

PD-AAU-091 AVE/SC

UNCLASSIFIED

46611

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C. 20523

PROJECT PAPER

Second Amendment

EGYPT: Basic Education Project
(263-0139)

July 3, 1986

UNCLASSIFIED

PD-AAU-091

46611

BASIC EDUCATION PROJECT 263-0139

PROJECT PAPER (PP)

Second Amendment

June 1986

2947A/2948A/2922A/2923A/2944A: AM

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input checked="" type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number 2	DOCUMENT CODE 3
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2. COUNTRY/ENTITY EGYPT	3. PROJECT NUMBER 263-0139
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4. BUREAU/OFFICE ASIA/NEAR EAST	5. PROJECT TITLE (maximum 40 characters) BASIC EDUCATION
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 06 30 91	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY 81 B. Quarter 4 C. Final FY 91
--	--

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total				32.2	157.8	190.0
(Grant)	()	()	()	(32.2)	(157.8)	(190.0)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country					201.0	201.0
Other Donor(s)						
TOTALS				32.2	358.8	391.0

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPRO. PRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) EH	620B	636		85.000		105,000		190,000	
(2)									
(3)									
(4)									
TOTALS				85.000		105,000		190,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 620 636 670 976 840	11. SECONDARY PURPOSE CODE
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12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) A. Code BR EQTY R/ED B. Amount 77.85 77.85 2.7

13. PROJECT PURPOSE (maximum 480 characters)

Expand enrollments and increase efficiency of Basic Education (grades 1-9).

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 11 88 11 90	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify)
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

This Amendment adds 14 Governorates to the project's construction component; provides additional instructional equipment to primary and preparatory schools; reinforces in-service teacher training; assists schooling for handicapped children; continues technical and evaluation studies.

"Methods of implementation and finance are included."

Concurrence: AD/FM, T. MacMahon, *T. MacMahon*

17. APPROVED BY Signature: <i>Frank B. Kimball</i> Title: Frank B. Kimball, Director	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION Date Signed: 3 JUL 1991 MM DD YY
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Wilburn

May 18 , 1986

Stephen H. Grant, Project Committee Chairman *sg*

Your clearance of Project Paper Amendment.

Members of Project Committee, Basic Education 263-0139.

On April 10, 1986 the Committee met to review the draft project paper amendment. With much help from Committee members, HRDC/ET has redrafted those sections which were identified as inadequate at the meeting. The PPA will be presented to the Executive Committee when it receives your clearance as to content and form. Your response by May 20 will be greatly appreciated.

COMMITTEE MEMBER

Clearance

Mahmoud Gamal El Din, HRDC/ET

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David Carr

Attachment: Project Paper Amendment

Drafted by:HRDC/ET:SHGrant:mg, -4/23/86 - 1413E

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* Section II F. contains reference to Gray Amendment.

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I. Summary and Recommendation

- A. Project Title: Basic Education
- B. Project Number: 263-0139
- C. Grantee: The Government of Egypt (GCE)
- D. Coordinating Agency: The Ministry of Planning and International Cooperation
- E. Implementing Agencies: Ministry of Education; National Investment Bank
- F. Amount of Total Grant: \$190 Million consisting of:
 \$ 39 million original grant 8/19/81
 \$ 46 million First Amendment 11/7/83
 \$105 million Second Amendment (proposed)
 \$190 million
- G. Obligation Schedule:
- | | |
|-------|---------------|
| FY 86 | \$20 Million |
| FY 87 | \$26 Million |
| FY 88 | \$26 Million |
| FY 89 | \$23 Million |
| FY 90 | \$10 Million |
| | \$105 Million |
- (The exchange rate used to calculate pound expenditure requirements is \$1 = L.E. 1.35)
- H. Terms: Grant to the Government of Egypt
- I. Life of Project Amendment: 5 years
- J. Life of Total Project: 9 years, 10 months, 11 days (8/19/81 till 6/30/91)
- K. Project Goal and Purpose: The goal is to enhance Egyptian Government efforts to improve the physical quality of life in Egypt. The purpose is to: (1) expand enrollments; and (2) increase the efficiency of Basic Education.
- L. Strategy to date:
- Expand enrollments (Purpose 1)
- by rural school construction in 10 governorates.
- Increase efficiency (Purpose 2)
- by procurement of instructional materials
 - by technical studies
 - by life-of-project evaluation.

M. Proposed Strategy:

Expand enrollments (Purpose 1)

- by rural school construction in 24 governorates.

Increase efficiency (Purpose 2)

- by procurement of instructional materials
- by technical studies
- by evaluation and audit
- by curriculum printing
- by teacher training.

N. Principal Project Amendment Features

1. Basic Education school construction remains the principal project component, employing \$77.85 million or 74 percent of the USAID contribution. USAID will apply the same criteria from the original Project Agreement for site selection but will expand coverage from 10 to 24 governorates (all those except Cairo and Alexandria).
2. Basic Education instructional materials will account for \$10 million or 10 percent of the USAID contribution. The list of materials to be purchased and distributed to Basic Education schools (and teacher training schools training the Basic Education teachers) will take into account the evaluated results to date as well as new needs.
3. The remaining \$17.15 million or 16 percent of the USAID contribution will be devoted to the following sub-components:
 - a. Special Education (schooling for handicapped children) \$4 million
 - b. Teacher Education \$4 million
 - c. Printing of curriculum \$2 million
 - d. Technical cooperation \$2.7 million
 - e. Evaluation and Audit \$0.3 million
 - f. Ministry of Education Support \$0.15 million
 - g. Miscellaneous \$0.2 million
 - h. Contingency \$3.8 million

The innovative elements in the above components are summarized below.

O. New Project Amendment Features

1. Increased financial contribution from local communities. It is a worldwide reality that governments cannot fund all education costs for its citizenry. In December 1985, the Egyptian Prime Minister in a speech to the Peoples Assembly reiterated the principle of free education while at the same time appealing "to all citizens to contribute each according to his means." Local participation to date in the Basic Education Project has consisted of land donation, estimated at 15,000 L.E. for a 2,800 square meter plot (two-thirds of a feddan). In the future, in addition to land donation, and on an experimental basis, 10% of construction costs will be borne by localities, as described in the Economic Analysis, II. D. A technical study will outline the procedures. In addition, this technical study will explore possibilities for local participation in financing maintenance.
2. Assistance to handicapped children. A major aim of the Basic Education Project is to provide schooling for the most unserved school population: rural girls. Another category of disadvantaged youth consists of physically or mentally handicapped children, to date unreached by the project. In the present amendment, modest funding will be available to help this cause. The specific assistance program will be defined in large part as a result of recommendations from a study financed under the current technical cooperation component of the project.
3. Textbooks and printing of curricular materials. Without involving itself in curriculum development, the mission will help the Ministry overcome its production problems concerning printed materials for Basic Education students. The specific assistance program will be defined in large part as a result of recommendations from a study financed under the technical cooperation component of the project.
4. Increased aid to teacher training. During the present phase visits to new schools have confirmed, on one hand, the importance of the individual teacher's role and on the other, the existence of weak areas in teacher performance. The technical cooperation component of the Project has launched an in-service teacher training assistance program that will be reinforced under the Amendment.
5. Project Management Committee within Ministry of Education. The mission's points of contact in the Ministry have been in one office for the components, construction and evaluation and in another office for the components, commodities and technical cooperation. Discussions on research and development have taken place with a third entity. As the project moves from construction in 10 governorates to construction in 24 governorates, a project management committee will be created in the Ministry with a single individual who will represent the Ministry for all aspects of the Project.

P. Accomplishments as of Jan. 1, 1986 under current project:

- 255 schools completed and attended by 50,000 students
- 462 contracts let
- 531 sites approved
- 2500 teachers assigned to new schools
- 350 private sector contractors have participated in school construction contracts
- 5000 laborers have participated in school construction
- \$20 million instructional materials procured (plus additional \$20 million under CIP)
- 12,850 primary schools received the instructional materials
- 2,890 preparatory schools received the instructional materials
- 7 million pupils in grades 5-9 used or were exposed to these materials
- \$51 million expended

Q. Rationale for the proposed amendment:

- Need for school construction in all Governorates
- Project is highly visible and highly appreciated by Egyptians
- Project is running well (see previous section on "Accomplishments")
- USAID/Cairo project management requirements are low (1 FSN full time, 1 U.S. DH half-time)
- U.S. Consultant requirements are low (no full-time resident in Cairo; per year 15 person/months)
- Strong support from GOE. It was feared that if USAID offered to build schools, GOE would reduce its own budget for school construction; GOE has, in fact, increased its construction budget.

R. Waiver requirements for the proposed Amendment:

- (1) Waiver of the required \$250,000 limit of the total estimated commodity element for imported shelf items financed by AID regardless of origin for code 899, Free World Countries;
- (2) Blanket waiver of origin requirements for AID financed local currency procurement of Egyptian source commodities from normal commercial inventories;
- (3) Waiver to M.O. 3-10 to pay incentives to GOE employees (\$150,000);
- (4) Justification for use of informal competitive procedures under AID Regulation 1.

S. Recommendation:

Because the project directly and positively supports the development objectives of both the GOE and AID and is technically feasible, it is recommended that a dollar grant amendment of \$105 million be authorized with a FY 86 obligation of \$20 million.

II. The Amendment

II A. Goal and Purpose

The Basic Education Project was designed in the late 1970s to meet basic human needs. Its goal is to enhance Egyptian Government efforts to improve the physical quality of life in Egypt as measured by increased literacy among rural youth. USAID agrees with the Egyptian Government that an effective way to increase the literacy rate in the population is by increasing access and retention in Basic Education schooling (grades 1-9). USAID further realizes that the economic returns to primary schooling in developing countries average 30 percent, well above returns to other activities. Born in USAID at a time when literacy was regarded primarily as a basic human right and an end in itself, the Project assumes an ever stronger rationale due to the multiple examples of behavior exhibited by literate persons which are related to development:

- increased agricultural productivity
- increased industrial productivity
- greater equity
- better health
- better nutrition
- reduced population growth.

The purpose of the Basic Education Project is to expand enrollments and increase the efficiency^{1/} of Basic Education. Building new schools will allow enrollments to be increased as more and more families will find places available for their six-year-old children in grade one. Enrolling a child in grade one, however, will not assure that he or she will remain in school to finish grade 3, or 6 or 9.

In the Project, in addition to building new schools (access question), USAID has committed itself also to improving retention (quality question). One improves retention by helping to obtain such school characteristics as:

- competent teachers
- appropriate instructional materials
- qualified administrators and supervisors
- functional school design
- reasonable cost.

^{1/} For the purposes of this project, efficiency is defined as retention in school.

II. B. Inputs and Outputs

Inputs to this Amendment of the Basic Education Project take the form of a USAID grant and a GOE contribution.

Table 1
USAID and GOE Inputs

<u>Item</u>	<u>USAID Budget</u> <u>(million U.S. \$)</u>	<u>GOE Budget</u> <u>(million U.S.\$)</u>	<u>Total</u> <u>(million U.S.\$)</u>
1. Construction and Furniture	77.85	119.40	197.25
2. Materials and Equipment	10.00	1.00	11.00
3. Other			
a. Special Education ^{1/}	4.00	0.80	4.80
b. Teacher Education	4.00	0.80	4.80
c. Curriculum Printing	2.00	0.00	2.00
d. Technical Cooperation	2.70	0.00	2.70
e. Evaluation and Audit	0.30	0.00	0.30
f. National Investment Bank Support ^{2/}	0.00	0.00	0.00
g. MOE Support	0.15	0.00	0.15
h. Miscellaneous	0.20	0.00	0.20
i. Contingency	3.80	0.00	3.80
	<u>105.00</u>	<u>122.00</u>	<u>227.00</u>

Outputs from the Amendment are the following (numbers at left refer to inputs above):

- (1) newly built, equipped, and staffed schools or classrooms, bringing the enrollment rate of 6-8 year-olds in grade one up to 91 percent
- (2) educational commodities appropriate to Basic Education distributed and used effectively in 15,000 schools, grades 5-9
- (3a) an expanded and improved education program for handicapped children
- (3b) 10,000 better trained (in-service) teachers of Basic Education trained in improved pedagogical techniques

^{1/} Education for the handicapped

^{2/} Included in budget for the Amendment although the figure is zero.

Sufficient funds are available to NIB in the present project, given the change in the official exchange rate (rate) from \$1 = .83 L.E. to \$1 = 1.35 L.E.

6

- (3c) curricular materials printed, and distributed, and used effectively by students and teachers
- (3d) 18 technical reports used to improve Basic Education
- (3e) 2 evaluation reports and 1 audit report used to improve Basic Education
- (3f) a school construction record marked by sound engineering, high quality, and reasonable cost
- (3g) effective MOE management and implementation of the project
- (3h) significant project progress in areas which it is impossible to recognize at the design stage
- (3i) significant project progress in areas already defined for project endeavors

Each of the preceding outputs will be addressed and described. Amounts in parentheses refer to USAID contribution.

1. School Construction and furniture (\$77.85 Million)

In planning the new phase of school construction, HRDC/ET will continue to apply the same criteria from the Project Agreement which determine site selection. That is, project-financed schools will be built where:

- female enrollment is low;
- nearest school is more than a reasonable walking distance away; and the percentage of eligible pupils enrolled is significantly low;
- overcrowding is severe;
- existing building is clearly sub-standard;
- community standards require separate facilities for girls. (as of March 1, 1986 15 all-girls schools out of 260 schools have been built, 12 in Assiut Governorate and 3 Sohag Governorate).

Project progress to date has confirmed the appropriateness of these criteria.^{1/} In this regard, the following comments and conclusions are germane to determining relative weights to attribute to construction components.

^{1/} See Annex I for a discussion of site selection criteria applied to the proposed amendment.

1. The drawing of to-scale school maps has been financed by USAID as a necessary first step in allowing the Ministry to apply rational standards in school site selection. School maps have been completed for 24 governorates.

Conclusion: The school maps will help dictate which areas in which governorates are not currently being served by school facilities.

2. Distance from home to school remains a critical factor, as demonstrated in the project evaluation. When schools are located more than one kilometer from a youngster's home, both girls and boys enrollment drops precipitously. Girls enrollment begins to drop noticeably when this distance exceeds half a kilometer.

Conclusion: Project construction will continue to take place primarily in isolated sites.

3. The school maps plus the evaluation reports document the low number of preparatory schools which have been built. In 1979, compulsory schooling was extended from grades 1-6 to grades 1-9, but the large number of preparatory schools now required has not been constructed.

Conclusion: Building preparatory schools or expanding a present grade 1-6 school (financed by USAID) to include grades 7-9 will constitute an important feature in this project amendment.

4. Visits which the two project officers undertake to the ten governorates sometimes include a sub-standard school. These are dilapidated and sometimes condemned buildings which receive Basic Education equipment and do their best in undersized classrooms with cracked walls, sagging roofs, and poor lighting. Although the Ministry has hoped USAID would help considerably to replace inadequate schools, the Mission through its Executive Committee has preferred to continue its emphasis on new sites to achieve new enrollments. Replacement schools, on the other hand, would cater to already enrolled students, for the most part.

Conclusion: A modest amount of project funds only will be devoted to building replacement schools, mostly in villages, and in some small towns. No schools, either new or replacement, will be built in urban areas (cities like Cairo or Alexandria; large towns like Tanta and Mansoura).

Under this Amendment, it is intended to expand the construction activity to work in 24 governorates (all governorates except Cairo and Alexandria). USAID funds will be used to build mainly primary and preparatory schools (Basic Education Schools) in the isolated areas plus a small number (15 percent of Basic Education school construction funds) of replacement schools. GOE funds will be mainly used to cover heavily populated areas plus a larger number of replacement schools.

Table 2, "Number of Classrooms to be Built Under the Second Amendment, by Governorate," shows in the first column that as of 1986, 27,010 classrooms^{1/} are needed by 1990 in the 24 governorates in order to:

1. reach 95 percent enrollment of first grade age children by building in isolated sites.
2. replace condemned schools.

Out of 15,309 classrooms (Column 4) to be built under the proposed Amendment, USAID would finance 5,574 classrooms (column 2) or 36 percent and GOE 9,735 classrooms (column 3) or 64 percent. Together they would meet 56.7 percent of the total need (column 5). Regarding the USAID contribution alone, building 5,574 classrooms out of a total need of 27,010 signifies a contribution of just over 20 percent.

Table 3, "Number of classrooms to be built under the total Project, by Governorate."

Under the current \$85 million project, USAID is meeting 17 percent of the estimated need for school construction. Thus 20 percent represents only a modest increase. The combined efforts of USAID and GOE reaching 56.7 percent of the need demonstrate, on one hand, that a substantial contribution can be made in providing necessary schools. But, on the other hand, even with these important resources, only one-half of the problem is being met. That is, USAID is doing enough to make an appreciable difference but far from enough to totally solve the need for school construction. MOE's goal is to be able to cover all the school construction requirements by 1995. Through the proposed Amendment, USAID will allow the Ministry to achieve one half of its school construction goal by 1990.

^{1/} This figure of 27,010 classrooms excludes the figure of 12,114 classrooms being built under the current project.

