation-type model (Figure 1). The two types of financing supported under the project to women micro-enterprise owners – through CMGs and through Participating Financial Institutions (PFIs) – will enable women’s gradual transition to more formal financial services in support of their businesses. At project mid-term review, the demand for, and implementation success of, the two types of financing will be reviewed to decide on potential re-prioritization of resources if necessary.

Figure 1: PAMOJA economic opportunities packages



Sub-component 1.1: Strengthening community-based women’s groups, women’s business skills and market linkages (US\$12 million equivalent – Mainland: US\$10 million; Zanzibar: US\$2 million)

28. This subcomponent will support the capacity building of community-based women’s groups in select districts/councils and use the groups as platforms to provide business skills training and mentoring to women micro-entrepreneurs. It will also support market linkages through simple market assessments. Specialized Business Development Service Providers will be hired from the private sector to support training and capacity building to women’s groups and enterprises under this sub-component.

29. **The sub-component will finance broad mobilization, sensitization and awareness raising activities which will anchor project activities.** This will include the design of communication campaigns at the national level and roll-out across project districts/councils to create a supportive environment for the project and to disseminate information about the project activities. Campaigns will include sensitization on climate risks in the project areas, their possible impacts on local economies and on women, and the need to include women in climate action.



30. **Gendered and climate-sensitive market assessments and value chain analyses at the district/council level will inform a menu of viable farm and non-farm livelihoods options.** These will consider climate risks in the target areas, climate resilient livelihoods approaches that have been implemented, and potential opportunities to strengthen women's resilience to future climate shocks. The menu of activities will be finalized after consultation with the women's groups and entrepreneurs. The quick assessments will be based on a review of existing information.

31. **The sub-component will initially identify³⁸ and target existing women's groups in the targeted districts/councils and gradually move to form and support new groups.** Overall, sub-components 1.1 and 1.2 will aim to target about 7,500 groups. Groups supported by the project will be women-led but may include mixed-gender groups with a higher percentage of women and shall include Community Savings and Investment Promotion Groups established under the World Bank supported Productive Social Safety Nets Program (P169165). The identification process will consider site-specific climate vulnerabilities, with the purpose of highlighting the groups that are most vulnerable to climate shocks and stressors.

32. **Core training and capacity building activities for all participating groups under this sub-component will include:** group management, leadership, decision-making, communication, negotiation, life skills, household financial planning, savings and credit concepts, financial literacy, digital literacy, and awareness around assessing and managing climate risks. There will be a focus on non-cognitive skills, social and emotional learning, and self-efficacy to build agency. Groups and members will be supported to open bank accounts. The training will also include sensitization on community-based childcare that will be piloted through Sub-component 3.1. The development of training materials under this sub-component will be based on a review of available materials on the relevant subjects.³⁹

33. **Interested group members⁴⁰ will receive business skills training, technical support to develop a simple climate-informed business plan (BP), as well as mentoring for BP implementation.**⁴¹ Not all group members may be economically active but selected members will be relatively more entrepreneurial due to personal initiative or other endowments. Business skills training will include topics such as business management, cash flow management, loan repayment and basic accounting. Individual BPs will form the basis for the group's aggregate proposal for the capital injection to their group's revolving loan fund under Sub-component 1.2, which will serve to provide financing to group members for the implementation of their BPs. Entrepreneurs will receive mentoring as they implement their BPs, including support on creating linkages with extension services, input suppliers and market players, including collectives, aggregators, exporters, traders, agribusiness firms and small and medium-sized enterprises, to ensure the resilience of the selected activities to future climate events. This can include, for example, finding alternative routes for food supply in areas at risk of severe floods, or using drought-resistant seeds in drought prone areas. This will be further supported by the digital application for market linkages in Sub-component 3.2.

Sub-component 1.2: Increasing access to finance through women's groups' revolving loan funds (US\$29 million equivalent - Mainland: US\$24 million; Zanzibar: US\$5 million)

³⁸ In Mainland, the mapping will include an overview of the current practices and interest rates applied by CMGs.

³⁹ This includes training on monitoring and reporting based on Bank of Tanzania (BoT) guidelines/templates and requirements as well as existing training materials at MoF.

⁴⁰ Women may also decide to form group enterprises, which could also receive training and prepare business plans for funding.

⁴¹ This may include business plans to improve and expand business activities. Business plans will include capital and operational costs and highlight the use of funds and their contribution to livelihoods enhancement. The COM will further determine potential windows for BP preparation, such as for e.g.: (i) consolidation of existing business activities by improving production and productivity and making them resilient to shocks, (ii) value addition and leveraging value chain opportunities and reaching bigger markets, and (iii) exploration of new economic opportunities.



Mainland

34. This sub-component will provide demand-driven financing to women micro-entrepreneurs through their group's revolving loan fund.⁴² Financing under this sub-component will allow the group to increase the amount and number of loans to members for business activities. The experience gained by groups in using these funds will also increase their creditworthiness and allow them to leverage greater financing from financial institutions. This will be further supported by the digital application to digitize savings group operations under Sub-component 3.2. An estimated 100 percent of the financing delivered under this sub-component will be geared towards climate-resilient BPs, with the purpose of supporting climate resilience and adaptation. These BPs will be: i) informed by the climate-sensitive market assessment and value chain analysis of agricultural and nonagricultural commodities prepared under Component 1.1; and ii) screened for climate risks, and energy efficiency perspective prior to funding. Only plans that build resilience and adaptation to climate change and that avoid maladaptive activities will be financed.

35. **Both existing and newly formed groups will have to follow and adhere to pre-agreed criteria to be eligible for financing under the sub-component.** Detailed eligibility criteria will be captured in the Community Operations Manual (COM),⁴³ with a focus on supporting mature and cohesive groups. At a minimum, groups will have to adhere to the following seven core group principles for at least three months: (i) regular meetings, (ii) regular savings, (iii) inter-lending, (iv) track record of timely repayments, (v) adequate record-keeping, (vi) a proposed pipeline of indicative BPs to be financed, and (vii) a project cashflow management demonstrating capacity and timeline for reimbursement of the funds when the group disbands. The existing capital of a group will be an additional criterion to determine the size of the financing under the project. Groups will have to be registered as women-led CMGs.⁴⁴ Training and technical assistance under Sub-component 1.1 will include these areas. LGAs will maintain a scoring mechanism of the CMGs and the individual borrowers to develop a track record of their performance and provide the information to the Bank of Tanzania (BoT) for inclusion in the credit information system.⁴⁵

36. **The use of the initial financing will be restricted to productive activities that are detailed in members' BPs.** Groups will prioritize BPs prepared by their members under Sub-component 1.1 and prepare financing proposals based on them. The proposals will be evaluated by an evaluation committee structure that will be transparent and involve third-party experts/reviewers to ensure alignment with the eligibility criteria and evaluation process defined in the COM along with the membership of the evaluation committee. The size of the financing will be based on pre-established criteria that will be captured in the COM. Members will report on the implementation of their BPs. Sanctioned BPs that will receive project financing will be uploaded in the project website and displayed in council and ward-level offices in a place that is accessible by the public.

Zanzibar

37. **In Zanzibar, the sub-component will provide funding to productive groups/producer groups through the Zanzibar Economic Empowerment Agency (ZEEA).** Details of the type of funding will be provided in the COM, which will be prepared based on an assessment of existing ZEEA financing schemes. While details will be provided in the COM, the broad category of funding that will be acceptable will be a deposit defined as funds that will be provided to productive

⁴² Capital injections will be extended in the form of deposits at an interest rate that considers costs of funds, inflation, and operations/administration. The CMGs will use the funds for the project designated purposes until they disband in which case the CMG through their Treasurer will return the initial amount received to the LGA including the agreed interest rate. For further details see Annex 2 on Assessment of Financial Sector and Financial Intermediaries.

⁴³ For each Mainland and Zanzibar, there will be a PIM laying out the details for overall project implementation especially at the national level and a COM laying out the details for community-level implementation, in particular for Sub-component 1.2.

⁴⁴ One important function of community-based women's groups commonly is their characteristic as a VSLAs. VSLAs in Tanzania are increasingly registered by local government as CMGs. The Microfinance Act, Cap. 407 (Act No. 10 of 2018) classified microfinance business into 4 tiers: Tier 1 –Banks and microfinance Banks (Deposit Taking Microfinance institutions); Tier 2 –Credit companies and financial organizations (Non-Deposit Taking Microfinance Service Providers); Tier 3 –Savings and Credit Cooperatives Societies (SACCOS); Tier 4 CMGs. CMGs are registered with BoT through LGAs.

⁴⁵ The project will procure the necessary equipment and software to provide the data to the BoT credit information system and receive the necessary training on how to utilize it.



groups to implement their BPs, and to be returned to the project when they disband. For these deposits to be sustainable and scalable, the interest rate charged will need to cover the costs of inflation, Non-Performing Loans, operations, and a profit margin that would encourage private sector participation.⁴⁶

Sub-component 1.3: Increasing access to finance through the formal financial sector (US\$13 million equivalent – Mainland only)

38. This sub-component will focus on increasing the scale of lending to rural women through the formal financial sector by creating a line of credit for individual borrowers and producer groups. It is aimed at encouraging Financial Institutions (FIs) to increase this lending sustainably by tackling systematic drivers of high cost of funds, high credit risks, and high operating costs, while maintaining competition in the market. This will involve a change process both for the FIs and for the beneficiaries that will be incentivized and catalyzed by the sub-component. It is expected that the sub-component will catalyze a process through which PFIs will increasingly see rural entrepreneurs as viable long-term clients while lowering barriers for women to initially access the formal financial sector. The project funds will be channeled indirectly through a wholesaling entity (an Apex entity managed by the MoCDGWSG), resulting in lending by retail financial institutions.

39. **The sub-component will focus on the project's core beneficiary group in rural councils.** It will cover all rural councils across Mainland, but initially prioritize the select councils targeted under Sub-components 1.1. and 1.2. Given the overall funding envelope and expected lower demand in Zanzibar, the sub-component will initially not cover Zanzibar. This will be reviewed at project mid-term. It is expected that some of the enterprises that obtained support under Sub-component 1.2 will graduate to benefit from Sub-component 1.3. The sub-component will support both individual borrowers (including members of CMGs that have received support under Sub-component 1.2) as well as producer groups (individuals working together on a jointly owned enterprise). The facility will support lending by FIs to women for productive activities only.

40. **The sub-component will be operationalized through selected PFIs.** It is expected that initially between 4-6 PFIs will be selected competitively, including commercial banks with the large rural branch networks and other financial institutions with a strong regional presence. Some of the criteria for selecting PFIs will include:

- (a) Commitment to developing women entrepreneurs as a core customer base;
- (b) Appropriately broad geographic branch coverage; and
- (c) Licensing, governance/management, compliance with national regulations, business policies, operational capacity, financial soundness, audit and internal controls and information systems.

Component 2: Strengthening GBV Prevention and Response Services (IDA credit: US\$30 million - Mainland: US\$26 million; Zanzibar: US\$4 million)

41. This component will finance access to GBV prevention and response services. Activities will be implemented through two sub-components: (1) shifting social norms and enabling behavior change towards gender equality and GBV prevention, and (2) strengthening GBV response services.

Sub-component 2.1: Shifting social norms and enabling behavior change towards gender equality and GBV prevention (US\$13 million - Mainland: US\$12 million; Zanzibar: US\$1 million)

⁴⁶ The respective COMs for Mainland and Zanzibar may define alternative forms of financial incentives provided that they do not imply cash grants and are compliant with the World Bank's Financial Intermediary Financing Guidelines.



42. This sub-component will finance: (i) the creation of a national protocol for a community-based social norms change and GBV prevention program to be integrated with the structures established by the NPA-VAWCs; and (ii) implementation of the new national prevention protocol in the project districts/councils.

43. **The implementation of the protocol will target beneficiaries of the BP financing under Sub-component 1.2 and their partners.** This will aim to ensure that women's economic activities are supported at both the household and the couples' level and can result in a transformation of gender roles and wellbeing of their household.

44. **The national protocol will build on well-tested models that have been evaluated in the context of government-led implementation while ensuring adaptation to the context.** This includes the *Bandebereho* couples' intervention approach as a starting point. The *Bandebereho* model aims to promote positive fatherhood and gender equality in order to shift gender-power imbalances and reduce intimate partner violence. It includes small group workshops based on a 15-session curriculum to enable couples to share, discuss and critically reflect on inequitable gender norms, attitudes and behaviors in the home. The protocol will be designed by MoCDWGSG (Mainland)/MoCDGEC (Zanzibar) with the support of specialized technical assistance. Implementation will be supported by trained community volunteers. Emphasis and resourcing will be placed on rigorous adaptation to the local context in Mainland and Zanzibar. The activities will partly cover issues related to the effects of climate events on GBV, e.g., raising awareness and generating data to understand the impact of different climate risks on GBV, identifying strategies for tackling climate-induced violence (30 percent of the cost).

Sub-component 2.2: Strengthening GBV response services (US\$17 million equivalent - Mainland: US\$14 million; Zanzibar: US\$3 million)

45. This sub-component will finance the strengthening of quality and survivor-centred GBV response services in the project districts/councils, with a focus on basic psycho-social and basic health service delivery and referral mechanisms at the community-level.

46. **The sub-component will finance the training of:** Women and Children Protection Committees, Community Development Officers (CDOs), Social Welfare Officers (SWOs) and health care providers at Village/Shehia, ward and district/council level. The training will also target community-level volunteers like Community Health Workers, Community Case Workers and the community volunteers trained under Sub-component 2.1. Given the shortage of SWOs and CDOs at ward level, it will be critical to train health staff at the ward level to provide psycho-social services. Training of other service providers may be considered as relevant.

47. **Existing training materials will be reviewed and updated to ensure standardized high-quality trainings.**⁴⁷ In Mainland, this will include the development of a training module on psycho-social care based on the National Guidelines for the Provision of Psychosocial Care and Support Services (2020) and the Standard Operating Procedures for the Provision of Psychosocial Care and Support Services (2020). In Zanzibar, this will include the review and update of the Zanzibar National Guideline on Psycho-Social Support (2019) and available training manuals on psycho-social support with a focus on basic service provision at the community-level. Service provider mapping at the district/council level will be conducted and included in the training materials to inform referrals. The sub-component will further finance updating and disseminating of management protocols and guidance notes for practitioners (job aides). Survivors will also be referred to project interventions under Component 1.⁴⁸ Part of the trainings and associated materials will cover responses to climate

⁴⁷ Reviews and updates of training materials will ensure provisions for specialized and differentiated care for different categories of survivors, including male survivors of rape, adolescent girls, PWDs, trafficked girls, and survivors of forced and early marriage. Training participants will be supported to better identify and manage their own biases when dealing with instances of GBV.

⁴⁸ Economic opportunities interventions under Component 1 will be offered in a manner that protects the survivor's identity and prevents further stigmatization.



exacerbated GBV and measures to prevent GBV following climatic events, such as climate disaster preparedness planning, to ensure that first line responders can meet the safety concerns and needs of the GBV survivors and to provide protection to climate displaced people.