Table 2

Number of Classrooms to be Built under
The Second Amendment, by Governorate

Governorate	Total Needs 95% enrollment + Replacement ^{1/} (1)	AID Contribution No. Classrooms (2)	GOE Contribution No. Classrooms (3)	Total Contribution No. Classrooms (4)	% of Satisfac- tion (5)
Dakahliya	2,068	540	700	1,240	59.9
Gharbiya	1,844	423	600	1,023	55.5
Menofiya	2,038	420	600	1,020	50.0
Kaliobiya	1,870	423	800	1,223	65.4
Dumiat	855	270	300	570	66.7
Aswan	817	270	270	540	66.1
Ismailia	750	270	270	540	72.0
Suez	502	150	210	360	71.7
Port Said	271	90	130	220	81.2
Beheira	1,779	300	600	900	50.6
Kafr El-Sheikh	1,165	153	460	613	52.6
Sharkiya	1,754	300	660	960	54.7
Giza	1,840	180	750	930	50.5
Fayoum	1,052	270	380	650	61.8
Beni Suef	1,061	198	380	578	54.5
Minya	1,531	156	600	756	49.4
Assiut	1,339	153	520	673	50.3
Sohag	1,918	198	570	768	40.0
Qena	1,356	225	470	695	51.3
Marsa Matruh	228	135	90	225	98.7
New Valley	285	150	90	240	84.2
Red Sea	183	120	50	170	92.9
North Sinai	315	135	150	285	90.5
South Sinai	189	45	85	130	60.0
TOTAL	27,010	5,574	9,735	15,309	56.7

^{1/} Total needs to replace condemned schools (30% of total number) and reach 95 percent enrollment (70% of total number) of first grade age children by 1990.

Table 3

Number of Classrooms to be Built under
The Total Basic Education Project by Governorate

Governorate	AID Contribution No. Classrooms	GOE Contribution No. Classrooms	Total Contribution No. Classrooms
Dakahliya	540	700	1,240
Gharbiya	423	600	1,023
Menofiya	420	600	1,020
Kaliobiya	423	800	1,223
Dumiat	270	300	570
Aswan	270	270	540
Ismailia	270	270	540
Suez	150	210	360
Port Said	90	130	220
Beheira	1,130	1,855	2,985
Kafr El-Sheikh	420	871	1,291
Sharkiya	696	1,510	2,206
Giza	436	1,893	2,329
Fayoum	843	829	1,672
Beni Suef	570	682	1,252
Minya	931	1,006	1,937
Assiut	608	1,179	1,787
Sohag	953	1,402	2,355
Qena	825	1,001	1,826
Marsa Matruh	135	90	225
New Valley	150	90	240
Red Sea	120	50	170
North Sinai	135	150	285
South Sinai	45	85	130
TOTAL	10,853	16,573	27,426

2. Educational materials and equipment (\$10 Million)

Outputs in commodities should improve the quality of education dispensed in 15,000 Basic Education schools, in teacher training institutions, and in facilities for handicapped children. Annex H. 2, describes the \$20 Million of instructional equipment provided by the Project to date. An issue in Section II. I. entitled "Problems in commodity procurement and use" presents results from the project evaluation reports which will be used to improve usefulness of future commodity purchases.

Under the current design, commodities will be purchased under the project for the following categories of Basic Education schools:

1. All 15,000 schools: some of the same equipment as purchased in the past, allowing more children to have hands-on practice as opposed to the situation presently where most children observe but do not touch the instructional materials.
2. The new 1,200 schools under the Amendment: a complete set of materials.

Since the whole commodity procurement issue has been somewhat problematic and since an attempt will be made through private sector participation to add locally produced commodities to the list of imported items, HRDC/ET believes a study is necessary prior to opening competition from materials suppliers. The Technical Services Unit in the Ministry of Education will perform the study under the "Research and Development" sub-component of the technical cooperation component. Funding is available from the present \$85 million project.

A "Condition Precedent" clause has been introduced in Section II. J. to reflect the need for such a study.

3a. Special Education (Education for the handicapped) (\$4 Million)

The Ministry of Education currently runs Special Education programs for the following youth: The blind, the deaf, and the "educable" mentally retarded (defined as 50-75 I.Q.). Under the technical cooperation component of the project, \$139,778 has been earmarked for a study to determine how the Ministry's Special Education Program should be enhanced. The study began in February 1986 and has produced a set of long-range goals agreed upon by the U.S.A. and Egyptian consultants involved:

1. Upgrading and modernization of the professional training programs for:
 - (1) Psychologists (clinical and school psychologists)

- (2) Special education teachers
- (3) Social workers
- 2. Implementation of the "clinical team" concept in the assessment and education of children with handicaps.
- 3. Implementation of a curriculum for handicapped children that is comprehensive, developmentally based and competency oriented.
- 4. Modification/development of intelligence tests with wide age ranges that are culturally relevant, yield profiles and are normal nationally.
- 5. Modification/development of achievement tests for the basic education area (reading, spelling, achievement) based on Egyptian norms.
- 6. Identification of a psycho-educational battery of tests for the assessment of handicapped children.
- 7. Development of four regional information centers for the purpose of improving the education for handicapped children throughout the country. Each center will provide curriculum materials, translate materials into Arabic; include a model "clinical team"; and provide assessment and testing materials and information; provide model programs (for example early childhood classes and vocational programs) and in-service training; and have available consultants to work with school personnel in the improvement of the education programs for handicapped children. Each center should be coordinated with a district special education program and will be community based. Its resources will be available to the entire region. The Center will be affiliated with a university. It is proposed that the centers be based in Cairo (the first center to be developed), Alexandria, Tanta and Aswan.
- 8. Expansion of educational programs in MOE for unserved and underserved handicapped children (such as the more moderately and severely mentally retarded, motor impaired, autistic and the multiply handicapped).
- 9. Development of in-service training for teachers and other personnel involved in the education of handicapped children. The in-service training should be on a regular and continuing basis.

The study will also produce a proposed budget of approximately \$4 million, to be examined by the Ministry and USAID for Special Education uses under this Amendment. A condition precedent (section II. J.) applies to this area. A tentative budget currently being discussed in the Ministry of Education and USAID is the following:

Table 4

Tentative Budget for Special Education Component

1.	Construction and equipping of a national information and training center in Cairo ^{1/}	\$1,000,000
2.	Construction and equipping of three regional information and training centers in Alexandria, Tanta, and Assiut ^{1/}	\$1,500,000
3.	Equipment for special education in Basic Education and specialized schools	900,000
4.	Training	360,000
5.	Provision of testing materials	100,000
6.	Development of comprehensive, competency-based curriculum	100,000
7.	Conference	<u>60,000</u>
	Total	\$4,020,000

One aspect discussed both at the Executive Committee review of the Project Concept Paper and with U.S. and GOE consultants was the issue: should special education be encouraged/funded as an integrated part of Basic Education schools or as a part of specialized institutions? There seems to be consensus: wherever possible integration of special education into regular schools will be encouraged. Only where integration is not possible or presents overwhelming difficulties will separate facilities be advised.

3b. Teacher Education (\$4 Million)

Outputs from the teacher education component should be the following:

- improvement of training development capability within MOE;
- improved operations in the 6 existing in-service teacher training institutions;
- production of training materials;
- training of 200 trainers;
- in-service training for 10,000 teachers.

^{1/} Construction of centers would be undertaken only if existing centers were not available.

The program to improve the performance of teachers in the field (in-service teachers) will revolve around two types of schools:

- the existing 6 in-service teacher training schools (Tanta, Zagazig, Port Said, Assiut, Cairo, Alexandria);
- a selected number (8-10) of already existing Basic Education schools to be upgraded and used for "demonstration" purposes.

Two sources have been used to guide planning for teacher education: project evaluation reports and two technical assistance work orders entitled "in-service teacher training". and "demonstration schools".

The evaluation findings identify several Basic Education schools where excellent teaching takes place. The schools contain facilities which any other school possesses. The key difference is an experienced and committed faculty and a dynamic headmaster.

The notion of building "model schools", where the facilities would be sophisticated and glamorous, but impossible to duplicate in normal conditions throughout the country has been discarded. The schools to be used as a locus for teacher training are already built; consequently, there will be no construction of new schools. There would be, however, improvements in the equipment and materials which each of the "demonstration schools" will possess. The principal use of project funds will be for seminars to be held at these schools.

A seminar would involve 15 teachers in a neighboring area coming to a demonstration school for a two-week session. Supervisors and inspectors from the Ministry would join the school faculty as teacher trainers. Observation would be followed by the trainees taking over the class and being criticized by the inspectors and supervisors. Each demonstration school would be host to a new group of trainees 4 times a year. In this fashion, the following number of practicing teachers will be upgraded:

<u># of Centers</u>		<u># of Trainees per session</u>		<u># of Sessions per year</u>		<u># of Trainees per year</u>
8	x	15	x	4	=	480
10	x	15	x	4	=	600

Over the three-year period 1988/89/90, the number trained would total 1440-1800. FY 1986 and the first half of FY 1984 would constitute a planning period for the new program.

Besides the evaluation reports, the second source for guidance in Basic Education teacher training is two work orders on "In-service teacher training" and on "Demonstration schools". These work orders are due to be completed by early 1987 (under funding by the current \$85 million project). The work orders have already produced modules to be used in the demonstration schools

as well as in the 6 teacher training centers. As the work orders are completed, the curriculum for teacher training sessions will be identified. It is estimated that an additional 8,500 Basic Education teachers will be trained in the 6 teacher training centers from project funds. Consequently a total number of 9,940-10,300 in-service teachers will receive training under the project.

3c. Curriculum Printing (\$2.0 Million)

Besides the use of educational commodities in the schools and the upgrading of teacher education, a third means of improving the quality of Basic Education is to make available curricular materials to eight million students. This project component does not involve curriculum development, for this task has been performed by the MOE. Once the curriculum is developed, however, it must be printed and tested in schools before its widespread use.

The curriculum for Basic Education schools grades 1-4, 7 and 9 was rewritten in 1985-86. The curriculum for grades 5 and 8 will be redrafted in 1986-87 and for grades 6 in 1987-88.

Project funds will be used to help the MOE print a part of its curriculum for experimental use and for widespread distribution. The details of which sections of the curriculum, for which grades, and what form the printing will take, etc., will be determined by a study to be performed by the MOE under the "Research and Development" aspect of the current \$85 Million project. A second study on the testing of the curriculum may also be undertaken.

3d. Technical Cooperation (\$2.7 Million)

A section of the Issues Chapter (II. I.6) entitled "How to insure a viable technical cooperation component" indicates what lessons have been learned after three years of technical cooperation efforts. The current technical cooperation arrangement consists of a host-country contract between the MOE and a U.S. non-profit educational planning firm in Washington, D.C. This contract, and a sub-contract with an Egyptian profit-making consulting firm, expire in May 1987. The scope of work and level of effort for the contract, as well as the acceptability of the reports produced, are determined by a specially constituted Executive Committee in the Ministry, upon the recommendation of a Technical Secretariat.

In the past, topics for common research by a joint Egyptian-American team were selected by the Executive Committee on an ad hoc basis, with no particular link to other project components, consistency, or systematic relationship to the Basic Education Program as a whole. This situation was understandable, for in 1982 it was not known what difficulties the Basic Education Program would meet and which educational problems would require priority attention.

Now, however, the case is different. Under the Amendment, the "work orders" will be determined from three sources:

- Evaluation recommendations
- project planning requirements or needs assessments
- previous work orders.

This requirement will insure a new consistency under the project research program and a much more "tightly planned" USAID contribution. The topics already researched initially under the technical cooperation can be found in Annex H, Table 36. Evaluation recommendations have been formulated in the 1984 and 1985 Annual reports and are anticipated in the 1986 plus 1987 Annual Reports. Furthermore, the evaluation efforts funded under this Amendment will include additional recommendations.

Under a host country contract, the MOE, through the already functioning Executive Committee, will determine the scope of work and levels of effort for new work orders. Eighteen work orders, each resulting in a report, are anticipated. Reports will be written concerning the following topics, among others:

1. Implications of teacher training on recurrent costs;
2. Implications of school construction/increased enrollment on capital and recurrent costs;
3. School maintenance;
4. Procedures for increased local participation in financing education, including construction and school maintenance;
5. Curriculum printing to be funded under the Amendment;
6. Local production of instructional materials;
7. Testing of new Basic Education curriculum;
8. Improving the quality of educational statistics (including enrollment rates and retention rate calculation) and school record-keeping practices;
9. Teacher Training;
10. How to improve retention in schools;
11. Commodity procurement to be funded under the Amendment.

A further list of studies has been suggested in the Evaluation Plan Section.

3e. Evaluation and Audit (\$300,000)

USAID will coordinate a mid-term (1988) and a final (1990) impact evaluation of the project. The contractor for the technical cooperation studies will cooperate with but not be a member of this evaluation team. USAID may want to hire a different outside contractor to join with the USAID evaluator and a representative from MOE. The estimated cost of both mid-term and final evaluation is \$50,000.

Audit funds available are \$250,000.

3f. National Investment Bank Support (\$000)

The role of the National Investment Bank (NIB) is outlined in Annex H, 4 d. Administration and summarized here:

- review construction contracts
- advance, control and report on construction funds
- monitor construction at all sites
- review adequacy of school maintenance one year and two years after construction completion
- assure reasonableness of construction costs
- by comparison with prices Ministry pays for similar services
- by consulting market prices
- according to peculiar characteristics of site (remoteness, proximity to utilities, availability of labor).

This assistance will continue as in the past as the project expands construction from 10 to 24 governorates. Funds from the current \$85 million project are sufficient to cover the NIB support through 1990.

3g. MOE Support (\$150,000) (Approx. L.E. 200,000)

Expanding from 10 to 24 governorates will add an increased management burden on the MOE. The Ministry named in March 1986 one high ranking official as liaison with USAID for all aspects of the Project. This nomination represents a wise initiative. In the past officials reporting to two different First Undersecretaries had been responsible for specific project components. Under this arrangement coordination was difficult.

The Ministry will be required as a Condition Precedent to name a Project Monitoring Committee^{1/} to assure coordination and management of all project components, under the direction of the official already appointed as liaison with USAID.

Over the five years of the project, annually, the members of this Committee or colleagues working under their direction will receive compensation for their extra committee work, which will include meetings in Cairo plus travel and per diem to project sites. The Ministry will establish a separate financial unit particularly for this purpose. The equivalent of \$100,000 is reserved to this end.

A second allotment for the equivalent of \$50,000 is reserved for meritorious incentives for persons who have made considerable achievements to advance the Project. These incentive payments must be approved by both the MOE liaison office with USAID and by AD/HR&C. Waiver No. 3 Annex M requests an exception to M.O. 3-10 permitting payment to GOE employees participating in the above mentioned activity.

^{1/} The current Executive Committee and Technical Secretariat referred to in 3d. above deliberate only on technical cooperation matters (e.g. planning and policy studies), not on the additional components of construction and commodities.

3h. Miscellaneous (\$200,000)

The purpose of this small fund is permit the addition of activities which remain unclearly defined at the outset but which could help significantly to help the project meet its objectives. Three activities being considered are the following:

- long-term training in educational fields, such as planning, evaluation, and economics
- invitational travel to the U.S. to observe educational institutions.
- Mission-funded participation in centrally funded projects. Centrally funded projects from ST/ED are often interested in Egyptian participation given the size and reputation of its Basic Education Program. The two consortia currently holding talks with the Mission and MOE in view of some cooperation effort are on the following subjects: Radio Learning and Educational Planning ("Bridges" Project). It is unclear what Mission funding is solicited, but this contingency fund should constitute a possible source. The "miscellaneous" fund may be used through PILs signed by HRDC and the MOE liaison officer.

3i. Contingency (\$3.8 Million)

The purpose of this fund is to allow for unanticipated expenses necessary for carrying out intended actions to meet stated objective in above line items. For example, the current project has taught that despite the most earnest attempts to contain prices, market levels for school construction may rise unexpectedly. In this case, the contingency fund could be used for the line item, construction and furniture.

The "Contingency" fund may be used through PILs signed by HRDC and the MOE liaison office.

II. C. SOCIAL ANALYSIS

1. INTRODUCTION

A. Background

The driving force behind the Basic Education project focus on an expanded enrollment strategy is a set of social demand factors. These factors, including sex; region; level of family income; level of personal disposable income; expected private benefits in the form of increased lifetime earnings; private costs of education including both earnings foregone and fees; and distance of a school from home, are identified and analyzed in detail in the first evaluation report, "Study of USAID Contributions to the Egyptian Basic Education Program," (Vol. I, pp. 32-138, October 1984). The planning objective extracted from this in-depth identification and analysis of social demand factors is a Mission capability to make some assessment of its educational investment.

In the 1985 World Bank study, Education for Development, the authors, Psacharopoulos and Woodhall, make the point that "educational investment, whether based on cost-benefit analysis, forecasts of manpower demand, or other criteria, cannot be adequately assessed unless estimates of future demand for education and student numbers are taken into account... The point is that estimates of future enrollments need to take into account all the determinants of private demand for education as well as demographic trends if they are to be reasonably accurate. Furthermore, they must not overlook wastage or repetition" (1985:105).

The authors proceed by noting that private demand and social demand are often used interchangeably and that "the total number of pupils or students enrolled in an educational system is the result of a series of private investment decisions, hence, together, these private decisions constitute social demand" (ibid.).

In order to improve its capability to more accurately determine enrollment demand in ten governorates in Upper and Lower Egypt, the project has an evaluation system that collects information and data on social demand factors, including a variety of economic and noneconomic reasons. Economic reasons spring quickly to mind, but noneconomic reasons may not, for example, religious and deeply rooted cultural traditions such as the early age of marriage and the unwillingness to allow females to travel far from home help to explain low female enrollment in some areas. The Education for Development study provides sound guidance for this project in its conclusion that "to forecast enrollments accurately, analysts need to consider three basic factors: demographic trends, which will provide accurate estimates of the school-age population; the determinants of private demand for education, that is, the factors that determine whether or not pupils or students choose to

enroll in education; and promotion, repetition, and dropout, which will indicate how many of the pupils or students who originally enrolled will remain in the system and ultimately graduate" (op.cit.:105).

Through its evaluations, this project has gathered demographic data; identified determinants of private demand for education and provided some discussion of the dropout factor. Consequently, this social soundness analysis does not need to generate any basic data or information regarding school construction or discuss those social demand factors related to motivating parents to enroll their children in school. There are, nonetheless, some information gaps. For example, the project would benefit from more analysis of what this project could do to decrease the dropout rate, or rather, improve the retention rate after initial enrollment. This paper will provide some suggestions for improving retention rates based on conclusions reached in the 1983 and 1985 World Bank studies^{1/} and the 1985 project evaluation report.^{2/}

Another example of a gap in the Mission's information on this project is the lack of enough analytical language in the discussion on sites in Lower and Upper Egypt to discern cultural differences and constraints between the two regions that might affect how quickly targeted enrollment rates will be achieved. The concern here with this issue is based on the following conclusion from the October 1984 evaluation report:

Though the two major regions of Egypt, Upper and Lower Egypt, appear to be roughly similar in characteristics, the results of the survey showed Upper Egyptian sites of the sample generally ahead of Lower Egyptian sites in terms of levels of enrollment and attainment (1984:137).

^{1/} Psacharopoulos, George and Maureen Woodhall. Education for Development, World Bank, Oxford Press, 1985.

Swanson, Eric and Michael Hartley. "The International Study of the Retention of Literacy and Numeracy: An Egyptian Case Study." Discussion Paper #7: The Decision to Leave School, World Bank, February 1983.

^{2/} USAID. "Study of USAID Contributions to the Egyptian Basic Education Program." Creative Associates, Inc., September 1985.

The 1979 Basic Education in Egypt^{1/} study presents contradictory findings, indicating that "enrollment figures consistently show disparities between Upper Egyptian and Lower Egyptian governorates in all cases, and in all cases to the disadvantage of Upper Egypt" (1979:75). Project figures listed below generated by USAID in collaboration with the GOE also show differences between the two regions with regard to enrollment, and in all cases to the disadvantage of Upper Egypt.

Table 5

First Grade Enrollment in Upper and Lower Egypt

Governorate	Percent of Enrollment in First Grade in 1980	Percent of Enrollment in First Grade in 1985 ^{2/}
(L) Kafr El Sheikh*	82.9	(L) 93.3
(L) Beheira	78.0	(L) 89.6
(U) Assuit**	76.0	(U) 87.5
(U) Sohag	77.0	(U) 83.0
(U) Qena	74.0	(U) 88.7
(L) Sharkiya	82.7	(L) 85.9
(L) Giza	80.7	(L) 91.8
(U) Fayoum	70.1	(U) 68.6
(U) Beni Suef	74.0	(U) 83.9
(U) Minya	71.3	(U) 69.3

Upper Egypt would seem to have held onto its customs more tenaciously than has Lower Egypt. As a result, more conservative attitudes about the "protection" of women prevent many parents from enrolling their girls in primary schools. The project should acquire a more in-depth examination of regional differences based on cultural traditions for the following reasons:

* L = Lower Egypt

** U = Upper Egypt

^{1/} Human Resources Management, Inc. Basic Education In Egypt. Report of the Joint Egyptian-American Team, August 1979.

^{2/} As stated in the Inputs and Outputs Section under Technical Cooperation, a study will be conducted concerning the calculation of the enrollment rates. Ministry figures vary considerably compared to enrollment figures perceived by the Evaluation Team in their school visits.

- girls' primary school enrollment in conservative areas has been traditionally low. For example, "for the ratio of girls' enrollment to total age group (12-15), Upper Egypt has a sample ratio of 24.5 percent to Lower Egypt's sample ratio of 42.9 percent. For total enrollment to total in the age group, the numbers are 43.4 and 57.5, respectively. The sensitive indicator, ratio of female primary enrollment to total enrollment, shows about the same difference between regions as the difference between urban and rural samples. The average percentage enrollment of girls in Upper Egypt is 30.98 percent while for Lower Egypt, it is 40.80 percent. The figures for girls' enrollment as a function of total girls in the age group (6-12) shows the same kind of disparity: for Upper Egypt 38.75 percent and for Lower Egypt 57.6 percent" (1979:75-76).
- less females than males are generally enrolled in teacher-training institutes in Upper Egypt;
- consideration should be given to assignment of female teachers from other areas to teacher-shortage areas in Upper Egypt, if the project wishes to increase its impact on girls' enrollment and retention. This means providing not only incentives to relocate, which the Ministry of Education currently does for areas like the Sinai, but also housing. One of the findings of the second project evaluation report is that "boarding facilities at urban teacher-training facilities are having an impressive impact on the numbers of local teachers that we find in rural communities. This effort should be applauded and continued, even expanded if possible" (1985:I-89). As the project expands coverage into all governorates, it should consider providing housing or boarding facilities for teachers. The extent to which housing is a constraint should be surveyed, quantified, and taken into account in the construction program under this amendment.
- social norms in conservative areas discourage girls' enrollment in co-ed schools beyond age 11, thus, although the evaluation argues against all-girls' schools, the project should consider all-girls' schools in very conservative areas such as the Sinai.

As the project expands its coverage into all the governorates of Egypt, the issue of regional differences based on cultural norms and traditional constraints will become more apparent for the planning, programming and implementation of increasing enrollment at the primary level. These differences have not been highlighted in the evaluation and in fact the data indicating similarities regarding enrollment attainment in the evaluation do have the caveat that "we suspect that this [the similarities in enrollment attainment] is an artifact of levels of the sample process, and possibly of the selection process for the location of schools in general" (1984:137).

B. Purpose

The purpose, then, of this social soundness analysis is to revise the participation profile to reflect project expansion into all 24 governorates of Egypt and to suggest areas in which the project can strengthen its on-going implementation capability through the continuous feedback mechanism established in the evaluation component.

II. SOCIOCULTURAL FEASIBILITY

A. Sociocultural Environment for Expansion of Enrollment

The sociocultural environment into which the proposed expansion of enrollment will be introduced includes the planning and programming perspectives of the Ministry of Education and of USAID. The priority according to the Ministry is to address the many schools in the urban areas of Cairo and Alexandria which are operating on double, and in some instances, on triple sessions, because of an insufficient amount of classroom space. The Ministry feels that overcrowding in the classrooms should be relieved by the building of new and replacement schools in urban areas. The USAID position is that the project should continue its strong emphasis on provision of new schools in rural areas. Issue 1 in Section II. I. addresses these varying positions.

One way the project could allay the concern of the Ministry of Education over the need for additional classrooms in urban areas would be to again remind the Ministry that a major component of the USAID-funded Neighborhood Urban Services project (NUS) is construction of classrooms in the greater Cairo and Alexandria area. To date, local district councils in these two urban areas have allocated resources to the construction of over 900 classrooms. To the extent that NUS project resources are available and additional classrooms remain a high priority of local district councils, the Mission believes the problem of increasing classroom space in the greater Cairo and Alexandria areas will continue to be addressed.

B. Beneficiary Profiles

1. Children Aged 6-12 in Rural Areas

Under the Amendment, 700,000 Egyptian children aged 6-12 in rural areas will benefit per year from the construction of 1700 additional schools^{1/} in 24 governorates. With an estimated life of 20 years, the new schools will serve 14 million student/years. Of the total number of children, females will be targeted because girls have a lower ratio of enrollment in Egyptian schools than boys and this ratio remains fairly constant over the three stages of the pre-university system of education.

^{1/} 650 by USAID and 1050 by GOE.

2. Governorates

Under the initial project, 620 schools are being built in ten governorates with the lowest enrollment rates among six-year-old children. This amendment will bring the remaining fourteen governorates into the project by constructing an additional 1650 schools, 75 percent of which will be in Lower Egypt and 25 percent in Upper Egypt.

3. Schools for Handicapped Children

A Work Order under the Technical Assistance project component began in February 1986 to examine the needs for "Special Education" or the handicapped in Basic Education. \$4 million will be budgeted for instructional materials, equipment and facilities for handicapped children.

4. Primary Teachers

There are 150,000 primary school teachers in Egypt, all of whom will benefit from in-service training programs over the next five years. In-service training conducted outside the classroom environment will be complemented by in-service training in 8-10 demonstration schools.

5. Private Sector Contractors

The PP listed building contractors as "secondary beneficiaries" of this project, noting that between 50 and 100 contractors would be employed, most of them relatively small companies from the private sector (Project Paper, Basic Education, p. 32). Project implementation data indicate that in fact over 500 small private sector companies located in rural towns are involved in on-going construction activities. Expanded coverage into 24 governorates will offer the possibility for 450 additional small private sector companies to participate in short-term employment through construction activities funded by USAID.

C. Constraints to Project Goal Achievement

1. Dropout

A critical obstacle to project goal achievement is the dropout problem. One of the conclusions of the second evaluation report is that "the area where the new schools can have a significant impact is in providing the conditions conducive to keeping children in school longer" (1985:I-17). This conclusion is based on findings that dropout seems to be "related more strongly to household economic factors and school-related factors." Findings from the 1979 Basic Education in Egypt study indicate that personal factors such as illness; family economic factors such as disposable income; and school factors such as poorly trained teachers affect the decision to dropout (1979:78). While there is little that the schools can do directly to alleviate personal and family economic problems, school officials can address the dropout problem by improving teaching methods; upgrading teachers' qualifications; and making learning more relevant to the student's environment.

Improving teaching methods through in-service training is one way this project is contributing to making the classroom more conducive to keeping pupils in school longer. The demonstration schools proposed under this amendment will complement on-going, in-service training activities. The evaluation recommends that training in these demonstration schools revolve around the design of activities that teachers can replicate in their own classrooms. The Mission feels that these demonstration schools will also contribute to pre-service teacher training, consequently, they will also contribute to upgrading teachers' qualifications.

The relevance of learning to the environment is addressed in the second evaluation report in the recommendation that "consideration should be given to the question of what practical courses are most appropriate for children of a given rural area". The report makes the case that "agriculture should not be the automatic choice since in some areas, where land fragmentation is requiring the younger generation to seek other occupational opportunities; beginning industrial and commercial skills may be more useful" (1985:I-90).

2. Availability and Distribution of Teachers

Availability of Teachers. One facet of teacher availability is supply. Although the supply of teachers for basic education can be a critical factor affecting a feasible rate of expansion, project statistics indicate an adequate supply of teachers for the remainder of the 1980s. The following table shows the needs for the period 1985/86 - 1989/90.

Table 6
Primary School Teachers 1985/86 - 1989/90:
Projected Supply and Demand^{1/}

	85/86	86/87	87/88	88/89	89/90
<u>Supply:</u>					
Teacher training schools graduates	12950	13750	16050	17400	18850
<u>Demand:</u>					
For new classrooms	7425	8171	8370	7560	6480
To replace (retirement & resignation)	2089	2252	2424	2628	2850
<u>Difference:</u>					
(Supply minus Demand)	3416	3427	5256	7212	9520
Teachers/classrooms	1.15	1.19	1.23	1.28	1.35

^{1/} From MOE, "Teaching Staff Needs for Pre-University Education, 1986-2000," Table 1, 1985.

The surplus number of teachers that emerges will be available for reducing class size, i.e., the pupil/teacher ratio.

The second facet of teacher availability is budget resources to pay for the number of teachers required to staff an anticipated expansion of classrooms in all governorates of Egypt. The economic analysis of this PP

Amendment argues that "salaries and wages paid to basic and secondary education personnel have amounted to 24 percent of the total salaries and wages paid to all GOE personnel..." and that "while these ratios might not be considered too large, the future situation might not be sustainable in view of...the current program to expand the number of teachers...."

Distribution of Teachers

The distribution statistics of teacher training capacities by governorate compiled under the Basic Education in Egypt^{1/} study show substantial disparities in teacher training capacity. Since the policy is to train and employ teachers as much as possible in their own governorates, consideration should be given to an increase in teacher training capacity as the project expands into all 24 governorates.

A second distribution factor to be considered is the male/female enrollment in teacher training. This ranges from about twice as many girls as boys enrolled in teacher training in Cairo, Alexandria, and Suez to less than half as many in Sohag, Qena, and Assuit. Improvements in these ratios should be considered under expansion activities. The importance of raising the percentage of female teachers is that the enrollment objectives for primary schools cannot be reached unless the enrollment of girls in primary schools in these same governorates can be raised substantially. Ninety percent enrollment requires a minimum of 80 percent female enrollment. In the absence of evidence that would correlate increased girls' attendance with an increase in the number of female teachers, the following observation made in the Basic Education in Egypt study (1979:146) indicates an area that should be given more consideration because additional factors may emerge that would affect girls' enrollment and retention. "While the supply of female teachers is not directly related to the enrollment of females in primary school, it is difficult to see how the social factors inhibiting such enrollment can be overcome until more representative numbers of female teachers are trained and employed." A similar observation is made in the project's second evaluation report (1985:189) concerning the need for increased female enrollment: "Female teachers from the community provide an incomparable model and encouragement to local girls to enroll and continue at length in the system."

^{1/} Extracted from Annex C, Table 5, parts 1-3 of Basic Education in Egypt, 1979.

III. SPREAD EFFECTS

If it is assumed that project-financed classrooms are used for twenty years by a minimum of 45 children per classroom per year, it can be estimated that 2.7 million student years will be provided by the project at a cost to AID of approximately \$12 per student year. Similarly, it can be estimated that 500,000 children per year throughout Egypt will benefit from the instructional materials and equipment financed by the project. If an average life for materials and equipment of five years is assumed, project financed commodities will provide approximately 2.5 million student years of use at a cost to AID of \$4 per student year. The cost of project financed technical services is minimal if it is assumed that, eventually, all of Egypt's school age children will benefit from a more relevant, efficient and effective system of basic education.

IV. DEVELOPMENTAL SOCIAL CONSEQUENCES

The principal development social consequence of this project will be its impact on one of the key indices of the quality of life in Egypt, namely, the adult literacy rate which is currently 44% (World Bank, Third Vocational Training Project, May 31, 1985, p. 18). The project assumes that literacy levels can be enhanced by expanding enrollments and increasing the efficacy of primary education.

Another developmental social consequence of this project will be an improved capability of the education system to make education more relevant to the country's social and economic needs.

V. SUMMARY

The information needs of the project have changed over the years of implementation. The project now has several years of implementation experience behind it and the social demand data and information required to guide those years of implementation have revealed the need for planning and programming information in other areas, for example, the relationship between increased girls' attendance and an increase in female teachers. As the project expands its coverage to include all 24 governorates several information needs will emerge. For example:

- if the project wishes to increase its impact on retention, more detailed consideration should be given to what the project can do to decrease the dropout rate;
- if the project wishes to increase its impact on girls' enrollment and attendance in conservative areas, consideration should be given to an examination of the relationship between an increase in girls' attendance and an increase in female teachers;

- if the project wishes to increase its impact on enrollment rates in conservative areas, more consideration should be given to a comparative analysis of regional differences resulting from cultural traditions and customs; and
- if the project wishes to increase its impact on an increase in female teachers, consideration should be given to surveying and quantifying the housing situation as part of the construction program under this Amendment.

II. D. Economic Analysis

1. Economic Returns From Expanded Enrollments

A major purpose of the basic education project is to expand enrollments among the rural youth in grades 1-9. While the returns can not be quantified in economic terms, experience in Egypt and other developing countries indicates that the returns are high in comparison to other activities in such areas as increased agricultural productivity, increased productivity in crafts, workshops and small industry, better nutrition and health, reduced population growth, and greater social and economic equity.

2. Relationship to Central Government Expenditures

Over the 1981/2-1985/6 period, the USAID has contributed \$65 million to the construction costs of the basic education project, while the GOE has expended LE 219 million for basic education, LE 365 million for basic and secondary education combined, LE 1.02 billion for all education investments and LE 25.6 billion for total investments. Assuming no changes in the ratios of educational investments to total investments and basic/preparatory school investments to total educational investments, the effect of the \$65 million USAID contribution has been to permit the building of 25% more primary and preparatory classrooms than would have been accomplished through the GOE's resources alone. An annual breakdown of GOE educational investment spending is provided below.

Table No. 7

GOE Investment Budget (In LE Million)

sectors	<u>Basic Education</u>	<u>Basic Education Less USAID Expenditures*</u>	<u>Basic and Secondary Education</u>	<u>Total Education</u>	<u>Total All</u>
1980/81	13	13	30	104	3,767
1981/82	23	22	42	165	4,541
1982/83	35	23	62	126	5,020
1983/84	43	31	70	186	5,596
1984/85	56	41	90	259	4,985
1985/86	62	47	101	283	5,430

*Approximate only, since GOE and USG fiscal years diverge by one quarter.

The past successes of the Egyptian education program are causing a shift in program priorities. As calculated from Table 4, the enrollment percentage in the ten governorates where USAID financing is involved has risen by about 7.5 percentage points since 1980. School construction presently underway in the governorates of Fayoum, Beni Suef, and Minya is expected to raise sharply those presently low enrollment rates within the next two or three years.