48. **The sub-component will finance the enhancement of the service delivery infrastructure for GBV survivors.** In Mainland, this will include the rehabilitation of offices of CDOs, SWOs in the target councils and other relevant facilities as to be agreed with the World Bank to create adequate conditions for consultations and counselling for survivors where those do not currently exist. In Zanzibar, the sub-component will fund the construction and equipment of a psychosocial service delivery center in Mjini district for which an operation and maintenance plan will be developed for World Bank review ahead of construction. Infrastructure investments will be designed to be climate-resilient, through measures to adapt to slow onset climate trends such as rising temperatures (e.g., shading); and measures to reduce their carbon footprint (e.g., improved ventilation and insulation to increase energy efficiency). In both mainland and Zanzibar, the sub-component will finance access to emergency support (including to cover costs of transport, purchase of clothing and hygiene items) to eligible survivors. This support shall be provided in line with the procedures to be outlined in the Project Implementation Manual (PIM).

49. **The sub-component will support URT efforts towards the establishment of government-run safe houses** that would provide temporary accommodation to survivors – including climate-induced GBV survivors – who are not able to immediately return to their households and communities. There will be preparatory analysis which will review: (i) existing safe houses and critical gaps in service provision at district/council level; (ii) investment costs of refurbishing existing government structures or building new structures as well as operations and maintenance costs; (iii) sustainability of safe house operations after the lifetime of the project; and (iv) cost-effective modalities for the management and operation of the proposed safe houses. Based on the analysis, a detailed proposal for refurbishments or construction of safe houses will be prepared for review and approval by the World Bank. The National Guidelines for the Establishment and Management of Safe Houses for Victims of Trafficking and Survivors of Violence (Mainland) and Zanzibar National Safe House Guideline for Establishment and Management of Safe Houses (Zanzibar) will be reviewed and updated and Standard Operating Procedures developed as needed. Survivors in the safe houses will be referred to Component 1 interventions as applicable.

Component 3: Innovations and Partnerships (IDA credit: US\$5.5 million equivalent- Mainland: US\$5.0 million; Zanzibar: US\$0.5 million; ELP grant: US\$4.0 million – Mainland: US\$3.5 million, Zanzibar: US\$0.5 million)

50. This component will finance innovations and partnerships fostering women's economic opportunities. Activities will be implemented through two sub-components: (1) a community-based childcare pilot, and (2) innovations and partnerships for enhanced market linkages.

Sub-component 3.1: Community-based childcare pilot (IDA credit: US\$4.5 million - Mainland: US\$4 million, Zanzibar: US\$0.5 million; ELP grant: US\$4 million – Mainland: US\$ 3.5 million, Zanzibar: US\$ 0.5 million)

51. This sub-component will support a childcare pilot in select project communities. Providing access to childcare will address a key aspect of women's time poverty and allow them to allocate more time to their economic activities, while their children are in safe and stimulating care settings. This will also strengthen women's economic capacity to cope with climate-exacerbated disasters. Alongside the US\$4.5 million IDA allocation, this sub-component is supported by a US\$4 million Recipient-Executed grant through the Early Learning Partnership's (ELP) Invest in Childcare Initiative to conduct an impact evaluation of the community-based childcare pilot to assess how access to childcare has impacted women's economic engagement and child development outcomes. The implementation of the pilot will be reviewed and informed by the impact evaluation, whereby results will inform potential allocation of additional funds and/or further roll-out



through other government or partner resources. Additional studies may be requested at the mid-term stage of the project to inform expansion.

52. **The sub-component will sensitize and engage women's groups to establish Community Day Care Centers (CDCCs).** Around 200 CDCCs will be supported through a demand-driven process under the pilot. CDCCs will be run by community volunteers and the pilot will follow the National Guidelines on the Establishment and Management of CDCCs in Mainland and Regulation for Day Care Centers in Zanzibar. Across both Mainland and Zanzibar, this sub-component will support the (i) development/updating, and accreditation, of a short training course and practitioner framework on early childhood development (ECD) for center caregivers,⁴⁹ (ii) development of a digital quality assurance system to support monitoring and adherence to quality standards, (iii) development of a simple operational manual for CDCCs managers including strategies for community engagement, (iv) updating the current center caregiver guide, to be disseminated after face-to-face training, which includes tools for engaging children of different ages (under 5) and assessment methods for early identification of children with disabilities, and (v) finalizing designs for model CDCCs. In Mainland additionally, the sub-component will support (i) the distribution of a learning package including storybooks and songs, (ii) rehabilitation, renovation and upgrading of existing government and community⁵⁰ infrastructure to be used as CDCCs (184 total), and (iii) the establishment of an internship scheme with the Institute of Social Work (ISW) to provide hands-on support to CDCCs to ensure model practice. In Zanzibar additionally, this sub-component will support the (i) development of a learning package including storybooks and songs, and (ii) rehabilitation, renovation and upgrading of existing government and community infrastructure to be used as CDCCs (16 total).⁵¹ Infrastructure investments will be designed to be climate-resilient, through measures to adapt to slow onset climate trends such as rising temperatures (e.g., shading); and measures to reduce their carbon footprint (e.g., improved ventilation and insulation to increase energy efficiency).

Sub-component 3.2: Innovations and partnerships for enhanced market linkages (US\$1 million – jointly Mainland and Zanzibar)

53. This sub-component will finance innovations and partnerships to enable market linkages for women's groups and entrepreneurs, including the development of: (i) a digital savings application that will be utilized by groups to track their savings and loan records digitally – which facilitates access to digital financial services for the climate-sensitive population, making instant payments a useful tool in case of weather shocks; and (ii) a digital application for market linkages based on partnerships with service providers for digital platforms (e.g., in the agriculture sector) that enable better market linkages – including digital platforms for climate information, training, and advice on climate smart agriculture.

Component 4: Project Management and Monitoring and Evaluation (IDA credit: US\$10.5 million – Mainland: US\$9 million; Zanzibar: US\$1.5 millions)

Sub-component 4.1: Project Management (US\$9.2 million – Mainland: US\$8 million; Zanzibar: US\$1.2 million)

54. This sub-component will finance overall project coordination and implementation arrangements at the national and local level including Financial Management (FM), procurement, and social and environmental standards under the Environmental and Social Framework. The sub-component will finance dedicated support to the implementing agencies and their institutional strengthening, including logistical support and other critical goods necessary for project implementation.

⁴⁹ In Mainland Tanzania there is a National ECD Curriculum for Childcare workers (NTA Level 4-6).

⁵⁰ For the purposes of this project, communities are defined as "groups of people living in the same place or locality, and/or having a specific characteristic in common, which are legally recognized by the prevailing laws of the land".

⁵¹ In both Mainland and Zanzibar, where adequate existing infrastructure for rehabilitation as CDCCs is not available, new CDCCs may also be constructed.



Sub-component 4.2: Monitoring, Evaluation (M&E) and Learning (US\$1.3 million – Mainland: US\$1 million; Zanzibar: US\$300,000)

55. This sub-component will finance M&E activities, including a process evaluation. The process evaluation will focus on the implementation of Sub-component 1.2 and will be conducted through a specialized service provider. Regular monitoring and spot checks of supported groups will be provided under Sub-component 1.2. A Management Information System (MIS) will be established to monitor project activities and report on key results indicators. The MIS will be leveraged to monitor other key activities on GBV prevention and response and women's economic opportunities under MoCDWGSG (Mainland)/MoCDGEC (Zanzibar), enabling technology-based solutions for safe and efficient data collection and information management while linking with, and complementing existing databases on GBV prevention and response and women's economic opportunities.

C. Project Beneficiaries

56. **The project will target women in rural areas who are on, or just above the poverty line, who are economically active.** This “underserved middle”, including those owning unipersonal businesses/micro-entrepreneurs and small-scale farmers, constitute a gap in programming. While micro-enterprises constitute the majority of women entrepreneurs,⁵² they are neither served by safety net programs nor by programs targeting higher-capacity entrepreneurs/Small and Medium Enterprises.⁵³ In addition, the ongoing NPA-VAWC evaluations assessed that economic empowerment programs have so far remained mostly urban-based and women in rural settings have benefitted in a limited way. The project will focus on areas with high GBV prevalence rates. The project is expected to target approximately 319,850⁵⁴ direct beneficiaries and an additional 399,000 indirect beneficiaries, including beneficiary household members.

57. **Overall, it is expected that the project will target 40 districts/councils out of the 184 councils (22 percent) in Mainland and all eight rural districts in Zanzibar.** In Mainland, project regions and councils will be selected based on GBV prevalence rates (TDHS 2022), poverty rates (2017-2018 Tanzania Mainland Household Budget Survey) and a rural accessibility index.⁵⁵ In Zanzibar, the project will exclude the mostly urban region of Mjini Magharibi except for the psychosocial support facility that will be constructed in Mjini district.

58. **Specifically, project beneficiaries are:**

- (a) *Component 1:* Women in communities who will benefit from group and entrepreneurship capacity building and enhanced access to finance, including through the formal financial sector. It is expected that this Component will be implemented across all project districts/councils in Mainland and Zanzibar.
- (b) *Component 2:* All members of the communities in the targeted areas, who will benefit from activities to shift social norms related to GBV/IPV and survivors of GBV who access improved GBV response services as well as government staff and Women and Children Protection Committees' members benefitting from training and capacity-building. It is expected that the prevention intervention (Sub-component 2.1) will initially be piloted in two councils in Mainland and one district in Zanzibar and eventually rolled out to 10 councils in Mainland

⁵² According to the Living Standards Measurement Survey (LSMS) 2020-21, 92 percent of women who are self-employed do not have any employees – a pattern which is more pronounced in rural areas. Self-employed excludes those who work in agriculture.

⁵³ Such as the forthcoming World Bank-financed Financial Access for Sustainable and Transformational Growth Project (P500471), but also a recently initiated European Investment Bank-financed program.

⁵⁴ This amounts to 30 percent of the number of working-age women whose consumption level falls within a margin of no more than 10% above the poverty line (using the 2022 Tanzania Household and Budget Survey and Census data).

⁵⁵ The rural accessibility index measures the percentage of rural population living within 2km away from all-season roads based on census, household and budget survey and remote sensing data (Masaki et al, 2022).



and 2 districts in Zanzibar with the rollout strategy to be reviewed at project midterm. The couples-based prevention intervention will target beneficiaries who receive BPs financing under Sub-component 1.2. The response interventions will target all project districts/councils in Mainland and Zanzibar.

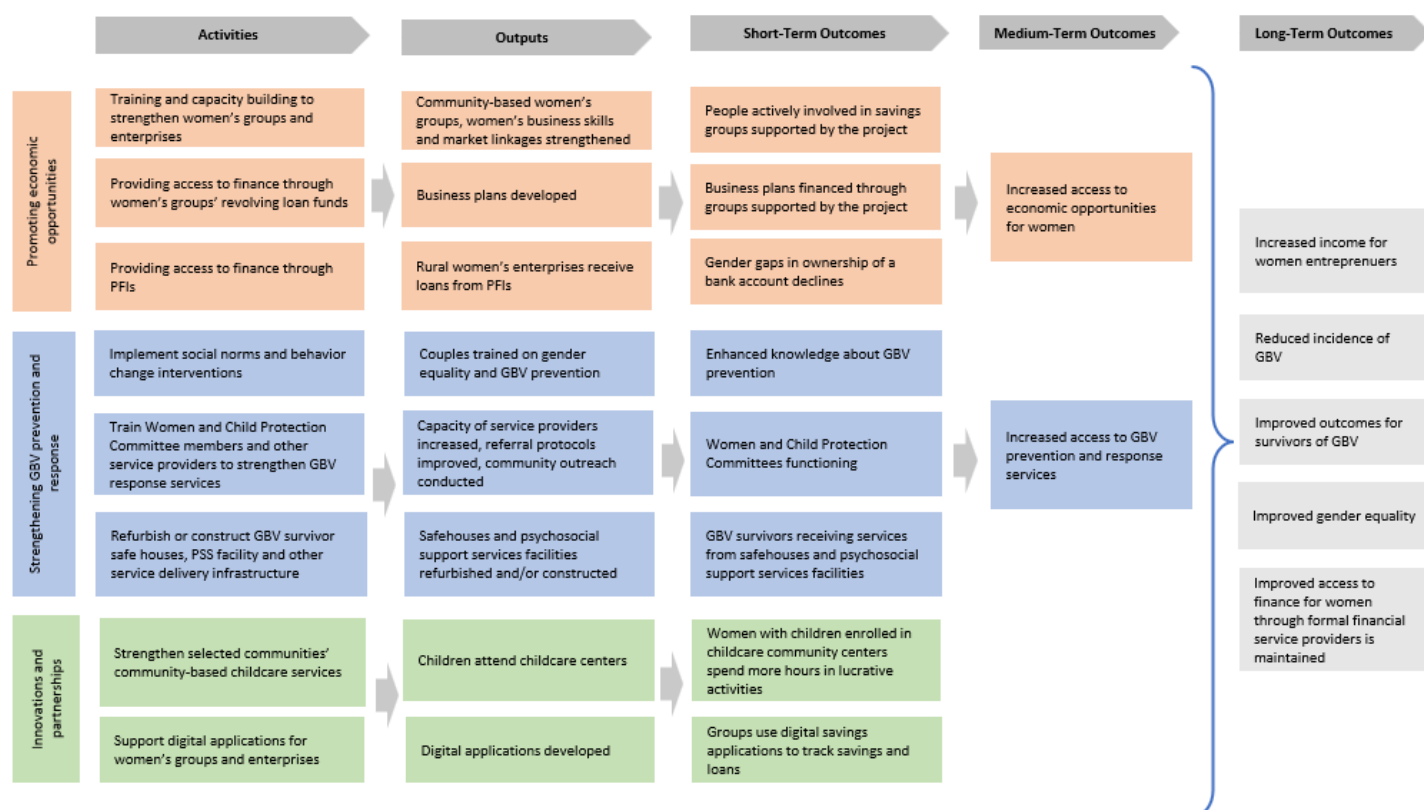
(c) *Component 3:* Women who will benefit from community-based childcare options as well as from enhanced market linkages through innovations. This component will target a subset of women's groups benefitting from Sub-component 1.2 and will be rolled out competitively to all project districts/councils.

(d) *Component 4:* Government institutions involved in project implementation.

D. Results Chain

59. **The project aims to address the interlinked social and economic dimensions of gender equality.** By combining economic empowerment interventions for women with approaches to prevent GBV and enhance service provision for GBV survivors, the project addresses intersectional barriers that women face. The project provides skills, access to finance, social norms and behavior change interventions, capacity strengthening for GBV service delivery as well as access to childcare and digital tools towards increasing access to economic opportunities for women and GBV prevention and response services. Figure 2 summarizes the Theory of Change.

Figure 2: Theory of change



Critical assumptions:

- Governments at all levels are committed to the objectives of the project and engage actively in implementing the activities.
- Communities are consulted, actively engaged, and given and capacity building support.
- The economic and political context remain conducive for entrepreneurial activities to be successful.



E. Rationale for Bank Involvement and Role of Partners

60. **The proposed project is aligned with existing activities by other development partners that address women's empowerment.** Several development partner programs exist on women's economic opportunities (e.g., the European Union's Gender Transformative Action: Breaking the Glass Ceiling and FAO's Rural Women Economic Empowerment) and, separately, on GBV (for instance: the Kigoma Joint Program by the One UN Multi Partner Trust Fund) but they rarely combine these two thematic areas at scale. Gaps in targeting and geographic coverage were also identified.

61. **The World Bank is well placed to support URT's efforts to provide economic opportunities and strengthen GBV prevention and response.** The World Bank will bring global knowledge and technical capacity to these areas of intervention. While tailoring interventions to the specific context of Tanzania, the design and implementation experience generated from similar projects globally will inform this project. Furthermore, the World Bank has a comparative advantage in scaling up and leveraging existing small-scale interventions that have been shown to deliver results.

62. **The project builds on and addresses some of the constraints identified through a significant body of analytical work carried out by the World Bank in 2021 and 2022.** In 2022, the World Bank, in collaboration with the URT, completed and published the Tanzania Gender Assessment, the Tanzania Gender-Based Violence Assessment and a Stakeholder Consultation Report. This work provides the analytical underpinnings of the project.

F. Lessons Learned and Reflected in the Project Design

63. **Combining investment in well-designed tailored business trainings and skills with access to finance is critical to increase savings and lead to better business practices.** Programs that combine access to finance and expansion of savings accounts with business trainings are associated with higher likelihood of opening business and better business practices for women.⁵⁶ Lessons from existing government schemes to deliver access to finance to groups for entrepreneurship purposes in Tanzania also point to the importance of awareness and training about repayment.⁵⁷ The experience of the Tanzania Productive Social Safety Net Project (169165) in scaling up the use of productive grants to multiple districts/councils and thousands of beneficiaries shows that operationalizing productive inclusion measures at scale requires clear procedures and significant human resources to prepare, disburse, and monitor the use of resources aimed at creating firms among vulnerable segments of society.

64. **Group-based approaches to economic empowerment, such as through savings groups and self-help groups, can increase women's financial inclusion, improve their business acumen, and increase their levels of empowerment.** An impact evaluation⁵⁸ of community-based microfinance groups, which included group-based commitment savings mechanisms in Ghana, Malawi, and Uganda showed improvements in total reported savings, in average amount borrowed, in total number of businesses operated by the household, and an increase in women's influence on household decision-making processes. World Bank-supported investments using similar models in Nigeria have proved to be successful in increasing women's incomes but also reducing intimate partner violence and increasing women's agency within the household. Evidence from rural Liberia and Uganda shows that women working in community groups tend to benefit from peer learning, mentorship and networks and that the group setting can help expand economic opportunity while building

⁵⁶ Bastian, Gautam Gustav; Bianchi, Iacopo; Buvinic, Mayra Lourdes; Goldstein, Markus P.; Jaluka, Tanvi; Knowles, James C.; Montalvao Machado, Joao H. C.; Kartaadipoetra, Firman Witoelar. *Are Mobile Savings the Silver Bullet to Help Women Grow Their Businesses (English)*. GIL, issue 29 Washington, D.C.

⁵⁷ Impromptu Decisions: Tanzania's Local Government Authorities' challenge in Establishing and Managing the Women Youth, and People with Disabilities Fund. Rugeiyamu. Local Administration Journal 15(4), October - December 2022, 345-361.

⁵⁸ Dean Karlan, Bram Tgytsbaet, Christopher Udry, Beniamino Savonitto. The Impact of Savings Groups on the Lives of the Rural Poor in Ghana, Malawi, and Uganda. Innovations for Poverty Action. August 2013.



up resistance to shocks. Recent evidence also demonstrates that community knowledge can help target high-growth microentrepreneurs.⁵⁹

65. **Engaging men to challenge gender inequitable behavior and power dynamics has proven effective across several contexts.** Emerging evidence from Sub-Saharan Africa and elsewhere demonstrates that prevention programs engaging men with a “gender transformative” approach or an explicit focus on questioning gender norms and expectations show particular promise in achieving GBV prevention outcomes. One example of such an intervention is the *Bandebereho* model. A robust evaluation of the couples intervention in Rwanda showed substantial improvement across multiple outcomes including violence against women and children.⁶⁰

III. IMPLEMENTATION ARRANGEMENTS

A. Institutional and Implementation Arrangements

66. **Implementation arrangements will be mainstreamed into existing government structures at national, regional, council/district and ward/Shehia levels in both Mainland and Zanzibar.** MoCDGWSG (Mainland) and MoCDGEC (Zanzibar) will be the lead implementing agencies as they have the technical mandate at the national level on the project’s key objectives. Annex 1 provides a further overview of the implementation arrangements and lays out the composition and roles of the project committees and implementation units.

67. **In Mainland, project implementation at the regional, council and ward level will be integrated in the structures under PO-RALG in line with the government requirements for locally implemented projects.** PO-RALG will, therefore, be an additional Implementing Agency with a separate Designated Account (DA) where funds will be disbursed based on implementation of specific activities. MoCDGWSG will be responsible for overall supervision, technical backstopping and Training of Trainers (ToT) delivery, as well as preparation of guidance materials, templates, training materials and overall M&E and reporting. PO-RALG will lead local-level implementation of project activities. The different aspects of service provision under the project are integrated under PO-RALG at the level of the local authorities. The Project Steering Committee (PSC), Technical Committee (TC) and National Project Implementation Teams (NPITs) (Mainland) will agree on how funds will be split across the Das as part of the annual work plan and budget (AWPB) development and approval.

68. **In Zanzibar, implementation of Sub-component 1.2 will be led by the ZEEA.** ZEEA will be an additional implementing agency with a separate DA where funds will be disbursed based on implementation of specific activities. ZEEA and MoCDGEC will cooperate closely on Sub-component 1.1 through the joint NPIT. The PSC, TC and NPIT (Zanzibar) will agree on how fund will split across the Das as part of the AWPB.

B. Results Monitoring and Evaluation Arrangements

69. **The M&E system for the project will include timely periodic updates to ensure strategic course correction and accountability throughout project implementation.** The NPITs for Mainland and Zanzibar will be responsible for results

⁵⁹ Hussam et al. (2020): Targeting high ability entrepreneurs using community information: mechanism design in the field.

⁶⁰ Doyle K, Levov RG, Barker G, Bastian GG, Bingenheimer JB, Kazimbaya S, Nzabonimpa A, Pulerwitz J, Sayinzoga F, Sharma V, Shattuck D. Gender-transformative Bandebereho couples' intervention to promote male engagement in reproductive and maternal health and violence prevention in Rwanda: Findings from a randomized controlled trial. PLoS One. 2018 Apr 4;13(4).



monitoring and evaluation for Mainland and Zanzibar respectively and will include a dedicated team of M&E specialists who will monitor and report progress on both, high-level implementation, and district/council specific project activities. District/Council implementation teams will report to the NPITs based on standardized reporting formats. The NPITs are responsible for preparing the quarterly financial and progress reports, consolidating information from each data providers and from the integrated data platform. They will submit the quarterly project progress reports to the World Bank, the PSC, and to other the stakeholders within 45 days of the end of each quarter. The NPITs and World Bank will prepare a comprehensive midterm review of the project implementation and results in 2026/27, during which the results framework will be reviewed and any required adjustments to project design will be agreed. The M&E system will include an MIS financed by the project. The project will strengthen the capacity for M&E of MoCDGWSG and MoCDGEC and the national and district/council Project Implementation Teams (PITs). The NPIT MoCDGWSG Mainland will lead bi-annual aggregation of reporting against the Results Framework to be captured in bi-annual progress reports for the PSC and World Bank.

70. **In addition to routine project data monitoring, progress will be tracked through rapid assessment surveys conducted twice through the course of the project, at mid-term and end-term.** Initial baseline information will be established through a baseline survey. These assessments will be aligned to the indicators in the Results Framework. The assessment surveys will be implemented across all components using a gender-sensitive approach. To inform the mid-term review of the project, a qualitative process evaluation of the community-level interventions will be conducted.

C. Sustainability

71. **The project is supporting interventions and implementation structures envisioned by the NPA-VAWCs in Tanzania (2017/18-2021/22) and Zanzibar (2017-2022) as well as prevailing national gender policies for Tanzania Mainland and Zanzibar.** These structures include the Women and Child Protection Committees at every level as well as Community Development Officers and Social Welfare Officers that have oversight at village and ward level. The plans are currently being evaluated and updated, demonstrating government's commitment to the project's objectives and its targeted outcomes beyond the duration of the project. By building on existing government plans and strategies, the project can further provide a platform to crowd in additional resources.

72. **The project financing aims to enable rural women's gradual transition to more formal financial services for sustainable financing.** By providing capital injections to women's groups' revolving loan funds, the sustainability of the financing will extend beyond the initial recipients of financing. In conjunction with training and support towards market access, the project aims to enable women micro-entrepreneurs to run more sustainable and profitable businesses. By supporting groups to establish better and digitized records, financing from the formal financial sector will become more accessible. Working through PFIs under Sub-component 1.3 will also incentivize PFIs to increasingly target and build relationships with rural women and to see them as viable long-term clients.

73. **The national protocol for community-based social norms change and GBV prevention using the structures established by the NPA-VAWCs will allow for continued and sustainable rollout of an evidence-based prevention model in the country.** The suitability for government-led implementation of the proposed model has been demonstrated in other countries in the region, especially Rwanda. For service delivery infrastructure developed under the project, an emphasis has been placed on upfront preparation of clear sustainability plans to ensure sustainable operation and maintenance through government budgets upon project closure.

74. **The project will build the capacity of government and community structures from national to village level.** Trainings under the project will be rolled out through a hybrid approach, using a regional ToT for cost-effectiveness. The ToTs will be trained directly from the developers of the materials, who will be engaged in the roll-out of the training.



PROJECT APPRAISAL SUMMARY

A. Technical, Economic and Financial Analysis

75. **The appraisal confirmed the rationale and technical relevance of the design, its appropriateness to the Borrowers' needs, and its conformity with international standards.** The project design builds on the experience with the NPA-VAWCs in Mainland and Zanzibar as well as existing economic support programs for women entrepreneurs. The technical design is in line with international evidence on what works for gender equality and follows methodologies that have shown positive impacts for gender equality and women's empowerment.

76. **Paris Alignment.** The operation is aligned with the goals of Paris Agreement on both adaptation and mitigation.

77. **Assessment and reduction of adaptation risks.** Most project activities are soft interventions, aimed at capacity building, training, innovation, partnerships, and project management, which do not include investments in physical assets that may be affected by climate change. However, the project supports also investments in promoting climate-resilient economic opportunities (Sub-component 1.2) and in rehabilitating/refurbishing offices and safe houses and construction of a psycho-social support facility in Zanzibar city (Sub-component 2.2). The main climate risks that could affect these investments include: floods, droughts, and sea level rise. Given the project's location and development context, these risks can have a moderate impact on the project's infrastructure, according to the Climate and Disaster Risk Screening. To keep any possible material impacts to an acceptable (low) level, the project design includes several risk reduction measures: (a) capacity building, e.g., train women groups and communities at large on assessing current and future climate risks and options for coping with climate hazards; climate-resilient agricultural knowledge and techniques; and improving their access to finance to implement climate-resilient activities; (b) technical assistance, e.g., climate risk screening of all activities proposed in the BPs and climate-sensitive market and value chain analyses; (c) livelihoods-related support, e.g., by introducing heat- and drought-tolerant varieties, using conservation agriculture to reduce soil disturbance, applying irrigation technologies that reduce water use, water conservation through mulching, and (d) climate-resilient infrastructure, e.g., applying climate-resilient building codes and risk-informed infrastructure standards in the rehabilitation of buildings.

78. **Assessment and reduction of mitigation risks.** The project is expected to have low impact on greenhouse gas (GHG) emissions and to align with the country's transition to low GHG emissions pathways. Most project activities provide technical and capacity building for women's groups through soft activities that are expected to generate no GHG emissions, or carbon lock-in. Other project investments aimed at improving livelihoods (Component 1.2) are likely to generate GHG emissions, but these are low, and significantly less than without the project (i.e., there are no other means of achieving the PDO with lower GHG emissions). While the project is considered aligned on mitigation, the design includes the following measures to keep mitigation risks to a minimum. The most important risk reduction measures included in the project design are: (a) technical assistance, e.g., climate screening of BPs—to ensure inclusion of energy efficiency measures before their financing; (b) capacity building, e.g., train the women groups in digital financial literacy and adopt digital applications—supporting mitigation by avoiding car travel and by reducing the use of paper documents; and (c) livelihoods-related support through measures aimed at reducing GHG intensity, such as introducing renewable energy sources (e.g., solar photovoltaic energy for heating, cold storage, drying, and pumping), and (d) climate-resilient infrastructure, e.g., offices and safe houses and construction of a psych-social support facility.

79. **Citizen Engagement.** The success of the project hinges on an aware, empowered and engaged group of citizens in the target community. Citizens and community members in target areas will be actively engaged through Components 1 through 3. In Component 1, women in community microfinance groups will be extensively consulted in order to build training modules that work well for their needs; they will also be engaged to provide feedback on their experience in



accessing the trainings. Eligible women as well as their partners will be engaged to better understand the requirements and opportunities to access financing under the project. Under Component 2, both women and men will be separately targeted to attend the couples-based intervention. Under Component 3.1 on childcare, mothers and caretakers will be consulted to get their views on the current arrangements for childcare and perceived barriers to accessing childcare. This will be critical for the success of any future community-based childcare centers. Women will also be consulted in the creation of a multi-purpose digital application created under the project.

80. **Benefits of the investments to promote resilient livelihoods are expected to be substantial.** Benefits come through five main channels: (a) increased lifetime income for people benefiting from the training and financial services under the project; (b) increased savings, with the amounts saved allowing smoothing of consumption in the face of adverse shocks; (c) improved children’s nutritional status, health, and educational attainment; (d) improved physical and psychosocial health and overall sense of well-being; and (e) increased social capital. Currently existing data allow only for calculation of the net present value and internal rate of return of increases in income. Other benefits will be described qualitatively.