With initial enrollment targets almost achieved, GOE plans are shifting away from the construction of new primary schools and toward more preparatory schools and toward increasing the quality of primary schools through providing more teachers and replacing obsolete structures. Under these investment plans for 1986/7-1990/1, the GOE is allocating LE 296 million for primary education and LE 366 million for preparatory education. Whereas the construction pace for new primary school classrooms is scheduled to continue to rise by 10% annually through 1986/7, the pace is scheduled to slow to 2 1/2% during 1987/8, and declines of 10 and 14% respectively are scheduled for the following two years. Allocations to replace obsolete structures are scheduled to rise steadily. Investment spending on primary schools is scheduled to remain above investment spending on preparatory schools through 1986/87, but parity is expected to be reached by 1987/8, and by 1990/1, investment spending on preparatory schools is expected to exceed the primary spending by 50%. The output of primary school teachers is scheduled to rise by 10% annually in the period 1985/6-1989/90. The surplus of available teachers beyond replacing anticipated departures and filling new classrooms is expected to rise to 9,520; this surplus can be used to reduce the student/teacher ratio and hence enhance teaching quality.

A combination of a rise in USAID dollar allocations for basic education construction to \$77.85 million and the use of a much more favorable exchange rate will bring about a significant rise in the percentage of total basic schools built with U.S. assistance. The U.S. contribution will thus permit the building or replacement of 57% more classrooms than would be possible through the GOE's resources alone over the 1986/7 - 1990/1 period.

3. Qualitative Aspects

The purpose of the basic education project is not only to expand enrollments, but also to increase educational efficiency or quality.^{1/} Close supervision of building construction by project personnel and the National Investment Bank has sought to ensure high standards of materials and craftsmanship for long-lasting use and attractive appearance; the prospects for an improved learning experience should be improved thereby. Many existing schools are in deteriorated condition or are overcrowded; the modest amount of project funds devoted to replacement schools or to relieve over-crowding will improve the chances for improved education. The other project components e.g. special instructional equipment, new curricular materials and expanded teacher training also raise the prospects that the efficiency of education will be improved. Project personnel and technical cooperation evaluators will continue to seek evidence to confirm that efficiency is being improved, in particular reference to a major manifestation: lower dropout rates.

4. Affordability and Relationship to Local Contributions

An appraisal of the affordability of a development project must deal with its three aspects: investments; recurrent supplies and equipment; and wages and salaries for those personnel needed to staff the new facilities. Past investment spending on basic education has represented less than 1% of total

^{1/} See Issue 7 in Issues Section on "Quality and Efficiency."

investment spending; with the recent and projected sharp increases, this proportion is rising beyond 2%. Expenditures on supplies and equipment for basic and secondary education combined have not expanded rapidly. As indicated in the table below, these expenditures exceeded investment spending in earlier years, but did not keep pace with investment spending in later years. This budgetary trend confirms our impressions of insufficient supplies and equipment being made available for many schools. The Mission needs firmer assurances that adequate funds will be made available for the supplies and equipment needed to facilitate quality teaching.

Table No. 8

GOE (Basic/Secondary) Education Budget (LE Million)

Years	Wages & Salaries	Supplies & Equipment	Investment
80/81	303	46	30
81/82	477	58	42
82/83	546	64	62
83/84	646	71	70
84/85	770	77	90

The obligation to meet wages and salaries for teachers and a few administrators is by far the greatest budgetary burden associated with new educational projects and with permitting the use of previous facilities. Each year, this recurrent expenditure has been running about ten times the investment expenditures. Over the last five years, salaries and wages paid to basic and secondary education personnel have amounted to 24% of the total salaries and wages paid to all GOE personnel and to 6% of total GOE current expenditures. While these ratios might not be considered too large, the future situation may not be sustainable in view of 1) the Ministry of Education plans to substantially increase basic education investment spending, 2) our perception that greater than planned allocations are necessary for supplies and equipment, 3) the current program to continue to expand the numbers of teachers sharply both to man the new facilities and to reduce the student teacher ratio for improving the quality of teaching and 4) the existence of a large, unsustainable overall budgetary deficit and the macro-economic need to bring about its early reduction. School maintenance is also a responsibility of the Ministry of Education and a budgetary line item is programmed for that purpose. However, maintenance funds available per school are not fully adequate to meet maintenance needs, and there is a danger that this gap could increase as the number of schools increases. Therefore a covenant will be added to the grant agreement amending stipulating the GOE's agreement to meet specified school maintenance costs. This will be monitored by the N.I.B. In addition, the work order for the T.A. contractor entitled 'procedures for local participation in financing education,' will include maintenance as well as construction as a possible area for local contributions where MOE allocations for maintenance prove insufficient.

In view of these anticipated budgetary difficulties at the central level, the Mission believes that recent partial efforts to increase local contributions

to the basic schooling costs should be expanded. The only cost presently contributed by localities is land: the average value of the 1800 square meter plot for most basic school buildings is \$15,000. Construction costs, teacher salaries and supplies and equipment are, as a rule, entirely provided by the central government. Three exceptions to this rule have recently been made in the basic education project in the case of construction costs. In these three cases, where the construction bids came in higher than predicted, the decision was made that the locality would have to make a commitment to finance the excess before the work could proceed.

This precedent could be made more general in other cases of construction cost inflation and extended on the following basis: project personnel could add the desirability of localities contributing up to 10% of the construction costs as another criterion for site selection (see Inputs and Outputs Section II. B. 1. for the list of criteria presently being applied). None of the other criteria are implemented in absolute terms nor would this new criterion. Project personnel would explain to village representatives that, where other characteristics for site selection are roughly equal, a willingness to contribute toward construction costs and the speedy raising of such local contributions would increase the priority for that village in the selection process and hasten the time table for actual construction.

II. E. Implementation Plan

The following schedules summarize critical implementation events. A PPT form is also presented in Annex B. It is anticipated that AID-financed activities will be completed by the end of October 1990. Classroom construction funded by the Government of Egypt, however, will continue until the end of June 1991 (end of GOE's fiscal year). The PACD, therefore, will be June 30, 1991.

Project performance will be monitored through the "Q sheets" and accruals exercise, and also in periodic Portfolio Reviews. These reviews are not only to identify issues or problems which will result in delaying implementation of the Project, but also to identify actions necessary to correct or adjust for those delays.

As the number of Governorates is increased from 10 to 24, each participating governorate will be visited twice a year.

Visits to the MOE in connection with the other Project activities such as financed commodities, schools for the Handicapped, Teacher Training, Technical cooperation, and textbook printing--will occur twice a week, on the average.

Responsibility for managing the Project will be kept at the same present level of a FSO and a FSN, from the Office of Education and Training. The FSO will primarily manage the technical cooperation and evaluation components, while the FSN will primarily manage the construction and commodity procurement components.

For already established implementation patterns, including financing mechanism, consult Annex H. 6.

Summary Implementation Schedule for Construction of Classrooms
(AID contribution)

<u>FY/Quarter</u>	1	2	3	4
<u>1986</u> Classrooms:			Grant Ag. signed	CP for school design met Starts 350
<u>1987</u> Classrooms:	CPs met for new gover- norates Starts 350	starts 350	starts 350	starts 700
<u>1988</u> Classrooms:	Starts 700	starts 350 Completion 350	starts 350 Completion 350	starts 700 Completion 350
<u>1989</u> Classrooms:	Starts 350 completions 350	starts 524 completions 700	starts 500 completions 700	starts completions 350
<u>1990</u> Classrooms:	completions 350	completions 700	completions 350	completions 524
<u>1991</u> Classrooms:	completions 500			

INSTRUCTIONAL MATERIALS AND EQUIPMENT

<u>FY/Quarter</u>	1	2	3	4
<u>1986</u>				
<u>1987</u>				(1) solicitation Documents (2) CBD notice
<u>1988</u>	(1) Bid opening review of offers (2) Negotiations/awards	opening L/COMs		Beginning of Delivery of Commodities
<u>1989</u>	Custom clearance/start of Distribution to schools		End of distribution to schools	
<u>1990</u>				
<u>1991</u>				

TECHNICAL COOPERATION REPORTS

<u>FY/Quarter</u>	1	2	3	4
<u>1986</u>				
<u>1987</u>				2
<u>1988</u>		2		2
<u>1989</u>		2		3
<u>1990</u>		2		2
<u>1991</u>		<u>3</u>		<u>9</u>
		9		9

EVALUATION REPORTS

<u>FY/Quarter</u>	1	2	3	4
<u>1986</u>				
<u>1987</u>				
<u>1988</u>		1		
<u>1989</u>				
<u>1990</u>		1		
<u>1991</u>		<u>2</u>		
		2		

II. F. Procurement Plan

The following section refers to Gray Amendment concerns.

Procurement of goods and services to date has involved the following arrangements:

1. Construction: The 620 schools have been built by over 500 Egyptian small private sector construction companies located in rural Egyptian towns.
2. Commodities: Instructional materials have been provided by 7 U.S. suppliers.
3. Technical services: Host country contract has been signed between Ministry and U.S. non-profit educational planning corporation, with a sub-contract to an Egyptian consulting firm.
4. Evaluation: Direct AID contract with 8-A minority U.S. firm.

Concerning the amendment, the following arrangements are planned:

- A. Construction: Continued use of Egyptian small private sector construction companies.
- B. Commodities: To be provided by U.S. or Egyptian suppliers. An 8-A minority U.S. firm will be sought to be procurement service agent (PSA) for the U.S. commodities.
- C. Technical cooperation.

A host country contract to be awarded after competition among U.S. firms and universities (no restrictions).

- D. Evaluation and audit.

Possibility for 1-3 persons to participate in mid-term and final evaluation, most likely on Personal Services Contracts. Audit will be AID Direct contract.

Regarding B above, the Mission's preference is for an AID Direct contract through S B A (set-aside) to an 8-A minority U.S. firm experienced in commodity procurement for the Near East. In the event the firm cannot convince the Ministry of Education that its fee is reasonable, the mission would look to the Ministry to handle all aspects of commodity procurement. Under the preferred solution, an 8-A minority PSA, the Ministry's role would be limited to submission of specifications and awarding of contract. Having

consulted Handbook I B regarding the selection of appropriate contracting entitive, HRDC/ET bases its preferences upon the following grounds:

<u>Preference of Contracting Entity</u>	<u>Grounds</u>
# 1 PSA	a) Experience attests to a heavy mission monitoring load if MOE is contracting agent b) Effectiveness
# 2 Ministry	a) Grantee preference b) Institutional relationship AID/Ministry

The preceding section applied particularly to Gray Amendment concerns. The following section outlines the procurement requirements for each component by responding to these questions:

- What to procure?
- How to procure?
- On what basis is this procurement mode selected?
- Who will procure?
- From whom will the procurement be?
- When will the procurement take place?
- How much is the procurement value?

1. Construction

What to Procure: Construction Services.

A. Building Materials

- Sand and gravel
- Cement
- Lime
- Steel
- Wood
- Glass

B. Other Commodities:

- Furniture
- Water tanks
- Water pipelines
- Pumps
- Electricity Fixtures
- Generators (if there is no nearby electricity supply).

How to Procure: (Host Country Contract)

- All building materials and other commodities locally procured.
- GOE local procurement procedures, all contracts incorporating by reference the terms of the "General Conditions and Specifications of Construction Works", The Arab Bureau for Consultations and Engineering Design.

AID mandatory clauses incorporated into these contracts in Arabic, as appropriate, especially those pertaining to:

1. AID approvals and decisions
2. Marking
3. Audit and records
4. Nationality, source and origin.

A waiver is requested under this amendment regarding point number (3) (see Annex M).

- Financing mechanisms, modified cost reimbursement through a 90-day advance of projected needs.

Basis:

- Adequate capacity in cooperating country
- Ministry and National Investment Bank experience.
- low prices

More details about "How to Procure" are stated in Annex H.6., "Stages of Building a School" and H.4., Administration.

Who will Procure:

1. Construction, Water, Electricity:
 - Housing Department will City Councils in each governorate.
2. School Furniture:
 - Procurement Department of the Education Zone in each governorate.

More details about "Who will Procure" can be found in Annex H.6.

From Whom:

Local market, public and private sector entities.

- The Source: All building materials and other commodities bought from the local market, i.e., the source is Egypt.
- Origin:
 - (a) Building Materials: Sand, gravel, lime and glass are indigenous. (Approximately 50 percent of cement and steel plus 90 percent of wood imported.)
 - (b) Other Commodities:
 - Furniture, water tanks, pipelines and electricity fixtures locally manufactured.
 - Some pumps and generators imported.

When to Procure:

July 86 - November 91 as detailed in the implementation plan II.E. and Project Performance Tracking (PPT), Annex B.

How much: \$77.85 Million

2. Commodities

(Most of the procurement services relate to the instructional equipment and materials. This section will be more thorough than the others.)

Commodity Procurement started in 1980 under the Commodity Import Program. \$20 million worth of commodities, materials and equipment were delivered to schools under this program. Under the Basic Education Project, another \$20 million worth of commodities were provided to schools all over Egypt. A total of \$40 million worth of commodities, equipment and materials were provided to more than 14,000 Primary and Preparatory Schools in all the 26 governorates. Table 9 shows categories and number of packages procured under each category for each of the four rounds of procurement 1980/81 through 1983/84. Table 10 shows the number of packages required from each category to cover the rest of the primary and preparatory schools that were not covered earlier.

Table 9
Distribution of A.I.D. Financed "Packages" of
Basic Education Equipment

Packages Year	1980/81		1981/82		1982/83		1983/84		T O T A L	
	Prim- ary	Prep- aratory								
A) Electricity	300	300	5,400	900	6,480	1,260	500	350	12,680	2,810
B) House Maintenance	280	280	5,400	900	6,480	1,260	500	350	12,660	2,790
C) Wood Working	700	300	5,400	900	6,480	1,260	500	350	13,080	2,810
D) Brick Laying	50	90		360	6,480	1,260	500	350	7,030	2,060
E) Food Industry	360	200	5,400	360	6,480	1,260	500	400	12,740	2,220
Dairy Products	100	100	5,400	180	6,480	1,260	500	400	12,480	1,940
G) Poultry	140	100		180		1,260	500	400	640	1,940
H) Horticulture	220	200	5,400	180	6,480	1,260	500	400	12,600	2,040
I) Home Economics			5,400	360	6,480	1,260	750	300	12,630	1,920
J) H.E. Sewing	500	140	5,400	540	1,200	600	5,000	250	12,100	1,530
K) Science	550	290	5,400	540	5,400	1,050	1,500	1,000	12,850	2,880
L) Social Science	710	290		1,700	2,760	525	8,300	700	11,770	3,215
M) Audio Visual	550	290		180		1,200	1,500	500	2,050	2,170
Science-Charts & Transparencies							7,000	2,000	7,000	2,000
O) H.E. Stoves							5,000		5,000	
- Commercial		28								28
No. of Packages	4,460	2,608	48,600	7,280	61,200	14,715	33,050	7,750	147,310	32,353

Table 10
Basic Education Equipment

	Total Packages		Packages Needed	
	Prim- ary	Prep- aratory	Prim- ary	Prep- aratory
A) Electricity	12,680	2,810	820	390
B) House Maintenance	12,660	2,790	840	410
C) Wood Working	13,080	2,810	420	390
D) Brick Laying	7,030	2,060	6,470	1,140
E) Food Industry	12,740	2,220	760	980
F) Dairy Products	12,480	1,940	1,020	1,260
G) Poultry	640	1,940	12,860	1,260
H) Horticulture	12,600	2,040	900	1,160
I) Home Economics	12,630	1,920	870	1,280
J) H.E. Sewing	12,100	1,530	1,400	1,670
K) Science	12,850	2,880	650	320
L) Social Science	11,770	3,215	1,730	0
M) Audio Visual	2,050	2,170	4,450	1,030
N) Science-Charts & Transparencies	7,000	2,000	6,500	1,200
O) H.E. Stoves	5,000		0	0
- Commercial		28	0	0
Total No. of Packages	147,310	32,353	39,690	12,490

What to procure:

The Ministry intends to procure commodities for a value of \$10 million of which some will be procured locally.

At the present time, the Ministry will review the recommendations of the evaluation of these commodities and equipment as mentioned earlier. The Ministry will take the necessary actions in order to put these recommendations into effect. When AID has evidence that the Ministry has done so the procurement process under this amendment can then start.

During this period, the Ministry will study the possibility of producing maps and charts locally through the Manshiet El Bakry Audio Visual Center or through any other local producer.

The \$10 million dollars allocated for this purpose are distributed as follows:

- \$6.5 million approximately to cover packages needed under the categories of electricity, house maintenance, wood working, food industry, dairy products, home economics (nutrition), sewing, audio visual and science.

Items purchased under these categories can be exactly the same as before, slightly modified, substantially modified, or totally deleted according to the evaluation report recommendations. The possibility of importing manufacturing equipment for local production will also be examined.

- \$3.5 million for the local procurement (possible production) of geographic maps, science, charts and slides as explained above.

If the local production or procurement through local eligible sources is not achieved, procurement of these materials from the U.S. will occur as in the past.

As a result of that, \$6.5 million of hard currency are needed while the other \$3.5 million are needed in local currency for encouraging the local production of charts, maps and slides.

It is expected that this procurement would start in the third quarter of 87.

How to procure:

- A Host Country Contract will be used to procure Commodities, Insurance and Freight (CIF).

- AID regulation No. 1 will be used as in the 4 previous rounds since the MOE staff is familiar with AID regulation No. 1 (instead of using Handbook II with which the Ministry of Education staff is not familiar.) The MOE has been using AID Regulation No. 1 since 1980.

Negotiated procurement is preferred for the following two reasons:

1. The educational commodities market has varying features. Products of the different suppliers are not alike.
2. This method is advantageous to the MOE as they get better specifications, latest market production, plus lower prices. For more details please consult the pertinent justification, Annex M.