81. **Increased lifetime income of people benefiting from training and financial services from savings groups and PFIs under the project.** Some 100,000 people are expected to benefit from receiving financing from a VSLA or through ZEEA under the project to start new or expand an existing business. They will also receive training in both business and life skills aimed at increasing the likelihood that their business succeeds. An impact evaluation of Uganda’s Youth Opportunity Program—which supports groups similar to the ones to be supported under PAMOJA—shows that people benefiting from the livelihood interventions had 38 percent higher incomes than those that did not.⁶¹ Other studies have shown that beneficiaries of similar interventions increase their incomes of between 10–40 percent.⁶² Another impact evaluation also shows that the positive impacts on income persist over time.⁶³ A net present value and internal rate of return have been calculated assuming the support that the members of the VSLAs receive result in similar increases in income, using a discount rate of 5 percent, in line with World Bank guidance (Table 1).

Table 1: Economic analysis of the benefits of investments in savings groups and their members

	Base case (earnings rise by 15%)	Scenario 1 (earnings rise by 13%)	Scenario 2 (earnings rise by 11%)	Scenario 3 (earnings rise by 9%)
Net present value	US\$86.1 million	US\$69.4 million	US\$52.7 million	US\$36.0 million
Internal rate of return	22 percent	19 percent	16 percent	13 percent

82. **Increased lifetime income of people benefiting from a loan from a formal financial services provider supported by the project.** Some 70,000 women entrepreneurs are expected to receive a loan from a formal financial service provider primarily to expand existing businesses. These enterprises are likely to be more profitable than those receiving loans from only VSLAs. A net present value and internal rate of return have been calculated assuming the loans that women entrepreneurs receive from formal financial institutions result in greater increases in income than those from the VSLAs, using a discount rate of 5 percent, in line with World Bank guidance (Table 2).

⁶¹ Blattman, Christopher, Nathan Fiala, and Sebastian Martinez. 2014. “Generating Skilled Self-Employment in Developing Countries: Experimental Evidence from Uganda.” *Quarterly Journal of Economics* 129 (2): 697–752.

⁶² Blattman, Christopher; Eric P. Green; Julian Jamison, Julian; M. Christian Lehmann; and Jeannie Annan. 2016. “The Returns to Microenterprise Support among the Ultra Poor: A Field Experiment in Postwar Uganda.” *American Economic Journal: Applied Economics* 8 (2): 35–64.

Banerjee, A., E. Duflo, N. Goldberg, D. Karlan, R. Osei, W. Pariente, J. Shapiro, B. Thuysbaert, and C. Udry. “A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries.” *Science* 348, no. 6236 (May 14, 2015): 1260799–1260799.

McKenzie, David, and Susana Puerto. 2017. “Growing Markets through Business Training for Female Entrepreneurs: A Market-Level Randomized Experiment in Kenya.” March.

⁶³ Banerjee, Banerjee, Abhijit; Esther Duflo, and Garima Sharma. 2021. “Long-Term Effects of the Targeting the Ultra Poor Program.” *American Economic Review: Insights* 3(4): 471–486.



Table 2: Economic analysis of the benefits of investments through PFIs

	Base case (earnings rise by 15%)	Scenario 1 (earnings rise by 13%)	Scenario 2 (earnings rise by 11%)	Scenario 3 (earnings rise by 9%)
Net present value	US\$54.8 million	US\$45.8 million	US\$36.8 million	US\$27.9 million
Internal rate of return	34 percent	30 percent	26 percent	22 percent

83. **Benefits of the investments to reduce violence against women and girls are expected to be substantial.** The costs of violence against women and girls are enormous. Violence impoverishes not only individuals, families, communities, and governments, but it also reduces the economic development of the nation. There are three broad categories of costs, in the short and long term: (a) the direct cost of services in relation to violence against women; (b) the indirect cost of lost employment and productivity; and (c) the costs of potential loss of future opportunities for women and girls if gender norms persist. A net present value and internal rate of return of the GBV prevention intervention have been calculated assuming the planned intervention produces similar results as the *Bandeberaho* implementation in Rwanda, using a discount rate of 5 percent, in line with World Bank guidance (Table 3).

Table 3: Economic analysis of the benefits of investments in the Bandeberaho couples' intervention approach

	Base case	Scenario 1 (costs up by 10%)	Scenario 2 (benefits down by 10%)	Scenario 3 (costs up by 10% and benefits down by 10%)
Net present value	US\$4.2 million	3.0 million	US\$2.5 million	US\$1.3 million
Internal rate of return	9 percent	7 percent	7 percent	6 percent

84. **Benefits of the GBV response services are expected to be substantial.** Services offered by the GBV safe houses and rehabilitated government offices will help women recover from incidents of violence and gain the confidence and skills to avoid future violent encounters. This will reduce the costs of medical care that would otherwise be needed and reduce the time required to seek medical care and to be treated. Training of Women and Children Protection Committees and other relevant community committees, using improved training materials, is expected to lead to increased uptake of services by survivors of GBV, further reducing the costs of medical care and time off from productive work.

B. Fiduciary

(i) Financial Management

85. **The World Bank conducted an FM assessment of MoCDGWSG Mainland, PO-RALG Mainland, MoCDGEC Zanzibar, and the ZEEA.** The objective of the assessment was to determine whether: (a) MoCDGWSG, PO-RALG, MoCDGEC and ZEEA have adequate FM arrangements to ensure that project funds will be used for purposes intended, in an efficient and economical way; (b) project financial reports will be prepared in an accurate, reliable and timely manner; and (c) the project assets will be safeguarded. The assessment was carried out in accordance with the World Bank Directive: Financial Management Manual for World Bank Investment Project Financing Operations issued February 4, 2015 and effective from March 1, 2010; and the World Bank Guidance: Financial Management in World Bank Investment Project Financing Operations Issued and Effective November 10, 2017.

86. **MoCDGWSG Mainland, MoCDGEC Zanzibar and ZEEA are both new ministries and have no experience in managing World Bank-financed projects.** PO-RALG on the other hand has significant experience both at the Tanzania



Rural and Urban Roads Agency PIT and the Ministry level, as well with a few ongoing projects including the Secondary Education Quality Improvement Project (P170480). The assessment noted the following issues:

- a) Both gender Ministries and ZEEA have experienced accountants that can smoothly support project activities after the FM and Disbursement guidelines training.
- b) Internal audit units in all four proposed implementing agencies, ZEEA included, are well established, although the MoCDGEC's unit requires more depth from the headcount of just two to at least four.
- c) While the implementing agencies in Mainland use the MUSE accounting system, the MoCDGEC and ZEEA do not have any accounting system yet and need to procure one. They are now relying on the Integrated Financial Management Information System (IFMIS) managed by the President's Office Finance and Planning (PoFP) and MS office for financial reporting.
- d) Internal auditors in all the four entities have to be trained on Risk Management; Project and Contract management audits among others recommended in the details FM section in Annex 1.

87. **Despite the above, the FM arrangements in all four agencies are adequate to provide, with reasonable assurance, accurate and timely information on the status of the project.** The project will use the report-based disbursement method and the quarterly Interim Financial Reports (IFRs) will be submitted to the World Bank within 45 days from the quarter end. The Office of the Controller and Auditor General (O-CAG) and Office of the Controller and Auditor General Zanzibar (OCAG-Z) are mandated to audit all World Bank funded projects, including the proposed project. Annual audit reports will be submitted to the World Bank by the end of six months from the financial year end. In conclusion, the risk rating for the project is assessed as Substantial.

(ii) Procurement

88. **Procurement under the project will be carried out in accordance with the following World Bank procedures:** (a) the World Bank Procurement Regulations for IPF Borrowers Fifth Edition, September 2023; (b) Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by International Bank for Reconstruction and Development (IBRD) Loans and IDA Credits and Grants (dated October 15, 2006, and revised in January 2011 and July 1, 2016); and (c) other provisions stipulated in the Financing Agreements (FAs). The World Bank's Standard Procurement Documents shall be used for all contracts subject to international competitive procurement and those contracts as specified in the Procurement Plan (PP) tables in Systematic Tracking of Exchanges in Procurement (STEP).

89. **Project Procurement Strategy for Development (PPSD) and PP:** According to the requirement of the Procurement Regulations, PO-RALG, MoCDGWSG Mainland and MoCDGEC Zanzibar have prepared PSD and a PP, based on which the PP covers at least the first 18 months of project implementation. The PPs will be updated in agreement with the World Bank annually or as required to reflect the Project's actual implementation needs. Details on the procurement arrangements for the project are presented in the procurement section of Annex 1.

90. **A procurement capacity assessment of PO-RALG, MoCDGWSG and MoCDGEC was carried out during July and August 2023.** ZEEA will not have a procurement function under the project and no assessment was hence conducted. The assessment reviewed the organizational structure for implementing the project, functions, staff skills and experiences, adequacy for implementing the project, and the interaction between the project's staff responsible for procurement activities and the relevant departments within the agencies. The assessment identified risks and mitigation measures, capacity building needs and prepared an action plan to address all concern. The project procurement risk is 'Substantial'. Details of the mitigation measures to address the identified risks and action plan, as well as the procurement arrangements for the project, are presented in the procurement section of Annex 1.

C. Legal Operational Policies



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

D. Environmental and Social

91. **The environmental risk classification for the project is moderate.** The expected environmental risks of the proposed project are not significant since the impacts are local, site-specific, short term and reversible. If activities like land clearance and use of pesticides, fertilizers and other agrochemicals are implemented (which are associated with improving agriculture yield) under Component 1, they could generate the following risks and impacts: i) land degradation and loss of biodiversity, ii) soil erosion iii) soil and water pollution due to agrochemicals uses, and iv) occupational and community health and safety, with potential impacts on project workers and other stakeholders during the implementation of subprojects. However, it is expected that existing farm areas shall be used rather than opening farms on virgin land. The Environmental and Social Management Frameworks (ESMFs) include an exclusion list of subprojects that will be ineligible for funding by the project due to potential adverse environmental and social impacts. For Mainland, sub-component 1.3 of the project intends to increase access to finance through the formal financial sector and therefore Environmental and Social Standard 9 is applicable. To ensure that the potential Environmental and Social risks are adequately screened and mitigated, an Environmental and Social Management System (ESMS) document will be prepared by the FI (MoCDGWSG) and disclosed before disbursement to guide each PFI to put in place an ESMS before the implementation of any subproject under Sub-component 1.3. The ESMS shall also include an exclusion list of subprojects that shall not be eligible for funding due to high environmental and social risks. There shall be no disbursement to activities requiring ESMS coverage until the ESMS prepared by MoCDGWSG has been cleared by the World Bank. In Zanzibar, details of the type of funding to be provided to producer groups through ZEEA under Sub-component 1.2 will be provided in the Community Finance Manual based on an assessment of existing ZEEA financing schemes. In the case of financial intermediation through ZEEA, the above ESMS requirements would apply. The capacity assessment conducted by the World Bank has revealed both MoCDGWSG and ZEEA have no in-house staff to prepare and implement the ESMS. Therefore, the two implementing agencies will have to either second qualified staff from another Government Institution or hire consultant(s) to prepare the ESMSs. The Environmental and Social Specialists assisting the Mainland PITs and Zanzibar PIT shall lead the implementation of the ESMS and the ESMF (developed for other non-FI subcomponents). Small-scale civil works interventions under Sub-components 2.2 and 3.1 are expected to cause typical construction works impacts, including vegetation removal, noise, vibrations, dust, waste generation and a change in land use and impacts due to new land use for safe houses and the psychosocial support facility.

92. **The social risk classification for the project is moderate.** There is a risk that activities designed to challenge long-standing norms and beliefs about gender and power relations could be negatively perceived and result in backlash. The project does not anticipate resettlement activities. Sub-component 2.2 involves building a psychosocial support clinic in Zanzibar, but the construction will be on existing government land and, therefore, there will be no land acquisition. The project will pay close attention to the risks associated with Component 1, which aimed at strengthening economic opportunities. There might be some risks associated with inadvertent exclusion of women with disabilities and women who meet Environmental and Social Standards 7 (ESS7) criteria. Since the project under component 2 focuses on Strengthening GBV Prevention and Response there is a need to ensure mitigation measures are in place for risks associated with exclusion. Although the country has legal regulations which provide provisions on the rights of people with disabilities, including access to education for children and access to support services, disabled women and girls are likely to experience high rates of GBV because of social stigmatization and increased vulnerability. Additionally, because of the stigma, women



with disabilities are less likely to own land than any other group even though land policy discusses equal rights of land ownership. Women with disabilities nonetheless face many obstacles due to ambiguity and challenge in the system. Labor risks are expected to be moderate.

93. **ESF instruments have been prepared for both Mainland and Zanzibar**, and include ESMFs, Environmental and Social Commitment Plans (ESCPs) and Stakeholders Engagement Plans (SEPs). For Mainland, a Vulnerable Groups Planning Framework (VGPF) has been prepared as well. These instruments have been disclosed on MoCDGWS, MoCDGEC and World Bank websites on October 17, 2023. Stakeholder consultations have been undertaken between April and June 2023 for both Mainland and Zanzibar.

94. **The PITs will establish, publicize, maintain, and operate an accessible Grievance Redress Mechanism (GRM)**, to receive and facilitate resolution of concerns and grievances in relation to the project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10. The GRM will be equipped to receive, register, and facilitate the resolution of Sexual Exploitation and Abuse/Sexual Harassment complaints, including through the referral of survivors to relevant GBV service providers, all in a safe, confidential, and survivor-centered manner.

V. GRIEVANCE REDRESS SERVICES

95. **Grievance Redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Accountability Mechanism. The Accountability Mechanism houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of World Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's GRS, visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, visit <https://accountability.worldbank.org>.

VI. KEY RISKS

96. The overall risk rating of the project is substantial.

97. **Technical design of the project risks are substantial.** URT has yet to implement a gender equality project at the envisaged scale. At the same time, the project's mix of interventions targeting economic opportunities and GBV prevention and response – while the most promising in terms of impact on gender equality and women's empowerment – is complex in implementation. This is particularly so as the implementation will require the involvement of multiple stakeholders and will be implemented concurrently in Mainland Tanzania and Zanzibar. Social norms and behavior change interventions, GBV response and group-based economic empowerment interventions also require context specificity and high-quality implementation standards to be effective, sustainable and to do no harm. The project mitigates these risks by bringing to bear the expertise across different stakeholders in URT and strengthening the capacity of relevant URT agencies towards successful implementation. There is a risk of inclusion and exclusion error in the selection of beneficiaries, which will be



mitigated through measures such as spot checks, independent validation, community validation and public accessibility of information on the groups that are benefitting. Project implementation will also be accompanied by a strong monitoring, evaluation and learning component to inform modifications along the way as required. Lastly, the project builds on evidence-based approaches that have been effectively applied in Tanzania and similar contexts.

98. **Institutional capacity for implementation and sustainability risks are substantial.** Both the ministry of gender for Mainland and the ministry of gender for Zanzibar were only created as new ministries in early 2022 and have no prior experience in implementing a World Bank-financed project or any other large-scale projects. Implementation arrangements and institutional support have been designed to mitigate these risks. In addition, decentralized implementation of council and community-level activities in Mainland will be led by PO-RALG, which has strong experience on implementing World Bank-financed projects. Sub-component 1.3 will initially focus on Mainland and MoCDGWSG will hire specialized staff to support the implementation of the sub-component. Continued efforts to build capacity, and regular follow up and provision of additional technical support will be carried out.