Who will procure:

Preferred Option: An 8-A Minority Commodity Procurement Agent: Direct AID contract with S B A.

Alternative Option: Ministry of Education Under a Host Country Contract:

- The MOE will write the specifications of the different categories.
- AID will review and approve these specifications.
- MOE will develop tender documents.
- AID will review tender documents.
- AID/W will issue the CBD notice.
- MOE will receive and review the offers.
- MOE will run negotiations with suppliers.
- MOE will make awards and sign proposed contracts.
- AID will approve the contracts.
- AID will issue direct L/COMs.
- AID will make payments to suppliers.
- MOE will release commodities from customs.
- MOE will distribute commodities to schools.
- MOE will evaluate the use of those equipment and materials.

From Whom:

- For the \$6.5 million, U.S. suppliers.
- For the \$3.5 million local procurement of maps, charts and slides the Ministry of Education will either contract directly with a GOE educational entity such as the Audio-Visual Center of Manshiet El Bakry or the Central Agency for school books, or compete it through private companies.

When to procure:

	<u>Period</u>
1. Writing specifications	April 87
2. Solicitation of documents	July 87
3. CBD notice	August 87
4. Bid opening day/review of offers	October 87
5. Negotiations/awards	December 87
6. Opening L/COMs	February 88
7. Delivery of commodities	September 88
8. Custom clearance/start distribution to schools	December 88
9. End of distribution to schools	April 89

Building materials used under the project are the following, followed by their origin:

sand:	procured locally
gravel:	procured locally
cement:	procured locally and abroad
steel:	procured locally and abroad
wood:	procured locally and abroad
glass:	procured locally and abroad

Since it is very difficult to distinguish whether the cement, steel, wood, and glass are procured locally or from abroad, HRDC/ET is requesting a blanket Waiver of Origin Requirements. (See Waiver 1, Annex M).

How much: \$10 Million

3. Special Education:

What to procure: Construction, commodities, training, instructional materials, conference.

How to procure: Host Country Contracts (HCC) for construction, commodities, training, and instructional materials; AID Direct Contract for conference.

Basis: Ministry has experience in HCCs in above areas except conferences.

Who will procure: Ministry for all HCCs and USAID for conference.

From Whom:

Construction: Any Egyptian construction contractor.

Commodities: Any American or Egyptian supplier.

Training: Any American or Egyptian supplier.

Instructional Materials: Any American or Egyptian supplier.

Conference: IQC Contractor.

When: FY 87 - FY 90.

How Much: \$4 Million.

4. Teacher Education:

What to procure: Instructional materials and training.

How to procure: Host Country Contract.

Basis: Ministry experience.

Who will procure: Ministry of Education.

From whom: Any American or Egyptian supplier.

When: FY 87 - FY 90.

How much: \$4 Million.

5. Curriculum Printing:

What to procure: Commodities and training.

How to procure: Host Country Contracts.

Basis: Ministry experience.

Who will procure: Ministry of Education.

From whom: Any American or Egyptian supplier.

When: FY 87 - FY 90.

How much: \$2 Million.

6. Technical Cooperation:

What to procure: Services of American and Egyptian education experts.

How to procure: Host Country Contract (HCC).

Basis: Ministry has experience with HCC for technical cooperation presently.

Who will procure: Ministry of Education.

From whom: Winner of competition among firms and universities (no restrictions).

When: FY 87 - FY 90.

How much: \$2.7 Million.

7. Evaluation:

What to procure: Services of 3 evaluators.

How to procure: Personal Services Contracts.

Basis: The current contracting arrangement for evaluation is a Direct AID Contract with a firm for life-of-project evaluation. Under the proposed amendment, only 3 individuals at two different times are required for evaluation, rather than the continuous presence of a firm.

Who will procure: USAIS/Cairo, HRDC/ET will write PIO/T.

From whom: No restrictions.

When: 1 evaluator first quarter FY 88;
2 evaluators first quarter FY 90.

How much: \$50,000.

8. Audit:

What to procure: Services of an audit firm.

How to procure: AID Direct Contract.

Basis: Mission (Controllers Office) preference.

Who will procure: USAID/Cairo, Controllers Office will write PIO/T.

From whom: Open competition.

When: FY 89.

How much: \$250,000

11. G. Financial Plan

This financial plan consists of two parts: The estimated costs and certain budgetary considerations.

Estimated Costs

The major item in the Amendment budget is the construction of classrooms. 15,309 classrooms will be built under this Amendment of which AID's contribution is 5,574 classrooms, while the GOE contribution is 9,735 classrooms. See following Table.

Table 11

Number of Classrooms to be Built under
The Second Amendment, by Governorate

Governorate	AID Contribution No. Classrooms	GOE Contribution No. Classrooms	Total Contribution No. Classrooms
Dakahliya	540	700	1,240
Gharbiya	423	600	1,023
Menofiya	420	600	1,020
Kaliobiya	423	800	1,223
Dumiat	270	300	570
Aswan	270	270	540
Ismailia	270	270	540
Suez	150	210	360
Port Said	90	130	220
Beheira	300	600	900
Kafr El-Sheikh	153	460	613
Sharkiya	300	660	960
Giza	180	750	930
Fayoum	270	380	650
Beni Suef	198	380	578
Minya	156	600	756
Assiut	153	520	673
Sohag	198	570	768
Qena	225	470	695
Marsa Matruh	135	90	225
New Valley	150	90	240
Red Sea	120	50	170
North Sinai	135	150	285
South Sinai	45	85	130
TOTAL	<u>5,574</u>	<u>9,735</u>	<u>15,309^{1/}</u>

^{1/} Total needs to replace condemned schools and reach 91 percent enrollment of first grade age children by 1990.

Table 12
Distribution of Classrooms & Funds
Per Governorate under the Project

Governorates	Current Project		This Amendment		TOTAL	
	No. of Classrooms	\$(000)	No. of Classrooms	\$(000)	No. of Classrooms	\$(000)
Dakahliya	-0-	-0-	540	5,400	540	5,400
Gharbiya	-0-	-0-	423	4,230	423	4,230
Menofiya	-0-	-0-	420	4,200	420	4,200
Kaliobiya	-0-	-0-	423	4,230	423	4,230
Dumiat	-0-	-0-	270	2,700	270	2,700
Aswan	-0-	-0-	270	2,700	270	2,700
Ismailia	-0-	-0-	270	2,700	270	2,700
Suez	-0-	-0-	150	1,500	150	1,500
Port Said	-0-	-0-	90	1,080	90	1,080
Beheira	830	8,380	300	3,000	1,130	11,380
Kafr El Sheikh	267	2,910	153	1,530	420	4,440
Sharkiya	396	4,980	300	3,000	696	7,980
Giza	256	3,220	180	1,800	436	5,020
Fayoum	573	7,200	270	2,700	843	9,900
Beni Suef	372	4,670	198	1,980	570	6,650
Minya	775	9,740	156	1,560	931	11,300
Asiut	455	4,970	153	1,530	608	6,500
Sohag	755	7,460	198	1,980	953	9,440
Qena	600	6,180	225	2,250	825	8,430
Marsa Matrouh	-0-	-0-	135	1,620	135	1,620
New Valley	-0-	-0-	150	1,800	150	1,800
Red Sea	-0-	-0-	120	1,440	120	1,440
N. Sinai	-0-	-0-	135	1,620	135	1,620
S. Sinai	-0-	-0-	45	540	45	540
Sub-Total	5,279	59,710 ^{1/}	5,574	57,090 ^{2/}	10,853	116,800
Construction Contingency		590		20,760		21,350
Grand Total		60,300		77,850		138,150

^{1/} \$1 = .83 L.E.

^{2/} \$1 = 1.35 L.E.

Cost estimates of these classrooms were developed using an estimated classroom cost of \$10,000 and an annual inflation rate of 20 percent. Each school built under this Amendment will include at least one workshop in primary schools and at least one workshop plus one lab in preparatory schools (1000 additional rooms will be built under this Amendment as workshops and labs).

Inflation was not used in projecting other components (described in Inputs and Outputs section II, B), as the amounts included in this Amendment budget represent the maximum level of funding for these activities. Nevertheless, the contingency fund can be used, as explained in section II, B. 3.1., for additional required funding unexpected at this time.

An exchange rate of \$1 = L.E. 1.35 was used to convert U.S. Dollars to Egyptian pounds.

The source and use of Amendment funds are detailed in the following Table.

Table 13

Project Amendment Financial Plan and Budget
(\$ Million)

	<u>AID FX</u>	<u>AID LOCAL</u>	<u>TOTAL</u>	<u>GRANTEE</u>	<u>TOTAL</u>
1. Construction and furniture	0.00	77.85	77.85	119.40	197.25
2. Materials and Equipment	6.50	3.50	10.00	1.00	11.00
3. Other					
a. Special Education	1.00	3.00	4.00	0.80	4.80
b. Teacher Education	1.00	3.00	4.00	0.80	4.80
c. Curriculum printing	0.00	2.00	2.00	0.00	2.00
d. Technical Cooperation	1.35	1.35	2.70	0.00	2.70
e. Evaluation and Audit	0.15	0.15	0.30	0.00	0.30
f. National Investment Bank Support	0.00	0.00	0.00	0.00	0.00
g. MOE Support	0.00	0.15	0.15	0.00	0.15
h. Miscellaneous	0.10	0.10	0.20	0.00	0.20
i. Contingency	<u>0.30</u>	<u>3.50</u>	<u>3.80</u>	<u>0.00</u>	<u>3.80</u>
TOTAL	10.40	94.60	105.00	122.00	227.00

The obligations by fiscal year are presented below (table 14), followed by the anticipated expenditures by fiscal year (Table 15).

The final table (16) in this Financial Plan shows the total project budget, including the new Amendment.

Table 14
Obligation Schedule
by Component, by FY
(\$000)

Component	86	87	FY 88	89	90	Total
Construction and Furniture	19,990	17,315	17,415	17,415	5,715	77,850
Materials and Equipment	-0-	6,500	3,500	-0-	-0-	10,000
Special Education	-0-	500	1,500	1,500	500	4,000
Teacher Education	-0-	1,000	1,000	1,000	1,000	4,000
Curriculum Printing	-0-	100	600	800	500	2,000
Technical Cooperation	-0-	500	800	800	600	2,700
Evaluation and Audit	-0-	-0-	100	-0-	200	300
MOE Support	10	35	35	35	35	150
Miscellaneous	-0-	50	50	50	50	200
Contingency	-0-	-0-	1,000	1,400	1,400	3,800
TOTAL	20,000	26,000	26,000	23,000	10,000	105,000

Table 15

Anticipated expenditures by fiscal year
(\$ Million)

<u>FY</u>	<u>AID</u>	<u>GCE</u>	<u>Total</u>	<u>Cumulative</u>	<u>Percent (cumulative)</u>
86	2	0	2	2	1.0
87	25	20	45	47	20.7
88	38	22	60	107	47.1
89	30	24	54	161	70.9
90	9	26	35	196	86.3
91	1	30	31	227	100.0
	<u>105</u>	<u>122</u>	<u>227</u>		

Table 16

Total Project Financial Plan and Budget
(\$ Million)

	<u>AID</u> <u>FX</u>	<u>AID</u> <u>LOCAL</u>	<u>TOTAL</u>	<u>GRANTEE</u>	<u>TOTAL</u>
1. Construction and furniture	0.00	138.15	138.15	197.60	335.75
2. Materials and Equipment	26.30	3.70	30.00	1.00	31.00
3. Other					
a. Special Education	1.00	3.00	4.00	0.80	4.80
b. Teacher Education	1.00	3.00	4.00	0.80	4.80
c. Curriculum Printing	0.00	2.00	2.00	0.00	2.00
d. Technical Cooperation	2.85	2.45	5.30	0.00	5.30
e. Evaluation and Audit	0.65	1.25	1.90	0.00	1.90
f. National Investment Bank Support	0.00	0.50	0.50	0.80	1.30
g. MOE Support	0.00	0.15	0.15	0.00	0.15
h. Miscellaneous	0.10	0.10	0.20	0.00	0.20
i. Contingency	<u>0.30</u>	<u>3.50</u>	<u>3.80</u>	<u>0.00</u>	<u>3.80</u>
TOTAL	32.20	157.80	190.00	201.00	391.00

Table 17

Method of Implementation and Financing

<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Approximate Amount</u> (\$ Million)
1. Construction (school)	Revolving Advance	77.85
2. Commodities		
- if no PSA	Direct L/COM (for Suppliers)	6.50
- if PSA is used	Direct L/COM (for PSA)	0.20
	Bank L/COM (for Suppliers)	6.30
3. Commodities H.C.C. Local Procurement	Revolving Advance	3.50
4. Technical Cooperation Host Country Contract	Direct L/COM	2.70
5. Special Edu. Teacher Trg., Curriculum Printing, MOE Support	Revolving Advance	10.15

As shown in the above table, three methods of financing are proposed to be used under the project amendment.

The use of a revolving advance is explained for the construction component in the Issues Section II.I. and in Annex H. 6. e. The same explanation for the use of a revolving advance is applied to local procurement of commodities, special education, teacher training, curriculum printing and MOE support.

The direct L/COM is the appropriate method of financing to be used under the project due to the limitation of the host government financial resources to make payment to contractors and seek reimbursement from AID.

The Bank L/COM method of financing will be utilized in case of using a PSA for the procurement of project commodities. These commodities will be supplied by multi vendors and will involve procurement of a variety of commodities.

Budgetary Considerations

The Government of Egypt's contribution to the Amendment is 9,735 classrooms. The estimated cost of these classrooms is \$122 million spread over the five-year period. This level of financing requires no increase in the current level of MOE investment in the 24 participating governorates. Indeed, if the current level is maintained over the life of the Project, there will be a surplus which could be used for increasing enrollment levels, continuation in the preparatory stage, and replacing more of the condemned buildings. Government of Egypt revenues in the coming years, however, are expected to decline as oil and Suez Canal incomes contract, in addition to the tourism decline and the expected return of many of the Egyptian workers in the Gulf area.

The preceding facts indicate why it was estimated that the GOE budget may be reduced by 20 percent from the current budget 1985/86. The MOE is trying to cover this expected shortage by encouraging local contributions and self-help efforts all over Egypt. The Government of Egypt will also covenant to provide teachers, books, maintenance, materials and other items required to operate Project financed-classrooms.

The recurrent cost implications of the 15,309 classrooms are approximately \$12 million as the annual recurrent costs per classroom are approximately \$800. The \$12 million dollars represents about a 2 percent increase required to provide for teachers' salaries and other recurrent costs. The Mission believes that this increase of 2 percent is manageable within the budgets of both the MOE and the Government of Egypt.

The Mission also believes that the supply of teachers will meet Project needs as previously illustrated in the Social Analysis Section, Table 5. More emphasis will be put on either a better use or increasing funds for maintenance and materials (2nd chapter) of the recurrent budget. In addition, the T.A. contractor will explore possibilities for increased local participation in school finance including for construction and maintenance. A Condition Precedent has been made to respond to the evaluation recommendations in that regard. Also a covenant has been made to satisfy the needs for maintenance.

II. H. Evaluation Plan

A. Current Evaluation Effort

The current project incorporates a "life-of-project" evaluation effort to collect and analyze data on project impact annually. The evaluation is conducted by a team fielded by Creative Associates, Inc., under an AID direct contract for \$1.2 million for a four-year period. The major strengths and weaknesses of the current evaluation can be summarized as follows:

- The two annual reports submitted to date have provided important empirical evidence of project impact on enrollments at the individual village level.
- The evaluation has also provided valuable insights into social factors influencing enrollment and dropout through household surveys in sample areas.
- The evaluation has not had any significant institution-building impact on the MOE. The evaluation has been designed and implemented primarily by expatriate consultants aided by Egyptians (largely from outside the MOE).
- The evaluation design has lacked the flexibility to meet changing MOE and USAID information needs.
- The evaluation has provided only limited guidance to the MOE for macro-level educational planning. While a wealth of data has been gathered from a small sample of sites, the current data base lacks the capability to support analysis of the project's national and regional impacts on enrollments, and of regional and gender variations in these impacts.
- Effective coordination between evaluation and technical cooperation activities has not occurred. The desired feedback systems have not emerged.

B. Evaluation Framework for the Project Amendment

To address these problems, some modification of the evaluation plan is necessary for the amendment period. The major changes in the evaluation plan will include the following:

1. The separate evaluation and technical cooperation contracts under the current project will be combined into a single contract to provide technical cooperation in strengthening education planning and in collecting and analyzing data on project effectiveness and impact. This should bring increased coherence to these efforts. A total of sixteen (16) person years of assistance will be required for the technical cooperation and data collection/analysis effort.

2. A key objective of the technical cooperation contract will be to strengthen MOE capabilities to gather and analyze data necessary for sound decision-making and education planning. The technical cooperation effort will assist the MOE in developing a data base and the analytical capacity to assess project impacts on enrollment and retention at both the regional and national levels, and to analyze differences in these impacts. These efforts should include regular data collection and analysis for selected indicators such as enrollment, dropout and repetition rates, disaggregated by school, by gender and by governorate. There should be sufficient flexibility to modify the data base as information needs change.

3. The technical cooperation contract will also include funding for a series of special studies, primarily utilizing rapid, low-cost methodologies, to look in greater depth at specific issues. The strategy will be to move away from social demand questions that have been extensively investigated during the current project. The emphasis under the amendment will be on issues of educational "quality", in particular those school-related factors affecting retention, that is dropout and repetition.

It is anticipated that these special studies will assess the impact of project commodities, curricular materials, teacher training and special education activities on the quality of basic education. Special studies may also be utilized to examine issues such as the effects of extending schools from six to nine grades; the impacts of single-sex schools on enrollments and efficiency; and appropriate modifications in school record-keeping practices to improve the quality of education statistics and data.

As soon as the technical cooperation contractor begins work, the consultants will develop a workplan for the life of the contract, in consultation with MOE and USAID staff. This will include a detailed and prioritized listing of special studies. This plan will be modified annually during the annual project review process (see below). Data collection and analysis efforts for these studies will be coordinated to the maximum extent possible under this workplan.

The MOE should play a collaborative role in the design and management of these studies. By the end of the project, the MOE Technical Research Unit should have the capacity to plan, organize and manage the implementation of these kinds of rapid low-cost studies to meet specific information needs.

4. To ensure utilization of data collection and analysis efforts, USAID and the MOE will conduct annual project reviews. The contractor and the MOE Follow-up and Technical Research Units will jointly prepare a report, summarizing project implementation and evaluation activities during the preceding year and identifying problem areas and issues for the review agenda. The report will also identify alternative solutions to identified problems/issues. The annual review process will also recommend appropriate modifications in plans for data collection, modification and special studies for the next year.

5. In addition to these ongoing data collection and analysis efforts, there will be an external mid-project evaluation (tentatively scheduled for 1988) and an external final evaluation to be conducted prior to close-out of the project. These will be conducted by USAID and MOE personnel and external consultants. These evaluations will primarily assess the effectiveness, utility and impact of technical cooperation activities.

Annex J, Evaluation Framework, provides a detailed listing of proposed evaluation questions at both the output and purpose level, along with a brief description of data gathering and analysis requirements. These questions are not intended to be exhaustive, but to provide initial direction to data collection and analysis efforts to be modified as necessary during project implementation.

The Issues Section II. I. Contains a variety of problems and issues that have been debated during the preparation of this Project Paper Amendment:

1. Building urban versus rural schools
2. Construction on agricultural land
3. Central versus local financing for school construction
4. Financing mechanism: FAR or no FAR
5. Problem in commodity procurement and use
6. How to insure a viable technical cooperation component
7. Increase in anticipated project cost from \$93 million to \$105 million
8. Readiness to authorize and obligate funds for certain components.
9. Maintenance of Basic Education Schools

At the end of each issue discussion is a statement about whether the issue has been resolved or not, and if not, how resolution can be achieved.

II. I. Issues

1. Building urban Versus rural schools

If one issue has pervaded USAID/MOE discussions during the last year it has been the primary location of new schools to be financed by USAID; should they be in urban or rural areas?

The Ministry's basic position has been the following:

In Cairo and Alexandria many schools are on double session, some on triple session. This situation does not exist in rural schools. Because of the urban overcrowding, pupils in city areas are receiving insufficient instructional hours. USAID could help relieve this urban overcrowding in school shifts by building schools in urban areas.

The AID Mission, however, has maintained that the project success to date, documented in its external evaluation reports, is due to increasing access to schooling for children in rural areas. The evaluation has pointed out that rural children, especially girls, still constitute the main unserved population of Egyptians without education.

Several points are in favor of the Ministry's position:

- a. A large number of schools are in poor condition and are overcrowded in urban areas.
- b. Urban children, especially in the lower classes, need educational skills to go on to higher training levels. Most urban employment requires educational skills.

The following points favor the AID Mission's position:

1. The largest population of educationally unserved children reside in rural areas.
2. New schools in rural areas enroll greater numbers of children who would never go to school otherwise. Schools in urban areas tend to improve the quality of the program more than the quantity of children who attend.
3. "Development" impact of a new school (if that is defined as the consequences derived from a population becoming literate,) is greater in rural areas than urban areas, simply because the illiterate population is larger in rural areas.

4. Urban children will get an education of some kind whether new schools are built or not.
5. Many urban schools do not belong to the Government. This fact complicates measures to demolish and rebuild.
6. Land is scarce in urban areas. The Ministry would have difficulty obtaining building sites.

The search for a mutually satisfactory compromise between the above positions has elicited the following ideas.

1. If AID concentrates its funding on rural areas, perhaps the GOE can put funds it might have put into rural areas into urban school construction.
2. One innovative means of approaching the urban/rural dilemma is to consider building in villages adjacent to urban conglomerations. The project evaluation report has revealed that children from a number of rural villages within a five-kilometer radius of major urban areas have been forced to commute to the city for their education. If one were to locate new schools in these "satellite villages," the effect would be to:
 - a. reduce city school enrollments;
 - b. provide under served rural populations, especially girls, with a chance to enroll in school;
 - c. reduce immigration (educated adults could commute to work);
 - d. encourage residents of the cities to relocate in the new school villages (where housing is cheaper and educational facilities available)
3. If the Mission concentrates its Basic Education Schools in rural areas or small towns outside of the Cairo/Alexandria area, AID could help improve the educational situation of the two major cities in other ways:
 - a. provide instructional materials (as in the past)
 - b. build demonstration schools
 - c. build schools for handicapped children
4. It is politically advantageous to build schools in urban areas. They reach the potentially disaffected and are highly visible evidence of the government's delivery of service.

5. Rural schools increase the rates of migration from the countryside to the city as educated rural graduates seek appropriate jobs there. Urban school replacement does not add significantly to present recurrent costs.
6. Enrollment of six-year-olds has been brought up to an acceptable level now, 83 percent. Attention can now be turned from access (quantity) to quality.

Conclusion: The issue has been resolved in that

(a) The project will build Basic Education Schools in all governorates except Cairo and Alexandria. In addition, the Project will not build schools in other big cities such as: Tanta, Mansoura and Zagazig as these areas will be considered urban. Nevertheless, the Project will build schools in small towns such as El-Arish, Hurghada, Safaga, and Marsa Matrouh. Although these areas are named urban, they will not be so considered under this Project.

(b) Other mission projects such as Neighborhood Urban Services and Urban Development Support have facilitated and will continue to facilitate school construction in Cairo, Alexandria, and other urban areas.

2. Construction on Agricultural Lands

One problem has delayed some school construction since mid-1985. authorization to build on agricultural lands. It is not a major problem, but it bears watching.

Before any construction activity takes place, the approval of the Minister of Agriculture must be obtained. All governorates (except Minya) have been able to obtain the approval of the Minister of Agriculture, although it is not very clear what criteria are used for approving or disapproving a site.

In the future, this problem is expected to affect the project in 2 main areas: (1) the site selection process will take more time than before; (2) construction costs will be higher since many sites which will be selected may need special foundations, as sites will be limited in each village to empty areas, such as unbuilt areas, or filled canals.

This problem may affect some districts in some governorates in which most land is agricultural: Dakahleya, Gharbiya, Menoufiya, Kaliobiya, Dumiat. The other 19 Governorates, such as Matruh, North Sinai, South Sinai, Red Sea, New Valley, Ismailia and Suez, should not have such a problem. The problem can be resolved by:

- (a) Building replacement schools of bigger capacities to enroll additional numbers of students if distance is not a major constraint (in areas such as the Delta).
- (b) Transferring unused funds among governorates. This step has never yet been required, but may be needed in emergency cases.

3. Central vs. local financing for Basic Education school construction

The thrust of the Basic Education Project has been and continues to be central (national) financing of school construction. In this case, the central financing is substantially supported through foreign (U.S.) aid.

There are two reasons why one should question heavy central financing of school construction. The first is an historical reason. Historically, most developed and developing countries have a long tradition of substantial local financing of school construction at the primary level (grades 1-6). The second reason is a recent Egyptian political statement. In his State of the Union address of November 30, 1985, the Prime Minister appealed to all Egyptian citizens to contribute, to "make up the difference between the annual requirement (of school construction) and what the State can provide."

Egyptian authorities should be familiar with the many cases of substantial local financing of primary education, including school construction. In Somalia, the local community finances 40% of school buildings through the contribution of labor and building materials. In China, there is an equal contribution from three entities: provincial government; local authority; and the community. In Mexico, the local communities pay for one half of school building. In the U.S., school buildings are generally financed by local school districts with very little if any assistance from federal or state levels.

Charles Benson in his "Economics of Basic Education"^{1/} produced under the technical assistance component of the project has suggested either a local tax or a government system of matching funds which are raised through private contributions.

Conclusion: The issue has been resolved in that

- (a) The problem of local financing has been re-examined during the project amendment design;
- (b) A strategy for increasing local participation has been proposed in Section II. D.

^{1/} Academy for Educational Development, Washington, D.C., 1984, p. 58-59.

4. Financing Mechanism: FAR or no FAR

Under the current system, actual costs of individual schools are paid according to a modified cost reimbursement method. Some members of the Project Committee have suggested a Fixed Amount Reimbursable (FAR) method as one which might be more appropriate. If FAR is not used, in any case, a clear justification is required. This section presents each case, FAR or no FAR,, and a conclusion.

The inducement to use FAR derives from the thought that all over Egypt AID will be financing the construction of schools, most of which follow the same architectural design (see Design in Annex G). It would appear practical to set one fixed average price, say L.E. 120,000. If the actual cost reached L.E. 180,000, the Ministry of Education would have to pay the difference. If one school actually cost only L.E. 60,000, the Ministry could keep the difference. Under the FAR system, some entity, besides AID, would have to handle inspection.

As an example in the Mission of how FAR is applied, one points to the Urban Administration and Development (UAD) Project 263-0066. This project takes place in seven sites in Helwan. AID engineers review specifications, monitor progress and approve final payments. Cost overruns are paid from the project (through an amendment) if they are well justified. If AID does not approve the payments of a cost overrun, the Special Account is used.

To contrast with the FAR system as applied to the UAD project, the Basic Education Project would include the following characteristics:

- Activities in 24 governorates, not one area (near Cairo and accessible by AID engineers) of 1 governorate;
- Over 600 sites, not just 7.

A program that may work in a small area near Cairo would become unmanageable if applied across the whole country.

The argument has been advanced that a modified FAR Agreement could be applied to cover more than one fixed price, given the different categories of schools (accessible schools, remote schools, ones needing special foundations and the like). An examination of the different categories of schools to be built reveals the following diversity:

- Primary or preparatory school
- 6, 9, 12, or 15 classrooms
- Accessible, remote, or very remote
- Types of foundations:
 - isolated footing
 - isolated footing plus connecting continuous beams
 - plain concrete raft
 - reinforced concrete raft.

From all these different construction requirements in various combinations would emanate as many as 96 different prices. With this diversity, the FAR or even modified FAR system begins to lose its attraction. Another fact that makes the pricing more complicated (and any attempt at simplification or generalization more illusory) is that prices change dramatically among governorates, especially remote ones. Prices will change not only among the 24 governorates, but from one district to another within the same governorate; even from one site to another within the same district.

If the FAR were applied, what would be likely to occur in the case of a school's being constructed more cheaply than expected? In principle, the difference should revert to the Ministry of Education (which entity would also be expected to make up the difference in case of a more expensive school). In practice, however, HRDC/ET believes that the Ministry would receive nothing. The entity responsible for contracting is the Housing Department or the City Council, not the Ministry of Education. The Housing Department or City Councils, knowing the fixed average price, in the case of excess funds would use them on improving the quality of tiles or painting, or building a wall around the school -- items considered by AID to be frivolous.

Another way that Housing Departments or City Councils would utilize excess funds or would attempt to increase costs (consequently their profits) would be by unnecessary excavation, filling, leveling, or reinforced concrete. Under the current financing mechanism without FAR, the National Investment Bank provides price control. An example from the Governorate of Qena will demonstrate cost savings under the project which might disappear under FAR. One contractor did not follow the instructions of a soil report and dug an additional three meters for a foundation. The contractor was paid only for the work stipulated in the soil report, for his own additional boring was unjustified.

HRDC/ET estimates that if FAR is used, higher cost estimates will result on the order of 10 percent of the construction costs. That is, close to \$8 million will be needlessly squandered by contractors, Housing Departments, or City Councils taking advantage of the system.

Besides the cost saving just mentioned, another strong justification for not using FAR is that the Ministry prefers the present system. It fears that FAR would add a new and unpredictable burden to its (third chapter) investment budget. The Ministry understands the system that AID presently uses, which mirrors its own system, with one major change. AID insists on more controls than the Ministry by employing the services of the National Investment Bank to assure cost reasonableness.

Finally, perhaps the most persuasive reasons to continue with the non-FAR mechanism are that it has been used under the original Grant Agreement (1981), continued under the First Amendment (1983); it is understood and it works.

To recapitulate, FAR would:

1. Constitute a change from the present system which is understood, and which the Ministry is familiar with;
2. Constitute a change from the present system which works;
3. Introduce several unknowns into a project's second amendment;
4. Incite Housing Departments and City Councils to inflate price estimates;
5. Incite Housing Departments and City Councils to allow unnecessary earth working by contractors, or finishing touches;
6. Be difficult to apply to several school designs all over the country (96 prices);
7. Rely heavily on the Special Account to pay for cost overruns;
8. Require costly construction supervision.

Conclusion: IRDC/ET proposes to continue using the same financing mechanism as at present, that is, modified cost reimbursement (with a 90-day advance) for financing school construction.

5. Commodity Procurement Problems

One of the issues facing this project is the management of the commodity procurement activity.

To clarify this issue let us review the steps of implementation of this activity:

1. MOE writes the specifications
 2. AID reviews and approves these specifications
 3. CBD notice is issued
 4. Offers are received in Cairo on a certain day and hour
 5. MOE reviews offers
 6. Negotiations are held among suppliers and best and final offers are made by suppliers
 7. MOE makes awards
 8. MOE signs contracts (orders) with successful offerers
 9. AID approves these orders (contracts)
 10. Suppliers open letters of guarantee in the name of MOE (5 percent performance bond)
 11. AID opens direct L/COMs in the names of the successful offerors
 12. Suppliers make shipments CIF Alexandria
 13. MOE releases commodities through customs
 14. MOE distributes commodities to schools all over Egypt
- A. The problem in this system is the performance bond, step 10. By the time the MOE receives the commodities, the letter of guarantee is no longer valid. The supplier is paid by AID upon presentation of shipping documents. By the time the MOE discovers mispacking or losses after opening packages in schools, sometimes it is too late to proceed with claims for insurance while on other occasions the supplier is not cooperative in such matters. To overcome such problems, the following steps are recommended:
1. Payment would not be made to any supplier until the MOE acknowledges receipt of clearance documentations.
 2. 80 percent of the payment should be made upon presentation of payment and clearance documentation. The remaining 20 percent should be made upon receiving commodities at port of entry, i.e., Alexandria.
 3. The MOE should inspect a sample of packages to verify if items are in compliance with specifications and number of items per package. Also to verify if there are any losses or missing items. (Payment conditions should be changed to cover these requirements).
 4. The expiration date of the letters of guarantee should be extended to respond to the realistic duration of commodity procurement.
 5. The MOE should instruct all education zones and directorates to instruct schools to open the packages and make inventory to items included in the packages so any claims can be made promptly or the performance bond can be collected to substitute any missing items.

Other problems have surfaced regarding the commodity procurement component. Since 1981, the 15,000 Basic Education schools in the country have received instructional equipment from USAID. The C.I.P. Project financed \$20 million followed by an additional \$20 million from the Basic Education Project. These are \$10 million of instructional materials budgeted for the proposed project amendment.

- B. Project evaluation reports have revealed the following shortcomings regarding the use of project funded commodities.
1. School budgets are inadequate to provide raw materials, for example lumber, cloth.
 2. School budgets are inadequate to maintain equipment, for example to repair a sewing machine or sharpen a saw.
 3. Many teachers do not know how to utilize the equipment properly.
 4. Some teachers do not use the equipment because if it breaks they will be responsible for replacing it.
 5. In schools with double shifts, the one set of equipment is not shared by teachers.

Discussion Point 1: Raw materials. The Ministry's Guide to Basic Education, 1983-84 establishes the materials budget for each Basic Education classroom:

Grades 5-6
L.E.40

Grades 7-9
L.E.60

The evaluation team has found, however, that at least in rural areas, many schools are receiving less than this amount.

Table 18

Percentage of Sample Schools
Receiving less than the Correct Amount
of Money for Their Materials Budget

<u>Years</u>	<u>Grades 5-6</u>	<u>Grades 7-9</u>
1984-85	38%	64%

Discussion Point 2: Maintenance. Schools do not possess a budget for maintenance of equipment. Teachers are expected to keep the instructional equipment in working order. For complicated repairs, the school principal may solicit money from the parent-teacher council. The fact is that neither simple nor complicated repairs are performed in most cases. To keep Basic Education equipment in good repair, the following budget should be available.

Table 19

Required Maintenance
Tasks for Basic Education Equipment
and Their Estimated Cost

<u>Item</u>	<u>Cost</u>
Sharpen saws	L.E. 15
Sharpen scissors	
Replace batteries	
Replace bulbs	
Repair sewing machines	

Discussion Point 3: Teacher use of materials. Observation by USAID officials in the field plus evaluation reports reveals that pupils do not use some materials, particularly carpentry tools, correctly. Hammers are held near the head rather than at the base of the handle; a crosscut saw is used to cut a board lengthwise, children saw through a board and cut into the table; etc. Observing children misusing equipment leads one to believe that their teachers do not teach correct use of tools. And, indeed, one cannot assume that a teacher can instruct the proper use of tools without special training. The Basic Education Guide states that "all teachers must undergo suitable training which must include use of equipment and its maintenance". The evaluation revealed that over 47 percent of 450 teachers interviewed had not attended an in-service training course within the last two years.