99. **Fiduciary risks are substantial.** MoCDGWSG and MoCDGEC procurement staff have inadequate experience in managing procurement of complex works, goods, and consulting services, in accordance with World Bank procurement regulations and procedures. Other procurement risks include inefficiencies in processing procurement activities, inadequate record keeping and management systems, and lack awareness as well as low capacity on compliance with Environmental, Social, Health and Safety (ESHS) requirements. The mitigation measures include (i) recruit additional procurement staff to be fully responsible for project; (ii) ensure procurements are processed per timelines in the procurement plan; (iii) training procurement and technical departments in contract management, claims management, procurement regulations/process including the use of STEP, ESHS compliance, and dispute resolution for works contracts. Similarly, MoCDGWSG, MoCDGEC and ZEEA in particular have limited FM capacity. Key mitigation measures include the recruitment of additional internal audit staff (MoCDGEC) as well as the procurement and use of an electronic accounting system. Further details are presented in Annex 1.



VII. RESULTS FRAMEWORK AND MONITORING

PDO Indicators by PDO Outcomes

Baseline	Period 1	Period 2	Period 3	Period 4	Closing Period
Promoting Economic Opportunities for Women through Community-Based Models					
Direct project beneficiaries (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	75000	150000	270000	300000	319850
Direct project beneficiaries, female (Percentage)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	80	80	80	80	80
Microenterprises led by women still in business 12 months after receiving financing under the project (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	0	3000	10000	15000	20000
Strengthening Gender-Based Violence (GBV) Prevention and Response Services					
Reduction in acceptability of intimate partner violence among project beneficiaries (mainland) disaggregated by gender (Women) (Percentage)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
48	48	40	36	32	28
Reduction in acceptability of intimate partner violence among project beneficiaries (mainland) disaggregated by gender (Men) (Percentage) (Percentage)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
32	32	28	25	22	20
Reduction in acceptability of intimate partner violence among project beneficiaries (Zanzibar), disaggregated by gender (Women) (Percentage) (Percentage)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
28	28	25	22	19	16
Reduction in acceptability of intimate partner violence among project beneficiaries (Zanzibar), disaggregated by gender (Men) (Percentage) (Percentage)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
13	13	12	10	9	8

Intermediate Indicators by Components



Baseline	Period 1	Period 2	Period 3	Period 4	Closing Period
Promoting Economic Opportunities for Women through Community-Based Models					
People actively involved (regularly saving or borrowing) in savings groups supported under the project (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	10000	40000	80000	120000	150000
Climate-informed business plans developed under the project and financed through groups supported by the project (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	2000	5000	15000	20000	25000
Women entrepreneurs that receive a loan from a PFI supported by the project (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	2000	10000	35000	60000	70000
Gender gap in ownership of a bank accounts in communities supported by the project (Percentage)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
11	11	10	9.5	9	8.5
Strengthening Gender Based Violence Prevention and Response Services					
Safehouses refurbished and operational under the project (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	2	4	6	10	12
Women receiving support services from the safe houses refurbished or constructed under the project per year (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	600	1200	1800	5000	10800
Women and Children Protection Committee members trained and functioning with support of the project (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	1000	5000	8000	10000	10000
Innovations and Partnerships					
New childcare centers established and operating (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	0	30	100	180	200
Women with children enrolled in childcare community centers who report increased hours spent in lucrative activities, including self-employment or paid work (Percentage)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	0	0	20	30	40
Groups using digital savings applications to monitor flow of funds due to support of the project (Number)					
Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	0	500	1000	2000	2500



Project Management and Monitoring and Evaluation

Percentage of grievances registered in the project's grievance redress system addressed within two months (Percentage)

Dec/2023	Dec/2024	Dec/2025	Dec/2026	Dec/2027	Dec/2028
0	70	75	80	85	90



Monitoring & Evaluation Plan: PDO Indicators by PDO Outcomes

Promoting Economic Opportunities for Women through Community-Based Models	
Direct project beneficiaries (Number)	
Description	This indicator measures the number of people directly benefiting from the project. People who benefit from more than one intervention, such as training and business loans, will be counted only once.
Frequency	Quarterly
Data source	Data provided by the training and service providers—including of the members of the Women and Child Protection Committees—the VSLAs, the PFIs, and GBV support services
Methodology for Data Collection	Training providers will keep attendance sheets of participants, savings groups and PFIs will record who receives loans, GBV support services document cases. All will enter the data into a internet-enabled MIS
Responsibility for Data Collection	MoCDGWSG (Mainland) and MoCDGEC (Zanzibar) to compile and report the data in quarterly project progress reports.
Direct project beneficiaries, female (Percentage)	
Description	This indicator measures the percentage of women directly benefiting under the project
Frequency	Quarterly
Data source	Data provided by the training and service providers—including of the members of the Women and Child Protection Committees—the VSLAs, the PFIs, and GBV support services, with the percentage of women in the project area coming from the service providers.
Methodology for Data Collection	Training providers will keep attendance sheets of participants, savings groups and PFIs will record who receives loans, GBV support services document cases. All will enter the data into a internet-enabled MIS
Responsibility for Data Collection	MoCDGWSG (Mainland) and MoCDGEC (Zanzibar) to compile and report the data in quarterly project progress reports.
Microenterprises led by women still in business 12 months after receiving financing under the project (Number)	
Description	This indicator measures the number of microenterprises still in business 12 months after receiving financing from a group supported under the project
Frequency	Annual
Data source	Surveys of recipients of financing
Methodology for Data Collection	The savings groups will survey the people that receive loans to learn the status of the business, and report the information to the Implementing Agencies through the District/Council Implementation Teams.
Responsibility for Data Collection	The implementing agencies will collect the information annually, and report on the results in the project progress reports
Strengthening Gender-Based Violence (GBV) Prevention and Response Services	
Reduction in acceptability of intimate partner violence among project beneficiaries (mainland) disaggregated by gender (Women) (Percentage)	
Description	This indicator measures the change in perceptions of acceptability of intimate partner violence.
Frequency	Annual
Data source	Surveys
Methodology for Data Collection	The implementing agencies will carry out the surveys prior to program start, thereafter annually until the program closes to assess the persistence of the attitude after completing the intervention. The survey questions will be based on those used in the Tanzania Demographic and Health Surveys and may include additional questions as needed subject to the application of the relevant World Health Organization (WHO) ethical and safety guidelines. ⁶⁴ They will be administered to people participating in the Couples Intervention.
Responsibility for Data Collection	The implementing agencies will carry out the surveys annually, and report on the results in the project progress reports.
Reduction in acceptability of intimate partner violence among project beneficiaries (mainland) disaggregated by gender (Men) (Percentage)	
Description	This indicator measures the change in perceptions of acceptability of intimate partner violence.
Frequency	Annual
Data source	Surveys

⁶⁴ UN, WHO, Putting women first: Ethical and safety recommendations for research on domestic violence against women. Geneva. World Health Organization. 2001



Methodology for Data Collection	The implementing agencies will carry out the surveys prior to program start, thereafter annually until the program closes to assess the persistence of the attitude after completing the intervention. The survey questions will be based on those used in the Tanzania Demographic and Health Surveys and may include additional questions as needed subject to the application of the relevant WHO ethical and safety guidelines. ⁶⁵ They will be administered to people participating in the Couples Intervention
Responsibility for Data Collection	The implementing agencies will carry out the surveys annually, and report on the results in the project progress reports.
Reduction in acceptability of intimate partner violence among project beneficiaries (Zanzibar), disaggregated by gender (Women) (Percentage)	
Description	This indicator measures the change in perceptions of acceptability of intimate partner violence.
Frequency	Annual
Data source	Surveys
Methodology for Data Collection	The implementing agencies will carry out the surveys prior to program start, thereafter annually until the program closes to assess the persistence of the attitude after completing the intervention. The survey questions will be based on those used in the Tanzania Demographic and Health Surveys and may include additional questions as needed subject to the application of the relevant WHO ethical and safety guidelines. ⁶⁶ It will be administered to people participating in the Couples Intervention .
Responsibility for Data Collection	The implementing agencies will carry out the surveys annually, and report on the results in the project progress reports.
Reduction in acceptability of intimate partner violence among project beneficiaries (Zanzibar), disaggregated by gender (Men) (Percentage)	
Description	This indicator measures the change in perceptions of acceptability of intimate partner violence.
Frequency	Annual
Data source	Surveys
Methodology for Data Collection	The implementing agencies will carry out the surveys prior to program start, thereafter annually until the program closes to assess the persistence of the attitude after completing the intervention. The survey questions will be based on those used in the Tanzania Demographic and Health Surveys and may include additional questions as needed subject to the application of the relevant WHO ethical and safety guidelines. ⁶⁷ It will be administered to people participating in the Couples Intervention.
Responsibility for Data Collection	The implementing agencies will carry out the surveys annually, and report on the results in the project progress reports.

Monitoring & Evaluation Plan: Intermediate Results Indicators by Components

Promoting Economic Opportunities for Women through Community-Based Models	
People actively involved (regularly saving or borrowing) in savings groups supported under the project (Number)	
Description	This indicator measures the people who are actively involved with their savings group as demonstrated by depositing funds or taking loans
Frequency	Semi-annually
Data source	Self-reporting by savings groups supported under the project.
Methodology for Data Collection	The implementing agencies will request this information from the savings groups benefiting from the project.
Responsibility for Data Collection	The implementing agencies will collect the information from the savings groups and present the data in the project progress reports
Business plans developed under the project and financed through savings groups supported by the project (Number)	
Description	This indicator measures the number business plans developed under the project that receive financing by savings groups supported under the project.

⁶⁵ UN, WHO, Putting women first: Ethical and safety recommendations for research on domestic violence against women. Geneva. World Health Organization. 2001

⁶⁶ UN, WHO, Putting women first: Ethical and safety recommendations for research on domestic violence against women. Geneva. World Health Organization. 2001

⁶⁷ UN, WHO, Putting women first: Ethical and safety recommendations for research on domestic violence against women. Geneva. World Health Organization. 2001



Frequency	Quarterly
Data source	Savings group self-reporting to the District/Council Implementation Teams
Methodology for Data Collection	VSLAs and District/Council Implementation Teams will provide this information to the implementing agencies quarterly
Responsibility for Data Collection	The implementing agencies will compile the data and present the results in the project progress reports.
Women entrepreneurs that receive a loan from a PFI supported by the project (Number)	
Description	This indicator measures the number of women entrepreneurs that receive a loan from PFI supported under the project
Frequency	Quarterly
Data source	PFI report on the number of loans they provide to women entrepreneurs
Methodology for Data Collection	PFI will provide this information to the implementing agencies every quarter
Responsibility for Data Collection	The implementing agencies will compile the data and present the results in the project progress reports.
Gender gap in ownership of a bank accounts in communities supported by the project (Percentage)	
Description	This indicator measures the gender gap in ownership of a bank account in communities supported by the project
Frequency	Baseline, midline, endline
Data source	Surveys of men and women residents communities benefitting from the project.
Methodology for Data Collection	The implementing agencies will carry out the surveys prior to program start and at the conclusion of the program.
Responsibility for Data Collection	The implementing agencies will carry out the surveys annually, and report on the results in the project progress reports.
Strengthening Gender Based Violence Prevention and Response Services	
Safehouses refurbished or constructed and operational under the project (Number)	
Description	This indicator measures the number of safehouses refurbished under the project.
Frequency	Quarterly
Data source	Supervising engineers reports.
Methodology for Data Collection	Routine monitoring of construction progress provided by supervising engineers
Responsibility for Data Collection	The implementing agencies will collect the information from the supervising engineers present the status in the project progress reports.
Women receiving support services from the safe houses refurbished or constructed under the project per year (Number)	
Description	This indicator measures the number of women that receive services from the safehouses supported under the project
Frequency	Quarterly
Data source	Safehouse service providers to report to implementing agencies on the number of women provided with services.
Methodology for Data Collection	Data maintained by the service providers
Responsibility for Data Collection	The implementing agencies will compile the information and report on it in the project progress reports
Women and Child Protection Committee members trained and functioning with support of the project (Number)	
Description	This indicator measures the number of members of Women and Child Protection Committee that receive training with support of the project.
Frequency	Continuous
Data source	Data provided by the training providers
Methodology for Data Collection	Training providers will keep attendance sheets of participants, and enter the data into internet-enabled MIS.
Responsibility for Data Collection	The implementing agencies will compile the data and present the results in the project progress reports
Innovations and Partnerships	
New childcare centers established and operating (Number)	
Description	This indicator measures the number of childcare centers established under the project operating one year after opening



Frequency	Quarterly
Data source	Implementing agencies to monitor progress of activities intended to establish the childcare centers and to follow up on operations.
Methodology for Data Collection	Status of activities presented in the procurement plan to establish the childcare centers. Periodic spot checks of operations.
Responsibility for Data Collection	The implementing agencies will compile the data and present the results in the project progress reports
Children attending childcare centers operating due to the project (Number)	
Description	This indicator measures the number of children attending the childcare centers established under the project
Frequency	Quarterly
Data source	Lists of attendees
Methodology for Data Collection	The administration of the childcare centers will maintain lists of attendees and provide the information to the implementing agencies
Percentage of women with children enrolled in childcare community centers who report increased hours spent in lucrative activities, including self-employment or paid work	
Description	This indicator measures the percentage of women with children attending the childcare centers who report spending more time than previously in remunerative paid work.
Frequency	Annual
Data source	Surveys of women whose children attend the childcare facilities supported under the project
Methodology for Data Collection	The implementing agencies will carry out the surveys at the start of childcare operations and will repeat the surveys annually of childcare users.
Responsibility for Data Collection	The implementing agencies will compile the data and present the results in the project progress reports.
Responsibility for Data Collection	The implementing agencies will compile the data and present the results in the project progress reports.
Groups using digital savings applications to monitor flow of funds due to support of the project (Number)	
Description	This indicator measures the number of savings groups that use digital applications to monitor the flow of funds
Frequency	Quarterly
Data source	Groups' self-reporting
Methodology for Data Collection	Groups will provide this information to the implementing agencies
Responsibility for Data Collection	The implementing agencies will compile the data and present the results in the project progress reports.
Project Management and Monitoring and Evaluation	
Percentage of grievances registered in the project's grievance redress system addressed within two months (Percentage)	
Description	This indicator measures the percentage of grievances registered in the project's grievance redress system that are addressed within two months of registration.
Frequency	Quarterly
Data source	Grievance redress mechanism records of grievances and responses to them.
Methodology for Data Collection	Implementing agencies to review the grievance reports and responses to them.
Responsibility for Data Collection	The implementing agencies will compile the data and present the results in the project progress reports