Discussion Point 4: Fear of breakage. If a piece of equipment breaks, an inquiry is made as to whether the teacher exercised proper care of the item. If the teacher is found responsible, he is required to pay for the item. Teachers report this to be a rather severe constraint, as the evaluation found in teacher interviews. Many expressed reluctance to use certain pieces of equipment, such as overhead projectors, because of the personal liability.

Discussion Point 5: Double-shift schools. In the situation of a double-shift school, one group of school administrators, teachers, and students meets from 7:30 till 12:00 and another from 12:30 until 5:00 p.m. Although the same building is used, each shift has a different school name and functions autonomously concerning administration, staff, budget, etc. To date only one set of equipment has been delivered to multiple-shift school buildings. This equipment, however, is not shared due to a problem of accountability.

It is not cost effective to furnish multiple-shift buildings with two sets of equipment when one complete set or one plus a few additional items would be adequate. A system for sharing and attributing accountability should be devised.

Conclusion:

Of the 5 Discussion Points above, the following have been resolved: # 1 and 3 by Condition Precedent, Section II. J.e. # 2,4, and 5 will be the subject of discussions with the Ministry's Project Management Committee in a search for a resolution.

6. How to Insure a Viable Technical Cooperation Component

USAID is not one of the main bilateral aid agencies from which developing countries receive financing for school construction. When USAID does agree to support "bricks and mortar" education projects it also makes some commitment to assist the quality of education dispensed in the school buildings it funds. As stated in the 1982 AID Policy Paper on "Basic Education and Technical Training", "support for system expansion should be accompanied by measures to resolve problems of the extant system."

In the course of the project amendment design, HRDC/ET reviewed the technical cooperation component by consultations with evaluators and the technical cooperation contractors.

In the Basic Education Project, 61 percent of the funding has been directed toward capital development in the form of new schools. In simplified terms, USAID addressed the access equity, or "quantity" issue through school construction. Addressing "quality" concerns constituted primarily the raison d'etre or the other components: instructional materials, technical cooperation, evaluation.

The technical component consists of studies prepared by Egyptian-American counterparts on policy-related concerns and issues in the Ministry. The topics for the studies were not defined at the outset, but were identified as the project progressed. See Annex H. 6 for the list of studies being prepared.

Early reports on the technical studies were not favorable. The project evaluators detected "no measurable impact" of the technical studies at the policy or operational level of the Ministry. It must be said here that the Ministry was much less enthusiastic about the technical cooperation (and the evaluation) component than they were about the school construction (and commodity) component. It was as though the Ministry were wondering, "How many schools could have built for the value of the technical cooperation activities?" Consequently, the TA contractor's attempts to interest the Ministry in technical studies were often fraught with difficulties, including delays.

As of mid-1986, the TA component is beginning to have some favorable impact, and it is appropriate to review the lessons learned in order to insure a viable technical cooperation component.

- a. Designate a Ministry official ideally or a consultant to follow up work orders, to decrease chances of reports being left on shelves.
- b. Connect work order topics to key project concerns and if possible to funding cycles. Work orders should not be isolated studies which are allowed to die, but should be built into the chain of project developments, and have internal consistency.

- c. Persuade Ministry officials to review vouchers. Currently the Ministry believes its ICC role includes definition of scope of work, approval of level of effort, budget, and final product. The Ministry considers voucher review to be an accounting function to be performed by USAID.
- d. Write a procurement plan (if there is a good chance that a work order will include commodity procurement).
- e. Adapt IQC (Indefinite Quantities Contract) format, designed for activities lasting less than six months, to a multi-year contract.
- f. Provide U.S. consultants before they arrive in Egypt with detailed scope of work and background papers prepared by their counterparts.
- g. Translate all critical sections of reports into Arabic - Translating the executive summary only is insufficient, for most members of the Ministry responsible for work orders do not read English fluently.
- h. Provide interpreting and translation services for the U.S. consultants.

Conclusion: The issue has been resolved in that the plans for the technical cooperation component in the future, including the terms of the IFB, will take account of the above lessons learned.

7. Increase in anticipated project cost from \$ 93 million to \$105 million

Discussions concerning the proposed amendment began in August 1984 between AD/HRDC and the Minister of Education with an illustrative budget of \$93 million figured at the exchange rate of \$1= 0.83 L.E. The \$93 million remained through the Concept Paper stage, at which time HRDC/ET and the MOE agreed that an expansion to 24 Governorates from the existing 10 was called for.

As the planning progressed, however, several events took place and several realizations were made:

1. MOE produced a ten-year educational plan whereby 27,010 classrooms were needed by 1995. Helping MOE to reach this target will require significantly more funds than \$93 million at 0.83 L.E. exchange rate.
2. MOE and USAID settled in 1980 for an enrollment rate of first-grade-age children of 83 percent as a target. By 1986, MOE has raised its target to 95 percent, or virtually full enrollment. While USAID considered in 1980 an assistance program targeted at 95 percent enrollment, this option was discarded as being too ambitious at the time. Now, however, the 95 percent rate is considered by both MOE and USAID as within reach.
3. As the school maps were produced over the last few months, precise planning could begin concerning construction locations in isolated sites. Building in 24 Governorates turned out to involve more isolated sites and therefore more costs than originally presumed.
4. Due to factors of scale, it does not make sense to "gin up" the building contract apparatus in, say, New Valley, Marsa Matruh, or in the Sinai, for less than a critical mass of schools.
5. During recent months, HRDC/ET discussed the more realistic estimation of a project budget with AD/HRDC and with DPPE/PO. The AD/HRDC advised that \$93 million was not a "sacred figure," that the Project Paper Amendment Team should first examine the total need, and determine what part of that need USAID can justify contributing.

6. The conclusion of HRDC/ET's budget estimates were a new total of \$105 million calculated at the 1.35 L.E. rate of exchange for the USAID contribution. Compared to \$93 million at 0.83 L.E. presented in the Concept Paper, this new total represents an increase of 161 percent when one converts the pound portion from dollars.

Conclusion: The issue has been resolved in that

(a) design work performed from the time of the Concept Paper (September 1985) until that of the Project Paper Agreement (May 1986) has produced a more realistic estimate of project costs

(b) HRDC/ET has revised upwards financial support of the Ministry's program of Basic Education. USAID will meet 20% of the school construction need; in the present project it is meeting 17% of the need (see Section II. B. I.).

8. Readiness to authorize and obligate funds for certain components

As presented in the Inputs and Outputs Section II.B., a few project components will not be entirely defined until studies are made. This is the case for:

- Instruction materials
- Special education
- Curriculum printing
- Teacher education

The question has been asked: is AID ready to authorize and obligate funds at the outset for such activities?

The first answer is that AID does not intend to obligate funds for these activities in FY 86.

The second answer is that funding sources under the current \$85 million project will be used to cover or partially cover the cost of some studies: the technical cooperation line item; the technical cooperation support; research and development. The third answer is that although component details are not yet defined, for some areas, such as instructional materials, the process as well as typical products are known. The new products and process would be similar to the past ones.

HRDC/ET believes that since the need for the above components has been recognized by the Ministry of Education and by USAID/Cairo; since planning for their implementation has begun; since similar products and processes have been involved before under the present project that USAID/Cairo should authorize at the outset all pertaining funds. If additional waivers or other unexpected actions are necessary, they can be handled subsequently.

As the obligation schedule (see Financial Plan II.G.) demonstrates, no obligations in FY 86 apply to those components with undefined parameters.

Conclusion: HRDC/ET proposes that the totality of \$105 Million under this Amendment be authorized at the outset.

9. Maintenance of Basic Education Schools

During the Executive Committee Review of this Project Paper Amendment on June, 5 1986 the question of school maintenance arose. Currently, maintenance is treated in the document in one place, the logical framework under assumptions: "The Ministry will maintain classrooms." This mention was judged insufficient.

The Executive Committee requested that school maintenance be assured through a provision in the project, and that it become a responsibility of the local community. Indeed, the question of maintenance arose in the context of different forms which local participation could take in addition to land donation or a percentage of construction costs.

When a school is handed over by the contractor to the Ministry of Education officials in the Governorate, the school becomes the property of the Ministry. The Ministry becomes responsible for maintenance of the school, under second chapter funding. The annual budget of the Ministry for primary, preparatory, and secondary school maintenance is Nine Million Egyptian Pounds. This budget is determined in negotiation between the Ministers of Finance and Education and sent to the Governorate Education Zones.

While local communities may contribute and have contributed in some instances to maintenance costs, this is unusual. Local communities have rather contributed in the following ways:

- donation of land
- donation of labor
- building a fence or wall
- building an additional classroom or workshop

HRDC/ET has discussed with the Ministry how to implement school maintenance in a rigorous way. The following agreement has been reached.

How is school maintenance defined? School maintenance will be defined in the following way for Basic Education schools:

1. Toilets functioning
2. Washbowls functioning
3. No plumbing leaks
4. Sanitary tanks not overflowing
5. Masonry intact
6. Carpentry intact
7. No broken furniture
8. No broken windows
9. No broken tiles
10. Light bulbs working
11. Exterior painting adequate
12. Interior painting adequate

Who is responsible for inspecting school maintenance? Through a PIL Amendment, HRDC will add "inspections for school maintenance" to the duties performed by the National Investment Bank (NIB). The NIB visits each site five times to review construction. The NIB will now visit each site a sixth and seventh time to inspect maintenance. Each visit will be reimbursed at the going rate of 30 L.E. per visit.

How will the inspection be reported? HRDC/ET will give the NIB a form on which to assess the quality of maintenance. The form will include a conclusion, "Action required" or "No action required." The results will be forwarded by NIB to the Education Zones in the Governorates with copies to the Ministry and HRDC/ET. If action is required to improve maintenance, the Ministry will write the Education Zone in the Governorate. The Zone will decide who will actually make repairs (Zone staff, Housing Department, City Council, local community, etc). The NIB will make a seventh visit to see whether the necessary repairs have been made. The Ministry retains overall responsibility for maintenance.

How will the maintenance performance be judged and eventual sanctions taken? HRDC/ET will review all maintenance reports sent by the NIB. In many cases, it is expected that repair actions will be necessary. It is also expected that the repairs will be carried out and certified as such in subsequent NIB reporting. If HRDC receives substantial evidence that schools in a particular Governorate systematically exhibit poor maintenance, USAID may withhold further funding to that Governorate for school construction by invoking Section 5.5 of the Grant Agreement (a covenant). AID's right to do so will be made explicit in the Grant Agreement. The AD/HRDC will make this decision, based on a recommendation from NIB and HRDC/ET.

Conclusion: The issue has been resolved in that a plan has been developed to monitor and improve maintenance of USAID-funded school buildings. The presence of substantial evidence in a Governorate of inadequate school maintenance may result in a withholding by USAID of future school construction funds for that Governorate. Local participation will be solicited in construction contributions, as outlined in Section II.D. Opportunities for local participation in maintenance will be examined in the study on "Local Participation in Financing Education", as noted in the grant agreement.

II. J. Conditions Precedent and Covenants

1. Conditions Precedent

- a. Condition Precedent concerning design of Basic Education schools. Prior to any disbursement of funds under the present Amendment for Basic Education schools, the Cooperating Country shall, except as AID may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

A proposed school design accompanied by a written statement concerning the recommendations included in "Basic Education School Design, Prepared for the Ministry of Education, Arab Republic of Egypt, April 1985, by the Academy for Educational Development, Inc. under contract by USAID".

Termination date 120 days from the day of signing the Amendment.

- b. Condition Precedent concerning schools for handicapped children. Prior to disbursement of funds under the Present Amendment for handicapped schools, the cooperating country shall, except as AID may otherwise agree in writing, furnish in form and substance satisfactory to AID:

A proposed training center/school design accompanied by a written statement concerning the recommendations included in the report under work order No. 7 to be produced by the Academy for Educational Development for the Ministry.

Termination date 540 days from the day of signing the Amendment.

- c. Condition Precedent concerning demonstration or model schools. Prior to disbursement of funds under the Present Amendment for demonstration or model schools, the cooperating country shall, except as AID may otherwise agree in writing, furnish in form and substance satisfactory to AID:

A proposed budget accompanied by a written statement concerning the recommendations included in the report under work order No. 9 to be produced by the Academy for Educational Development for the Ministry.

Termination date 540 days from the day of signing the Amendment.

- d. Condition Precedent concerning production of textbook and other printed materials. Prior to any disbursement of funds under the Present Amendment for the production of textbook or other printed materials, the cooperating country shall, except as AID may otherwise agree in writing, furnish to AID in writing and substance satisfactory to AID:

A proposal funded under the Research and Development portion of the technical cooperation project component concerning what materials should be produced under the Present Amendment for what Basic Education audience by what means, in which fields, at which levels.

Termination date 540 days from the day of signing the Amendment.

e. Conditions Precedent concerning GOE support for utilization of instructional equipment and materials.

Prior to any disbursement of funds under the Present Amendment for instructional materials and equipment, the cooperating country shall, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

Evidence that recommendations of the evaluation reports are taken into consideration and that the following three necessary actions are being taken to ensure effective utilization and maintenance of the instructional materials and equipment:

1. Train in-service and pre-service teachers on the use of AID-funded equipment.
2. Maintain recurrent expenses budget (2nd Chapter) to cover purchase of adequate materials used in practical subjects, specifically provision of L.E. 60 per preparatory class per year and L.E. 40 per primary class per year.
3. Assure that funds for maintenance of equipment are provided adequately.

Termination date 360 days from the day of signing the amendment.

COVENANTS:

The following new covenant is added:

In the event project-financed schools in one or more Education Zones are systematically not maintained by the Grantee to an acceptable standard, as evidenced by reports of the National Investment Bank, A.I.D. may withhold additional funding of new school construction in the affected Education Zone until satisfactory corrective action is taken.

There are 9 covenants. Each one has been complied with under the present project, and is also applicable to the proposed Amendment.

ANNEX A

SECOND
AMENDMENT

TO PROJECT AUTHORIZATION

Name of Country: Arab Republic of Name of Project: Basic Education
Egypt

Number of Project: 263-0139

1. Pursuant to Section 532 of the Foreign Assistance Act of 1961, as amended (the "Act"), the Basic Education Project was authorized on August 18, 1981, and amended on August 26, 1983. The authorization is hereby further amended as follows:

a. Paragraph 1 is amended to read as follows:

Pursuant to Section 532 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Basic Education Project for the Arab Republic of Egypt involving planned obligations of not to exceed One Hundred Ninety Million U.S. Dollars (\$190,000,000) in grant funds over a nine year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process to help in financing foreign exchange and local currency costs for the project. The planned life of project is ten years from the date of initial obligation.

b. A new paragraph 3(a) is added as follows:

Project Grant Agreement Amendments, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

c. New requirements precedent are added at the end of paragraph 4(a) and shall be included in appropriate Amendments to the Grant Agreement substantially as follows. Requirements contained in paragraphs numbered 6, 7, 8 and 9 below shall be included in Amendments to the Grant Agreement as funds are obligated for the components referenced therein.

5. Design of Basic Education Schools. Prior to disbursement, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, of funds authorized under this Second Amendment, the Grantee shall except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in satisfactory form and substance, a proposed school design accompanied by a written statement addressing recommendations included in the paper "Basic Education School Design," dated April, 1985, prepared for the Ministry of Education by the Academy for Educational Development, Inc. (AED).
6. Schools for Handicapped Children. Prior to disbursement, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, of funds for schools for handicapped children, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish in satisfactory form and substance, a proposed training center/school design accompanied by a written statement addressing recommendations included in the report developed under Work Order No. 7 of the contract between AED and the Ministry of Education.
7. Demonstration Schools. Prior to disbursement, or issuance by A.I.D. of documentation pursuant to which disbursement will be made, of funds for demonstration schools, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in satisfactory form and substance, a proposed budget for demonstration schools accompanied by a written statement addressing the recommendations included in the report developed under Work Order No. 9 of the contract between AED and the Ministry of Education.
8. Production of Textbooks and Other Printed Material. Prior to disbursement, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, of funds to assist in production of textbooks, and other printed materials, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in satisfactory form and substance, a plan developed under the research and development portion of the Project's technical cooperation component specifically describing the types of material to be produced.
9. Instructional Equipment and Materials. Prior to disbursement, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, of any additional funds for instructional equipment and materials, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in satisfactory form and substance, evidence that the following actions are being taken to ensure utilization and maintenance of instructional equipment and materials:

1. In-service and pre-service teachers are being trained in the use of instructional equipment and materials;
 2. The Ministry of Education's recurrent expenses budget is maintained at a level adequate to cover the purchase of sufficient quantities of materials used in practical subjects; and
 3. Adequate funds have been budgeted for maintenance of equipment.
- d. The covenant set forth at Section 5.5 of the Grant Agreement shall be amended to include a provision substantially as follows:

In the event project-financed schools in one or more Education Zones are systematically not maintained by the Grantee to an acceptable standard, as evidenced by reports of the National Investment Bank, A.I.D. may withhold additional funding of new school construction in the affected Education Zone until satisfactory corrective action is taken.

2. Based on justification set forth in Annex M1 to the Second Project Paper Amendment, I hereby waive the dollar limitation, set forth in AID Handbook 1, Supplement B, Chapter 18, Section 18A4b, on total project purchases of imported shelf items of Code 899 origin. In addition, based on justification in Annex M2, I determine that, for bulk cement, steel reinforcing bars and wood purchased locally from normal commercial inventories, items of free world origin cannot be reasonably distinguished or segregated from items of non-free world origin and hereby waive origin requirements for these specific items. The \$5000 unit price limitation, stated in the above cited Section 18A4b, will continue to apply to all non-Code 941 origin and non-indigenous shelf items.