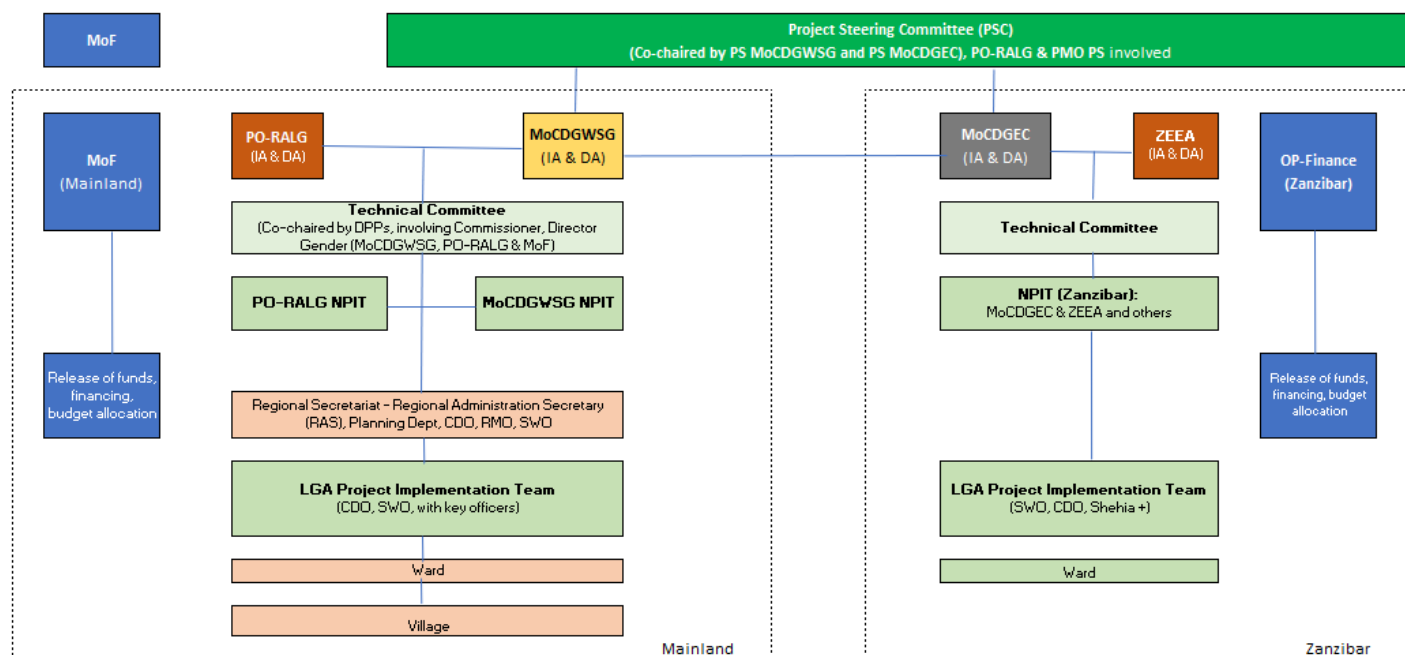


ANNEX 1: Implementation Arrangements and Support Plan

A. Project Institutional and Implementation Arrangements

1. The main text lays out the overall implementation arrangements and Figure 1.1 presents an overview. This annex further lays out the composition and role of the project committees and implementation.

Figure 1.1: Implementation Arrangements



National level

2. **Project Steering Committee (PSC).** A joint PSC will be established between Mainland and Zanzibar at national level to: (a) provide overall policy and strategic guidance on the implementation of the project; (b) approve the Mainland-AWPB and the Zanzibar-AWPBs; (c) ensure inter-institutional and cross-sectoral coordination; and (d) carry out high level monitoring and supervision of project activities, as further elaborated in the Mainland-PIM (M-PIM). The PSC will be chaired by the respective Permanent Secretaries (PSs) of MoCDGWSG/MoCDGEC and will include: PS PO-RALG, PS Prime Minister's Office, PS Finance [Mainland]; PS PO-RALGSD, PS Vice President 2, PS Office of the President-Finance and Planning and PS responsible for Economic Empowerment [Zanzibar]. Additional members from key relevant line ministries and agencies in Zanzibar and Mainland will be elaborated in the PIM.

3. **Project Technical Committee (PTC).** Mainland: A PTC will be established to provide technical guidance to the PITs. It will be co-chaired by the Directors (Policy and Planning) of both MoCDGWSG and PO-RALG. The PTC will coordinate revisions to the PIM, monitor project implementation and address any technical issues and challenges that impact implementation of the project. TOR and composition will be further elaborated in the PIM.

4. **Project Implementation Team (PIT).** Mainland: Two PITs will be established, one at MoCDGWSG and one at PO-RALG. For the MoCDGWSG-PIT, project-specific technical staff will include a full-time project coordinator, one focal point each on women's economic opportunities, GBV and ECD, a procurement specialist, an accountant, an environmental



specialist, a social development specialist, an M&E officer, and a communications officer. A Women's Access to Finance Specialist and Assistant Specialist will be hired to support the implementation of Sub-component 1.2 and 1.3 in Mainland and will be supported by an Assistant Specialist to be seconded from relevant government agencies. For PO-RALG-PIT, project-specific technical staff will include a full-time project coordinator, one focal point each on women's economic opportunities, GBV, ECD officer, procurement officer, accountant, an environmental officer, a social development officer, M&E officer, and a communications officer. The PITs will coordinate project implementation and performance monitoring in accordance with the PIM and will be responsible for communication with the World Bank and other partners. In Zanzibar, a joint PIT will be established at the MoCDGEC with members from ZEEA. Project-specific technical staff will include a full-time project coordinator, one focal point each on women's economic opportunities and GBV, procurement specialist, accountant, an environmental specialist, a social development specialist, M&E officer, and a communications officer.

Regional level

5. *Mainland:* The Regional Secretariat (RS) will have a key supervision role in the project as shown in Figure 1.1. The RS, led by the Regional Administrative Secretary, will provide implementation oversight at regional level.

Council/District level

6. **The project will work through the council/district level administration structure.** The Council/District Implementation Team (DIT) will be the main mechanism for the implementation of project activities at council level. Its TOR will be detailed in the PIM. The council/district implementation support teams will consist of designated government staff and contract staff, depending on the capacity and needs of the council/district. The project will put in place Memorandums of Understanding with the district administrations. In Mainland, the DIT will be chaired by the District Executive Officer and will have the SWO and CDO as co-coordinators. The DIT will further include officers from Planning, Health, Education, Law, Accounting, Engineer, Communication, and ICT as well as the CMG focal point on needs-basis. In Zanzibar, the DIT will be chaired by the District Executive Officer. The Planning Officer will be the secretary. The District Gender, Women and Children Officer and District ZEEA Officer will be co-coordinators. The DIT will include a member from the National Disability Council, Social Welfare Officer, Health Officer, Agriculture Officer, Livestock Officer, Fisheries Officer, Accounting, Engineer, Communication, and ICT on needs-basis.

Community level

7. *Mainland:* At ward level, the CDO, SWO, and extension officer (where they exist), will support community-level implementation. A cadre of female Community Business Agents will be recruited and facilitated at the ward level to support the implementation of project activities.

8. *Zanzibar:* At Shehia level, the local leader (Shehia), Gender Coordinator and Community Health Volunteers will support community-level implementation. A cadre of female Community Business Agents will be recruited and facilitated at the Shehia level to support the implementation of project activities.

B. Procurement

9. **Procurement under the project will be carried out in accordance with the following World Bank procedures:** (a) The World Bank Procurement Regulations for IPF Borrowers Fifth Edition, September 2023; (b) 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 July 1, 2016); and (c) other provisions stipulated in the FAs.



10. **PPSD and PP.** The Borrower has prepared the PSD identifying optimum procurement strategies for meeting the development objectives of the project, based on which the PP for the first 18 months has been developed, setting the selection methods to be used by the borrower in the procurement of goods, works, non-consulting services, and consulting services under the project.

11. **STEP and National e-Procurement System of Tanzania (NeST):** The World Bank's STEP system will be used to prepare, clear, and update PPs and conduct all procurement transactions for all implementing agencies of the project. The Public Procurement Regulatory Authority (PPRA) has established the NeST system, which replaced the Tanzania National e-Procurement System since September 30, 2023. The World Bank assessed NeST during August 2023 and certified that it is compliant with the Multilateral Development Banks Electronic Tendering Guidelines 2019. A total of 1047 procuring entities; 11,833 tenders; 2,980 awarded contracts with about TZS 0.99 trillion have been registered in the system as of December 15, 2023 (<https://nest.go.tz/>). The Government has recently amended the PPA to make the use of NeST system mandatory in the Mainland for all procurement transactions and this has improved transparency and efficiency. It is expected that PO-RALG and MoCDGWSG will use both STEP and NeST (for post review contracts) in processing procurement activities.

12. **Public procurement in Tanzania is governed by the PPA, Cap 410 (as amended) and the Public Procurement Regulations, 2013 GN No. 446 of 2013 (as amended in 2016).** Under the new act, procurement functions remain decentralized to procuring entities, with the PPRA continuing to provide oversight functions for public procurement. In addition, the new Act has maintained the definitions of fraud and corruption with regard to coercive practices, collusive practices, and obstructive practices. The new Act has, however, introduced, among others: (a) mandatory inclusion of local firms and experts in consultancy contracts; (b) domestic preference to both international and national competitive bidding; (c) a requirement to set aside contracts to be used for capacity building of local firms; (d) a requirement to set aside contracts below a set threshold to be awarded to local firms only; (e) negotiations with the lowest evaluated bidder to reduce price in the case of goods, works, and non-consulting services; (f) fixed budget method for goods, works, and non-consulting services; and (g) established and approved procurement standards by the Government.

13. **The new Act has been reviewed by the World Bank and found to be satisfactory to a large extent, except for the following provisions:** (a) there will be no preference accorded to domestic suppliers and contractors under National Competitive Bidding for goods, non-consulting services, and works under this project; (b) there should be no mandatory requirements for inclusion of local experts and firms for the consulting assignments; (c) negotiations with the lowest evaluated bidder to reduce price in the case of goods, works, and non-consulting services where competitive methods have been used shall not be allowed; (d) the fixed budget method shall not be used for goods, works, and non-consulting services; and (e) procurement standards established and approved by the Government may be used, provided that they are not restrictive. Furthermore, in accordance with paragraph 5.4 of the Procurement Regulations, the following shall be observed: (a) the request for bids/request for proposals document shall require that bidders/proposers submitting bids/proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the World Bank's Anti-Corruption Guidelines, including without limitation to the World Bank's right to sanction and the World Bank's inspection and audit rights and (b) rights for the World Bank to review the borrower's procurement documentation and activities.

14. **Procurement documents.** The World Bank's standard procurement documents (SPDs) shall be used for procurement of goods, works, and non-consulting services under the Open International Competitive Procurement approach. Similarly, selection of consultant firms shall use the World Bank's SPDs, in line with procedures described in the Procurement Regulations. While approaching the national market using National Procurement Procedures, the national standard bidding documents may be used with appropriate modifications acceptable to the World Bank and additional annexes to incorporate the World Bank's Anti-Corruption Guidelines, universal eligibility, and the World Bank's right to



inspection and audit. Procurement procedures shall be consistent with the Bank's Core Procurement Principles and contractual remedies set out in its Legal Agreement apply.

15. **National Procurement Procedures (NPP).** National Open Competitive Procurement (NOCP) procedures may be used when approaching the national market. The requirements for NOCP include the following: (i) there is open advertising of the procurement opportunity at the national level; (ii) the procurement is open to eligible firms from any country; (iii) the request for bids/request for proposals document shall require that Bidders/Proposers submitting Bids/Proposals present a signed acceptance at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the Bank's Anti-Corruption Guidelines, including without limitation the Bank's right to sanction and the Bank's inspection and audit rights; (iv) procurement documents include provisions, as agreed with the World Bank, intended to adequately mitigate against environmental, social (including Sexual Exploitation and Abuse and GBV), health, and safety risks and impacts; (v) contracts have an appropriate allocation of responsibilities, risks, and liabilities; (vi) contract award information is published; (vii) the World Bank has the right to review procurement documentation and activities; (viii) there is an effective complaints handling mechanism; and (ix) records of the procurement process are maintained. Standard bidding documents based on Tanzania's PPA and its Regulations, with required adjustments as required and cleared by the World Bank, will be used for NOCP. The IAs may use the World Bank's SPDs for NOCP.

16. **Other procurement arrangements (other than NOCP), that may be applied by the Borrower** (such as limited/restricted competitive bidding, request for quotations/shopping, direct selection), shall be consistent with the World Bank's Core Procurement Principles and ensure that the World Bank's Anti-Corruption Guidelines and Sanctions Framework and contractual remedies set out in its Legal Agreement apply. In all cases, the national procurement procedures to be used shall give due attention to quality aspects.

17. **Public procurement activities in Zanzibar are governed by the Public Procurement and Disposal of Public Assets (ZPPDPA) Act No. 11 of 2016 and its Procurement Regulations of 2021.** The act repealed the Public Procurement and Disposal of Public Assets Act, No. 9 of 2005. The Zanzibar Public Procurement and Disposal Authority (ZPPDA) issued some of the standard bidding documents in July 2021 which are in line with the Act and Regulations. All these documents are accessible on the ZPPDA's websites free of charge.

18. **Zanzibar has established an e-Procurement System, E-Procurement Zanzibar (e-ProZ).** From July 2022, all procurement activities which are funded by the government must use the e-ProZ. For the e-ProZ to be used for procurement activities under World Bank-funded projects, the World Bank must assess and validate the system on its compliance with the Multilateral Development Banks e-Tendering Guidelines. At present, the Bank is carrying out the assessment of the system and once the assessment is completed the Bank will share the report the government and its decision whether the system can be used on procurement activities under World Bank-funded projects.

19. **Procurement implementation arrangements.** The PO-RALG, MoCDGWSG – Mainland and MoCDGEC – Zanzibar will be responsible for procurement implementation. Both MoCDGWSG and MoCDGEC have no prior experience in World Bank-financed operations whereas PO-RALG has gained experience in procurement under World Bank-financed projects in the education, transport, agriculture and urban sectors. The NPITs established by the Implementing Agencies will oversee general project coordination, procurement, financial management, monitoring and evaluation and ESS supervision. They will be responsible for the day-to-day management of the procurement activities of the project. The NPITs will work closely with the user departments which will be involved in project implementation. The user departments will be responsible for consolidating the needs and requirements, preparing specifications, terms of references, involved in evaluations, inspecting deliverables and managing the resulting contracts. Other responsibilities will include (i) preparing



and updating the PP/PPSD; (ii) providing technical support in the procurement process including contract management; and (iii) preparing user requirements, specification, procurement documents and submission to the Bank for No Objection.

20. **A procurement capacity assessment of PO-RALG was carried out in April 2023.** The assessment reviewed the organizational structure for implementing the Project, functions, staff skills and experiences, adequacy for implementing the project, and the interaction between the project's staff responsible for procurement activities and the relevant documents, such as Internal Audit Reports, PPRA performance VfM audit reports for FY 2021/2022. PO-RALG has gained experience in procurement under World Bank-financed projects through several ongoing/ completed projects in the education, transport, agriculture and urban sectors. Key risks identified on the capacity of the implementing entity are: (i) PIT staff have inadequate knowledge of procurement planning, preparation of bidding and request for proposal documents, evaluation of bids/ proposals, customization of draft contract documents and contract management; (ii) frequent transfer of procurement staff, meaning newly appointed/recruited staffs take time to become acquainted with procurement activities and procedures; (iii) inefficiencies in processing procurement activities in terms of preparation of TORs, specifications, bidding documents, requests for proposals, bids/proposals evaluations and lack of adequate internal monitoring in some of the LGAs; (iv) inadequate record keeping and management system at the ministry and LGA levels; (v) limited guidelines for hiring skilled workforce to execute works under force account arrangement; and (vi) delays in paying vendors on time per the terms of the contracts. Required mitigation measures include (i) need for additional staff in PMUs and Internal Audit units; (ii) training in procurement process and contract management; (iii) training of Tender Board members, user department and PIT officials; (iv) provision of more space for staff and record keeping; (v) liaise with PPRA to provide necessary training and simplified guidelines to govern outsourcing of skilled manpower for carrying out works using force account; and (vi) provision of office working tools and equipment.

21. **A procurement capacity assessment of MoCDGWSG was carried out in July 2023.** The assessment reviewed the organizational structure for implementing the Project, functions, staff skills and experience, adequacy for implementing the project, and the interaction between the project's staff responsible for procurement activities and the relevant documents, such as Internal Audit Reports, PPRA performance VfM audit reports for Fy 2021/2022. MoCDGWSG has no prior experience in World Bank-financed operations. However, MoCDGWSG have established all the necessary organs for adjudicating and managing procurement activities in accordance with the provisions of the Public Procurement (Amendment) Act (PPA) 2016 (Revised 2022) and Public Procurement (Amendment) Regulations (2016). Currently, the Procurement Management Unit (PMU) has two Procurement officers and two Supplies officers with limited experience in managing procurement of large and complex works, goods, and consulting services, in accordance with World Bank Procurement Regulations including use of the STEP.

22. **The assessment of MoCDGWSG revealed that:** (a) there is insufficient staff in the PIT to cope with the volume of procurement transactions – currently there are only two Procurement Officers and two supplies officers; (b) inefficiencies in processing procurement activities (delays initiating procurement activities, preparing TORs, specifications, bidding documents and requests for proposals; evaluation of bids and proposals and signing of contracts) in all organs involved in procurement transactions (Accounting Officer, MTB, PMU, and Evaluation Committees); (c) inadequate office space, records filing, office facilities and management system; (d) frequent transfer of procurement staff - newly recruited staffs take time to become acquainted with procurement activities and procedures; (e) limited guidelines for hiring skilled workforce to execute works under force account; (f) delays in paying vendors on time per the terms of the contracts; and (g) lack of awareness and low capacity of the ministry staff and local construction industry to comply with ESHS requirements.

23. **A procurement capacity assessment of MoCDGEC Zanzibar was carried out in August 2023.** The assessment reviewed the organizational structure for implementing the Project, functions, staff skills and experiences, adequacy for implementing the project, and the interaction between the project's staff responsible for procurement activities. The



Ministry has less than one year since its formulation, therefore the VfM audit report is not yet available. The assessment revealed that MoCDGEC has no prior experience in implementing World Bank-funded projects. This will be the first project to be implemented by the MoCDGEC. Currently, the Ministry has three staff with limited experience in managing procurement of large and complex works, goods, and consulting services, in accordance with World Bank Procurement Regulations; staffing level is inadequate to cope with the volume of procurement transactions; frequent transfer of the procurement staffs; PIT and User Departments staff have inadequate knowledge and experience in contract and claims management; inefficiencies in processing procurement activities; and inadequate office facilities, records filing and management system; and lack of awareness and low capacity to comply with ESHS requirements.

24. **To address the capacity gaps and mitigate the risks identified**, the procurement capacity of PO-RALG, MoCDGWSG and MoCDGEC needs to be strengthened. To ensure sustainability, apart from recruiting procurement consultants to build internal capacity and assisting managing procurement activities, both IAs will prepare a capacity-building program for the PMUs, TBs and technical department staff involved in contract management and supervision of works, which will articulate areas to be strengthened, capacity strengthening activities to be undertaken, and the duration of each activity.

25. **The overall project procurement risk is High.** The risk is expected to be reduced to a residual rating of **Substantial** in view of the mitigation measures proposed in Table 1.1.

Table 1.1 Project risks affecting Procurement

Risk	Mitigation Measure	Time Frame	Responsibility
The PMUs/ PDMUs staff have inadequate experience in managing procurement of and complex works, goods, and consulting works, in accordance with World Bank procurement regulations and procedures.	Provide training on the World Bank Procurement Regulations and Procedures. For sustainability reasons, PO-RALG, MoCDGWSG -Mainland and MoCDGEC - Zanzibar will prepare a capacity-building plan for the TBs, PDMUs, PMUs, and technical departments.	Throughout project implementation	PO-RALG; MoCDGWSG - Mainland; MoCDGEC – Zanzibar.
staffing level is inadequate to cope with volume of procurement transactions and frequent staff transfers	Deploy additional staffs and recruit a Procurement Specialist to support and build capacity of the MoCDGWSG and MoCDGEC apart from assisting in processing procurement activities. The strategy should be to build capacity of the PMUs/ PDMU and users departments and not staffs implementing project's activities.	After project effectiveness	PORALG MoCDGWSG MoCDGEC
Inadequate skills and knowledge in contract management, disputes, and claims management	Conduct trainings tailored for contract management, disputes, and claims management for the PDMU/ PMU and technical departments' staff.	Throughout project implementation	PORALG MoCDGWSG MoCDGEC
Inefficiencies in processing, approving, and managing procurement activities	Ensure procurements are processed as per the timelines in the PPs, including timely, Tender Board approvals, preparation of Terms of References and specifications by user and technical departments	Throughout project implementation	PORALG MoCDGWSG MoCDGEC
Inadequate storage and record management system	Establish a sound filing and records management system.	Throughout project implementation	PORALG MoCDGWSG MoCDGEC



Risk	Mitigation Measure	Time Frame	Responsibility
Lack of awareness and low capacity of the IAs staff and local construction industry to comply with ESHS requirements	Create awareness and conduct a training on ESHS for the project staff, potential contractors, and consulting firms. Further, contracts should have adequate provisions of ESHS requirements and effective contract management.	Throughout project implementation	PORALG MoCDGWSG MoCDGEC
Delays in paying contractors, consultants, and suppliers on time per the terms of the contracts.	MoF to expedite approving processes to ensure funds are released timely to the projects.	Throughout project implementation	MoF, PORALG MoCDGWSG

26. **Procurement oversight and monitoring arrangements.** The World Bank exercises its procurement oversight through a risk-based approach comprising prior and post reviews as appropriate. The World Bank sets mandatory thresholds for prior review based on the procurement risk rating of the project. The requirement for a prior or post review shall be specified in the PP. The World Bank will carry out post reviews of procurement activities undertaken by the borrower to determine whether they comply with the requirements of the Legal Agreement. The World Bank may also use the services of the PPRA and ZPPDA for carrying out post reviews for the project.

27. **Frequency of procurement supervision.** In addition to the prior review supervision to be carried out by the World Bank offices, the capacity assessment of the IAs recommends one supervision mission every six months to visit the field to carry out post review of procurement actions.

28. **Training and workshops.** The project will finance training and workshops, if required, based on an annual training plan and budget, which shall be submitted to the World Bank for its prior review and approval. The annual training plan will identify, among other things, (a) the training envisaged; (b) the justification for the training; (c) the personnel to be trained, including staff in regional offices; (d) the duration for such training; and (e) the estimated cost of the training. At the time of the actual training, the request shall be submitted to the World Bank for review and approval. Upon completion of the training, the trainees shall be required to prepare and submit a report on the training received.

C. Financial Management

29. **Risks and mitigation measures.** The overall FM risk rating for the project is Substantial. This is mainly driven by the fact that three out of four implementing entities are new to World Bank-funded operations and will therefore take time to learn and build capacity. Only PO-RALG has experience in implementing World Bank-funded operations. Key risk mitigation measures for MoCDGEC, ZEEA and MoCDGWSG include the following: MOoCDGEC needs to hire more internal audit staff and increase their capacity to manage projects and the ministry effectively. Both MoCDGEC and ZEEA will also need to procure an accounting system to help with accounting and financial reporting, which is currently being done manually. MoCDGWSG will need to start using the MUSE accounting system to avoid using a manual system that is prone to errors.

30. **Budgeting.** Preparation of the AWPB is participatory. Project budgets are prepared by the project accountants with inputs from project staff and approved by the Project Coordinator/Manager. Budgets will be approved before the new financial year begins and monitored during project implementation using unaudited interim financial reports and quarterly physical progress report. AWPBs will be furnished to the Association by no later than March 31 of each year during implementation of the project. MoCDGEC is staffed with 5 accountants including the Chief Accountant; MoCDGWSG has 16 while, ZEEA has 3 while PO-RALG has 19. All ministries and ZEEA have dedicated project accountants nominated together with their backups.



31. **Accounting.** The project is required to maintain adequate financial records in accordance with accepted international accounting standards and practices and in accordance with the Public Financial Act 2016 and its guidelines. The regulations describe the accounting system, policies and procedures i.e., the accounting records, supporting documents, computer files, chart of accounts; the accounting processes from the initiation of a transaction to its inclusion in the financial statements; authorization procedures for transactions; the financial reporting process used to prepare the financial statements. The ministry will have to procure an accounting system.

32. **Staffing Arrangements.** MoCDGEC is staffed with 5 accountants including the Chief Accountant; MoCDGWSG has 16 while, ZEEA has 3 while PO-RALG has 19, with both the former ministries and ZEEA having appointed dedicated accountants for the project while PO-RALG has not yet. None of the accounting staff at MoCDGEC are CPA/CPA equivalent qualified and the Ministry should support some staff to acquire the CPA qualification to enhance their capacity. As for the other two, both Chief Accountants and Chief Internal auditors are CPAs, and have a few other CPAs in their pools.

33. **Internal controls.** The internal control system is documented comprehensively in the Public Finances Act which is deemed to be sufficient for the project. Internal controls cannot be well assessed at the moment due to the lack of financial transactions in the new ministries.

34. **Internal Audit.** MoCDGEC has 2 internal auditors including the Chief Internal Auditor. There is a well-documented internal audit charter, internal audit plan (not risk based) and a few audit reports including two special audit reports. The ministry needs to hire more internal audit staff and increase their capacity to manage projects and the ministry effectively. Both the mainland ministries and ZEEA have no issues with internal audit as both units are strong led with CPA qualified heads, have well documented internal audit charters, well operating internal audit committees and risk based internal audit plans and reports. All internal audit units need refresher trainings on risk management, project management and contract management audits.

35. **Funds flow:** The PITs shall have to open and maintain two sets of bank accounts: (a) a US\$ Designated Account (DA); and (b) a Tanzania Shilling project account for the purposes of implementing the project. The DAs will be opened at the BoT for the mainland agencies and Zanzibar agencies, and the project accounts may be opened and maintained at the BoT or a commercial bank acceptable to the World Bank. Transfers from IDA will be made into the DAs. Transfers will be made from the DA to the project account primarily to meet transactions. The DAs shall be opened after the Financing Agreement being signed. The project will adopt report-based disbursement method.

36. **Financial reporting:** The quarterly IFRs will be prepared at the end of each quarter and submitted to the Bank not later than 45 days after the end of the quarter. The format and content of the IFRs will be discussed and agreed during the negotiation meeting. The IFRs will include Sources and Uses of Funds Statement, Uses of Funds by Project Activity/Component and DA Activity Statement.

37. To support the continued use of report-based disbursement the ministry will be required to submit:

- (a) IFR.
- (b) DA Activity Statement.
- (c) DA and Project bank account statements.
- (d) Bank reconciliations for both the DA and project bank account
- (e) Summary Statement of DA Expenditures for Contracts subject to Prior Review.
- (f) Summary Statement of DA Expenditures for contracts not subject to Prior Review.



38. The annual financial statements would be prepared in accordance with International Public-Sector Accounting Standards (IPSAS accruals). The IDA FA will require the submission of audited financial statements to the Bank within six months after the financial year end. These Financial Statements will comprise of:

- (a) A Statement of Sources and Uses of Funds/Cash Receipts and Payments
- (b) A Statement of Affairs/ Balance Sheet
- (c) The Accounting Policies Adopted and Explanatory Notes. The explanatory notes should be presented in a systematic manner with items on the Statement of Cash Receipts and Payments being cross referenced to any related information in the notes; and
- (d) A Management Assertion that Bank funds have been expended in accordance with the intended purposes as specified in the relevant World Bank legal agreement.

The standard format that has already been agreed with Government shall be used for this project and will be communicated to the project team. A short training shall be conducted together with coaching during project implementation.

39. **External auditing:** The Office of the Controller and Auditor General (O-CAG) and Office of the Controller and Auditor General Zanzibar (OCAG-Z) are responsible for auditing government projects. The audits will be done in accordance with International Standards on Auditing (ISA) and International Standards for Supreme Audit Institutions (ISSAI). The external audit TORs must be agreed with the government during negotiations. The audit report, together with the management letter, will be submitted to the World Bank not later than six months after the end of the financial year. All three agencies are required to publicly disclose the audited financial statements in a manner acceptable to the World Bank. Following the World Bank's formal receipt of the audit report from all the three entities, the World Bank will make them available to the public in accordance with The World Bank Policy on Access to Information.

40. **Governance and anticorruption (GAC) arrangements:** The use of hotlines to report corruption and other forms of fraudulent activities is proposed. There is also need for the MoCDGEC, MoCDGWSG, ZEEA and PO-RALG to strengthen the current arrangements of the Integrity Committees that are meant to handle complaints. All agencies should ensure that there is continuous improvement in reporting corruption and any other form of fraudulent activities within their organizations.

D. Strategy and Approach for Implementation Support

41. **The World Bank will review the project regularly to ensure its progress towards the PDO.** This includes (a) semi-annual implementation support mission; (b) mid-term review; and (c) implementation completion review. These formal missions will be supplemented with regular technical reviews. Additional field visits and ad hoc missions will be arranged as needed, taking advantage of the World Bank country office presence. The project progress will be made publicly available through bi-annual implementation and status results report. The World Bank will further utilize regular engagements with the PITs to carefully monitor the project implementation. The PITs will be requested to submit semi-annual progress reports including its progress against the PDO and the agreed Results Framework. The World Bank will review the reports and where challenges are identified, will work closely with the PITs to agree on appropriate actions to overcome the challenges. The World Bank will also explore the use of remote supervision and Iterative Beneficiary Monitoring.



ANNEX 2: Assessment of Financial Sector and Financial Intermediaries

42. **Objectives:** Component 1 will finance access to economic opportunities for women, using their women economic groups as entry points and platforms. Activities will be implemented through three Sub-components: (1.1) strengthening community-based women's groups, women's business skills and market linkages, (1.2) increasing access to finance to individuals with micro businesses or collective group micro businesses through registered CMGs,⁶⁸ and (1.3) increasing access to finance to women-owned micro enterprises and productive groups through the formal financial sector. The component will provide an initial mapping of community-based women's groups, and different packages of support to women's groups and women enterprise owners along a graduation-type model. The two types of financing offered by the project to women micro-enterprise owners – through CMGs and through PFIs – will facilitate a gradual transition to formal financial services.

43. **Compliance:** The current project design is compliant with the Bank policy for financial intermediaries, though it relies on temporary exceptions on sustainable lending practices which will require counterpart commitment to make sustainable during the life of the project. This annex provides an overview of the instruments and implementation arrangements of the sub-components under Component 1. It then goes on to discuss the key considerations for the two Subcomponents (1.2 and 1.3) that involve financial intermediaries.

A. Overview

44. **Role of FIs:** The level of involvement of FIs varies across the three sub-components. No financial intermediation of World Bank funds will be involved in Sub-component 1.1. Registered CMGs will have a key role in Sub-component 1.2. While the CMGs will be expected to have accounts at a formal financial institution (commercial banks or microfinance institutions) there is no other formal role for these FIs. For Sub-component 1.3, PFIs will have a key role. CMGs may be involved in cases where PFIs have loan products for women who are members of CMGs but will have no direct role.

45. **Geographic Coverage:** Sub-components 1.1 and 1.2 will be implemented in selected rural districts/councils of selected regions on the Mainland and Zanzibar. Subcomponent 1.3 will be implemented in all rural councils on the Mainland with initial prioritization of the Sub-components 1.1 and 1.2 councils, but not on Zanzibar where the potential for increasing access to credit for individual borrows is lower. This will be reassessed at mid-term stage.

46. **Instruments and Funds Flow:** The proposed instruments are technical assistance for Subcomponent 1.1, deposits for 1.2, and lines of credit for 1.3. The details of the instruments are discussed below.

- (a) For 1.1 the procurement of service providers for the technical assistance will be undertaken by the PITs. The procured services will be delivered via the service providers working with Local District/Council-Level Authorities. Technical Assistance will be delivered through a training of trainers approach by the service providers, district/council level staff, and Community Business Agents (trained volunteers). Some of the TA under sub-component 1.1 will support CMGs in attaining the criteria necessary for obtaining funding under 1.2.
- (b) For 1.2 the funds will flow in the form of deposits from the Project DAs to the local government authority's (LGA) project specific account in a financial institution acceptable to the World Bank /MoF. The LGA deposits will be extended to the bank accounts of eligible CMGs at an interest rate that considers costs of funds, inflation, and

⁶⁸ The Microfinance Act, Cap. 407 (Act No. 10 of 2018) classified microfinance business into 4 tiers: Tier 1 –Banks and microfinance Banks (Deposit Taking Microfinance institutions); Tier 2 –Credit companies and financial organizations (Non-Deposit Taking Microfinance Service Providers); Tier 3 –Savings and Credit Cooperatives Societies (SACCOS); Tier 4 –Community Microfinance Groups. The registration of Tier 4 entities (CMGs) is guided by The Microfinance (Community Microfinance Groups) Regulations 2019 GN No. 678 of 2019.



operations/administration. The CMGs will use the funds for the project designated purposes until they disband in which case the CMG through their Treasurer will return the initial amount received to the LGA including the agreed interest rate. The LGA will use the repaid amounts to re-cycle the money to another eligible CMG group and return it to the apex at the end of the project at the interest rate stipulated in the agreement between the LGA and the apex to be used for future programs.

- (c) For 1.3 the funds will flow from the Project DA in the form of loans to PFIs and then to borrowers (individuals and producer groups). Borrowers' repayments will be recycled by the PFIs to new borrowers under the project and paid back to the apex at the end of the project at the interest rate stipulated in the agreement between the LGA and the apex to be used for future programs.

Table 2.1: Instruments and Funds Flow

	Geographic coverage	Instruments	Funds Flow
1.1	Selected rural districts/councils in selected regions on the Mainland and Zanzibar	Technical assistance for women's groups. Provided by service providers and local authorities.	From MoCDGWSG and MoCDGEC to Service Providers (for TA) From PO-RALG and MoCDGEC to Local Authorities
1.2	Selected rural districts/council in selected regions on the Mainland and Zanzibar	Capitalization of CMGs (Mainland) and productive groups (Zanzibar)	Mainland: From PO-RALG to Local Authorities) to CMGs Zanzibar: ZEEA to productive groups (funds sent to CMG/producer group bank account at Tier 1 FIs)
1.3	All rural council in selected regions on the Mainland	Line of Credit for PFIs for lending to individual borrowers and producer groups	From MoCDGWSG to PFIs to borrowers

B. Key Considerations for Subcomponent 1.2

47. **Summary:** The subcomponent will provide deposits to increase the capital of selected registered CMGs. CMGs have limited capital which consists of member contribution/savings. As most savings groups work on a model where a member can borrow up to 3 times their contribution, only three members can borrow at a time. If the member funds have already been lent out to three members, other members cannot borrow until the three borrowers repay. If one of the members wants to borrow a larger amount for their productive enterprise this is not possible. It is expected that the deposits for registered CMGs will increase the capital of the groups so that more members can borrow. The potential risks will be mitigated by limiting the deposits to a fraction of what CMGs already have and putting in place a robust process for selecting the CMGs and beneficiaries.

48. **Financial Sector Framework:** The registration of Tier 4 entities, CMGs is guided by The Microfinance (Community Microfinance Groups) Regulations 2019 GN No. 678 of 2019. As of September 2023, there were approximately 60,000 registered CMGs across the country and they range in size between 10 – 50 members. The project will select the CMGs that are fully aligned and meet all the requirements of the regulations.

49. **Market efficiency and interest rates:** The key inefficiency being addressed is a lack of access to finance for rural women-led micro-enterprises. In general, FIs do not cater to this group, and CMGs are helpful, but do not scale, in the sense they are not leveraged, and are limited by how much members can save. Typically, there are 20 members, and three



members can borrow at a time, typically for three to six months, paying a monthly interest, which gets added to the capital. Sub-component 1.1 will map the existing CMG practices, including interest rates.

50. **Selection of registered CMGs to be supported:** This will be done by LGA PITs following a process and evaluation committee structure that will be transparent and involve third-party experts/reviewers to ensure alignment with the eligibility criteria and evaluation process defined in the COM (the development of which is a disbursement condition). Before receiving financing under Sub-component 1.2, CMGs will submit applications showing that they have met a set of key criteria for a period of at least 3 months, which will include at a minimum: (i) registration with BoT, (ii) regular meetings, (iii) regular savings in a Tier 1 financial institution account, (iv) inter-lending within the CMG members, (v) track record of timely repayments, (vi) adequate recordkeeping, (vii) a proposed pipeline of indicative business plans (BPs) to be financed; and (viii) a project cashflow management demonstrating capacity and timeline for reimbursement of the funds to the LGA when the group disbands. The CMGs will receive training and technical assistance support in these areas under Sub-component 1.1.

51. **Use of funds by CMGs:** The funds which are intended to increase the capital of the CMG are required to be deposited in a financial institution. The purpose is to allow the members of the CMG to borrow more funds thus increasing their access to finance. The funds will also remain in the CMG and will revolve and should grow due to interest collected, such that more members can benefit. The additional funds will support members' micro business activities captured in BPs. The implementation of the plans will be monitored, and groups will account for the use of funds.

52. **Special considerations for Zanzibar:** In Zanzibar, the sub-component will provide funding to productive groups/producer groups through the ZEEA. A Financial Management (FM) assessment has been completed for ZEEA. Details of the type of funding will be provided in the Community Finance Manual (to be approved by the World Bank), which will be prepared based on an assessment of existing ZEEA financing schemes. While details will be provided in the manual, the broad category of funding that will be acceptable are deposits defined as funds that will be provided to productive groups to implement their BPs, and to be returned to the program when they disband. In order for these deposits to be sustainable and scalable, the interest rate charged would need to cover the costs of inflation, non-performing loans, operations, and a profit margin that would encourage private sector participation.

53. **The funds will be required to meet the following criteria:**

- (a) **Targeting.** The funds will be targeted to the specific purposes for which they are being provided, i.e., loans to support the rural women micro-enterprise owners who are members of registered CMGs in Mainland and prize money or deposits to support productive groups in Zanzibar.
- (b) **Monitoring.** The funds will be actively monitored on a regular basis to ensure that they are being used for their intended purpose.

In Mainland, the LGA will maintain a scoring mechanism of the CMGs and the individual borrowers to develop a track record of their performance and provide the information to the BoT for inclusion in the credit information system. (The project will procure the necessary equipment and software to provide the data to the BoT credit information system and receive the necessary training on how to utilize it). The benefit of a credit score is that it will help the CMG and its individual borrowers develop a credit history and track record which will serve them in future borrowing. It will also enable the recording of negative performers. Before signing the funding, the LGA will inform and educate the CMGs and their individual members about the credit scoring mechanism, that it is accessible by all banks and financial providers, and its implications especially for negative performers.



In Zanzibar, ZEEA and the LGA will monitor the use of funds by productive groups in support of the implementation of their BPs.

- (c) **Transparency.** The objectives of the funds will be stated up front, and their payout will be linked transparently to the review of proposals submitted by the CMGs (Mainland) and productive groups (Zanzibar).
- (d) **Subsidy Cap.** A cap on funds at a certain percentage of the capital of the CMG is being discussed and will be captured in the COM. The intent of this cap is to limit moral hazard, avoid overwhelming CMG capacities, and ensure the funds reach more CMGs. In Zanzibar, funding to producer groups is envisaged to be on average \$5000 and the specific amounts will be decided based on the BPs prepared.
- (e) **Competition.** All registered CMGs (Mainland)/producer groups (Zanzibar) in PAMOJA selected districts/council will be eligible to apply for a financing. The program design will try to ensure that there is no unfair advantage to some CMGs (Mainland)/producer groups (Zanzibar).
- (f) **Technical Assistance.** Funding will be complemented with technical assistance (under 1.1) so that the CMGs (Mainland)/producer groups (Zanzibar) can improve their processes to meet the criteria for financial assistance, and further to manage the funds sustainably. Linkage to 1.3 will also provide a graduation pathway for individuals and groups who want to borrow larger amounts directly from PFIs.
- (g) **Measures to improve financial transparency and disclosure.** In addition to providing the funding, the project will work to improve the transparency of the operations of CMGs and prices for financial services (including interest rates). This will be done through financial literacy education and consumer protection measures to be provided under component 1.1. which will provide individuals with the set of questions to ask for when joining a CMG and to shop around to compare practices and interest rates. The services, number of members, and interest rates offered by all registered CMGs will be available at the LGA and can be made available to all individuals.

C. Key Considerations for PFIs under Subcomponent 1.3 (Mainland only)

54. **Summary:** The project will provide support to selected PFIs to expand their portfolios for lending to rural women. This will be done by creating a line of credit for individual borrowers (including members of CMGs that have received support under 1.2) and for producer groups (individuals working together on a jointly owned enterprise). The project funds will be channeled indirectly through a wholesaling entity (an Apex entity managed by the MoCDGWSG), resulting in lending by retail financial institutions. The potential risks will be mitigated by putting in place a sustainable interest rate and robust process for selecting the PFIs, ensuring that the design of the PAMOJA Financing Facility conforms to Bank policy.

55. **Selection of PFIs:** All Tier 1-3 institutions will be invited to participate.⁶⁹ A robust and competitive process for selecting the PFIs based on how much they commit to mobilize their own resources in their applications, and clearly defining the eligibility criteria for the loans. It is expected that the few institutions with a large branch network and rural presence will be competitive. The project expects 4-6 PFIs to be selected in order to ensure competition and sufficient geographic coverage. The selected PFIs will be expected to meet all the requirements specified in the Bank policy for financial intermediaries.

56. **Market efficiency and interest rates:** This sub-component is aimed at encouraging FIs to increase their MSME lending sustainably (by tackling systematic drivers of high cost of funds, high credit risks, and high operating costs, while

⁶⁹ In Tier 1 there are 34 commercial banks and 3 deposit taking microfinance banks.



maintaining competition in the market). Current FI fees on loans are around 3-4 percent, including 1.2-1.7 percent for insurance. The lending rates for corporate borrowers is around 14 percent to 15 percent; SMEs pay around 16 percent to 20 percent, while micro-loans cost around 21 to 27 percent.

57. **Eligible Loans/Beneficiaries:** Only loans to women or women owned businesses or women producer groups will be eligible for financing from the facility. The expected loan sizes are quite small. Based on discussions with FIs that are already doing some lending to the target beneficiaries, the loans are likely to be in three levels (US\$200 to 800, US\$800 to 2,000 and US\$2,000 to 8,000).

58. **On-lending Terms:** The MoCDGWSG will aim by the end of the IPF to provide sustainably priced⁷⁰ financing to the competitively selected PFIs. Initial tranches may be concessional to get the scheme rolling. The PFIs will then proceed to use the funding to serve their end-customers with more loans. While there is market distortion risk in the initial provision of sub-market funding to PFIs in hard-to-reach areas, this is a target segment that is not currently served in the market and the facility is necessary to create a demonstration effect and help the beneficiaries build a credit history. Sufficient screening of beneficiaries and sufficient competition between the PFIs can be expected to minimize the concessionality required.

59. **Apex Entity:** The Apex entity will be set up as the PAMOJA Trust, managed by the MoCDGWSG. There will be three trustees (the PSs of MoCDGWSG, PO-RALG, and Ministry of Finance). The trustees will also serve as the overall steering committee for the PAMOJA Financing Facility. Management of the facility will be under a Director in MoCDGWSG with an Assistant Commissioner responsible for managing a Facility Implementation Unit. The unit will be supported by a full time individual Financial Sector Specialist and assistant. If required, a due diligence/ project management firm will be contracted under the project.

60. **Measures to improve financial transparency and disclosure.** In addition to providing the financing, the project will work to improve the transparency of the prices for financial services (including fees and interest rates) and the disclosure of those prices in easily understandable terms which are comparable across similar financial products and between financial service providers.

61. **Monitoring and Evaluation:** The Facility Implementation Unit will monitor the PFIs with periodic spot-checks down to the end-borrowers, to ensure PFIs are in continuous compliance with the established eligibility criteria set forth in the PAD. PFIs will be required to provide the required data on PAMOJA borrowers in the credit information system at the BoT.

⁷⁰ Sustainably priced is defined as the interest covering the costs of funds (inflation), credit risks, operational costs and a profit margin.