3. Based on justification set forth in Annex M3 to the Second Project Paper Amendment, I hereby waive restrictions in USAID/Cairo Mission Order 3-10 prohibiting payment of incentives, per diem and travel expenses to employees of the cooperating entity. Guidelines for making such payments will be set forth in Project Implementation Letters.

4. Based on justification set forth in Annex M, I hereby concur in the recommendation that the Ministry of Education use AID Regulation 1 negotiated procurement procedures for the procurement of instructional equipment and materials, except as A.I.D. otherwise agrees in writing.

5. The authorization cited above remains in force except as hereby amended.

Frank B. Kimball
3 June 1983
Date

Clearances:

- HRDC/E&T: Stephen Grant Sg
- AOD/HRDC/ET: William Charleson W
- AD/HRDC: Bernard Wilder BW
- AD/DPPE: George Laudato GL
- SLA/LEG: Kevin O'Donnell CO
- AD/FM: Terrence McMahon TM
- DDIR: Arthur M. Handly AH

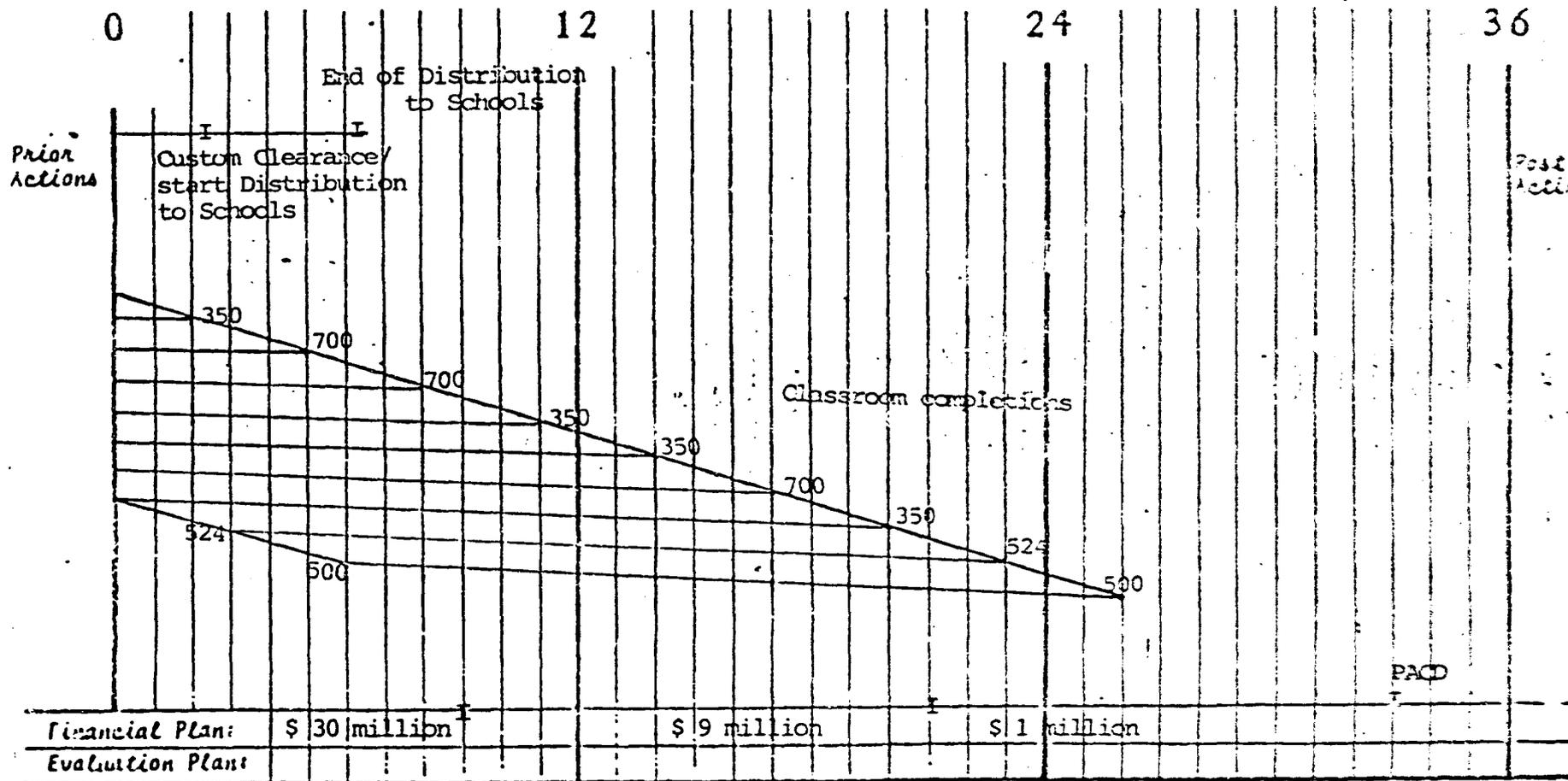
Project Title & Number: Basic Education Project 263-0139 PP Amendment No. 2

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>Enhance GOE efforts to improve the physical quality of life</p>	<p>Measure of Goal Achievement:</p> <p>Literacy rates among rural youth increased</p>	<p>Census data Project Evaluation</p>	<p>Assumptions for achieving goal targets:</p> <p>Literacy is a BHN impacting favorably on the physical quality of life.</p> <p>Formal primary education is an effective means of literacy training</p>
<p>Project Purpose:</p> <p>Expand enrollments and increase the efficiency of Basic Education (grades 1-9)</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <p>Enrollment rates of first grade age children increased to 95% in 24 governorates.</p> <p>Educational commodities used in grades 5-9 in 15,000 schools plus teacher training centers. In-service teacher training program reinforced. Improved program for educating the handicapped. Technical studies produced and implemented. Evaluation studies produced and recommendation implemented curricular materials developed.</p>	<p>Education zone enrollment and attendance reports. Project evaluation. Technical studies.</p>	<p>Assumptions for achieving purpose:</p> <p>Classroom shortages constrain enrollment. MOE will provide teaching staff. MOE will maintain classrooms. Relevant practical materials and equipment will enhance learning.</p>
<p>Outputs:</p> <ol style="list-style-type: none"> 1. New Classrooms used 2. Educational Commodities used 3. Enhanced program for educating the handicapped 4. Better trained in-service teachers. 5. Curricular materials printed and used 6. Technical studies used to improve program 7. Evaluation reports used to improve program 8. School construction program with sound engineering and reasonable cost 9. Effective MOE management and implementation. 	<p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> 1. Approximately 5574 classrooms built 2. Commodities used in 15,000 schools 3. 4 centers built and operating 4. 10,000 teachers trained 5. Printed materials used in 15,000 schools 6. 18 studies produced 7. 2 reports produced 8. 5574 classrooms inspected and 500 contractors paid reasonable prices 9. All project components completed on time. 	<p>Education Zone and Ministry reports Project Evaluation Contractor reports NIB reports Technical studies Classroom observation</p>	<p>Assumptions for achieving outputs:</p> <p>Adequate administrative capacity is, NIB, Housing Depts., Education Zones, Ministry.</p> <p>Adequate supplies and timely delivery of construction materials and educational commodities</p> <p>Adequate availability and performance of building contractors</p> <p>GOE remain committed to providing free universal education to all children in grades 1-9.</p>
<p>Inputs:</p> <p>USAID grant GOE contribution</p>	<p>Implementation Target (Type and Quantity)</p> <p>USAID \$105 Million GOE \$122 Million Total \$227 Million</p>	<p>USAID financial records GOE reports Ministry reports NIB reports</p>	<p>Assumptions for providing inputs:</p> <p>GOE investment in Basic Education sufficient to keep up with population growth</p> <p>Acceptable list of instructional materials and equipment</p> <p>Acceptable school designs</p> <p>Community donated or GOE purchased building sites</p>

PROJECT PERFORMANCE TRACKING (PT) (Continued)

Country: Egypt	Project No: 263-0139	Project Title: Basic Education	Date: May 86	/ / Original / X / Revision #	PPT app.
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or FY: CY	89				90				91															
Month:	Oc	No	De	Ja	Fe	Mr	Ap	My	Jn	Jl	Au	Se	Oc	No	De	Ja	Fe	Mr	Ap	My	Jn	Jl	Au	Se



1947 Classrooms
\$24 million

1947 Classrooms
\$26 million

1947 Classrooms
\$29 million

PACD

Annex C

Satisfaction of Section 611(a) of FAA 1961 as Amended

To meet the requirements of 611 (a), this amendment must demonstrate that, to the extent technical, financial and engineering plans are needed to carry out the project, such plans have been made. The amendment must also demonstrate that there exists a reasonably firm estimate of the cost of providing the assistance.

The proposed amendment constitutes in its essence an expansion to 24 governorates of school construction currently carried out in 10 governorates. The same technical, financial, and engineering plans applied to the 10 governorates over the past 5 years will be used for the project expansion. The Project Paper Amendment sections II D on Administration and II F on Implementation contain specific descriptions of the technical, financial, and engineering mechanisms employed. Section II E on Finances contains information on costs.

There exist two new features of the present Amendment which bear special mention. In the area of construction, facilities may be built to accommodate handicapped children. AID has not yet seen Ministry architectural plans for such schools. A Condition Precedent, however, has been included in Section II. J. (c.) whereby any proposed school design for handicapped children be approved by AID.

Secondly, the Ministry of Education is being encouraged to seek a percentage of its Project-funded instructional materials from among local suppliers rather than to procure all commodities from U.S. firms as in the past. There is no precedent in this project for local procurement. In collaboration with the Office of Commodity Procurement, Ministry of Education and the AID/Cairo Office of Commodity Management and Trade HRDC/ET will examine ways to encourage local procurement and determine how local contracting can be added to the contracting currently carried out with U.S. suppliers.

Certification Pursuant to Section
611(e) of FAA 1961 as Amended

Background

The Basic Education Project was authorized in 1981 with the goal of enhancing Egyptian Government efforts to improve the physical quality of life in Egypt as measured by increased literacy among rural growth. The purpose of the project is to expand enrollments and increase the efficiency of Basic Education.

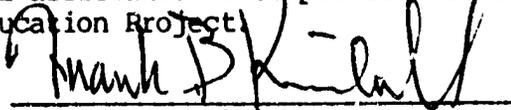
By far the principal component is school construction. Of second importance is procurement, delivery, and utilization in the schools of instructional materials. Finally, three less costly but vital project elements are teacher training; technical services; and evaluation.

The capital assistance provided by the Project will consist primarily of school buildings for youngsters in primary schools (grades 1-6) or preparatory schools (grades 7-9), or combined schools for grades 1-9 in rural areas of up to 24 selected governorates. Secondly, construction of teacher training facilities and schools for handicapped children will also be provided.

Under the Project to date, over 250 schools have been built in 6 governorates. The GOE has five years of Project experience in school construction maintenance and utilization.

Certification

Consequently, I, Frank Kimball, Director, the principal officer of the Agency for International Development in Egypt, having taken into account, among other things, the maintenance and utilization of projects in Egypt previously financed or assisted by the United States and technical assistance and training planned under this Project do hereby certify that in my judgment Egypt has both the financial capability and the human resources to effectively install, maintain and utilize the capital assistance to be provided to the Ministry of Education under the Basic Education Project.


FRANK B. KIMBALL

DATE: 13 JUL 1986

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only:

B.1. applies to all projects funded with Development Assistance loans, and
B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

Yes.

Yes - see attachment

A. GENERAL CRITERIA FOR PROJECT

1. FY 1986 Continuing Resolution Sec. 524; FAA Sec. 634A.

Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.

Congress has been notified in accordance with regular Agency practice.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes.

Yes. See Annex C

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

Only action is customary ratification by the People's Assembly. This has been obtained without difficulty in the past.

4. FAA Sec. 611(b); FY 1985 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.)

N/A.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

Yes. See Annex D.

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

No.

7. FAA Sec. 601(a). Information and conclusions whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

a) Project involves importation of educational commodities from U.S.

b) Procurement of commodities, construction services and technical assistance will be on a competitive basis.

c) No perceptible impact.

d) No perceptible impact.

e) By increasing delivery of basic education and improving literacy rates, project will have positive impact on efficiency in these areas.

f) No perceptible impact.

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

This PP amendment will finance a significant amount of educational commodities and TA from U.S. private sector sources.

9. FAA Sec. 612(b), 636(h); FY 1986 Continuing Resolution Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

The host government is providing approximately 40% of local costs associated with classroom construction or renovation.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

Egypt is not at present declared an "excess" or "near excess" currency country.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes.

12. FY 1986 Continuing Resolution Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

N/A.

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program take into consideration the problem of the destruction of tropical forests?

Yes.

N/A.

14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

N/A.

15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

No.

16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

N/A.

3. Economic Support Fund Project
Criteria

a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of part I of the FAA?

Yes.

Yes.

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

No.

c. ISDCA of 1985 Sec. 207. Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified

No.

that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States?

- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

N/A.

5c(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?

Yes.

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him??

Yes. Procurement will be from the U.S. and Egypt.

3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?

Egypt does not so discriminate.

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

N/A.

5.

FAA Sec. 604(a). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FAA and which are otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries?

No.

6.

FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?

Project will comply with cargo preference requirements.

7.

FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes.

Yes.

8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes.
9. FY 1986 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? Construction component consists of nationwide construction of relatively simple school buildings. Project will use designs proposed by U.S. consultant.
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? Yes.
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)? N/A.

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N/A.

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A.

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes.

4. Will arrangements preclude use of financing:

a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec. 526. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo Yes.

sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

Yes.

b. FAA Sec. 488. To reimburse persons, in the form of cash payments, whose illicit drug crops are eradicated?

Yes.

c. FAA Sec. 620(g). To compensate owners for expropriated nationalized property?

Yes.

d. FAA Sec. 660. To provide training or advice or provide any financial support for police, prison or other law enforcement forces, except for narcotics programs?

Yes.

e. FAA Sec. 662. For CIA activities?

Yes.

f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained?

Yes.

- g. FY 1986 Continuing Resolution, Sec. 503.
To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes.
- h. FY 1986 Continuing Resolution, Sec. 505.
To pay U.N. assessments, arrearages or dues? Yes.
- i. FY 1986 Continuing Resolution, Sec. 506.
To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)? Yes.
- j. FY 1986 Continuing Resolution, Sec. 510.
To finance the export of nuclear equipment, fuel, or technology? Yes.
- k. FY 1986 Continuing Resolution, Sec. 511.
For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Assistance will not be provided for this purpose.
- l. FY 1986 Continuing Resolution, Sec. 516.
To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Arrangements preclude use of project funds for this purpose.

97-19

ARAB REPUBLIC OF EGYPT
MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION
DEPARTMENT FOR ECONOMIC COOPERATION
WITH U.S.A.

CC 568

Aug. 5 , 1986

Mr. Frank B. Kimball
USAID Director
USAID / C

ACTION TO	HRDC	DIR
ACTION TAKEN		DATE 8/11/86
MAN	✓	INITIALS <i>sq</i>

Dear Mr. Kimball:

With reference to AID's letter dated July 28, 1986, and pursuant to my letter of Feb. 24, 1986, regarding the Basic Education Project. I would like to clarify that the project expansion from 10 to 24 governorates will primarily require an amendment in the amount of \$105 million, over the years 1986 - 1991.

Consequently the present project of \$85 million should be augmented by \$105 million to equal a total of \$190 million.

Best regards.

Sincerely yours,

Ahmad Abdel Salam
~~Ahmad Abdel Salam~~ Zaki
Administrator.

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97-

Annex E

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١٤٠٤
ارباذكر رقم المنحة



ARAB REPUBLIC OF EGYPT
MINISTRY OF PLANNING AND INTERNATIONAL COOPERATION

DEPARTMENT FOR ECONOMIC COOPERATION
WITH U.S.A.

148

Feb. 24, 1986

Mr. Frank B. Kimball
AID Director
U.S. Embassy
Cairo, Egypt,

ACTION TO	MPDC	FM
ACTION TAKEN		DD
DATE		DIR
INITIALS		DPPE
		3/6
		Sy

Dear Mr. Kimball:

Pursuant to my letter of Feb. 12, 1986 regarding the Basic Education Project, I would like to clarify that the project expansion from 10 to 24 governorates will require an Amendment in the amount of \$ 93 million, over the years 1986-1990.

Consequently the present project of \$ 85 million should be augmented by \$ 93 million to equal a total of \$ 178 million.

Best regards.

Sincerely yours,

Ahmed Abdel Salam
Ahmad Abdel Salam Zaki
Administrator.

memorandum

DATE: 03 June 1986

REPLY TO
ATTN OF: DR/UAD, *John C. Starnes*, Mission Environmental Officer

SUBJECT: BASIC EDUCATION PROJECT (263-0139)
Project Paper Amendment

TO: HRDC/ET, Stephen H. Grant

I have reviewed the proposed Project Paper Amendment for the Basic Education Project.

The nature of the project will not be changed, only the scale. The project will be expanded to serve additional governorates. Therefore, I concur that the initial Negative Determination remains valid. Environmental clearance for this amendment is hereby granted.

Please change the heading for Annex F from "Environmental Impact Statement" to "Environmental Analysis".

CC:
AID/W, ANE/PD/ENV, SLintner
AD/DR, FZobrist
DOD/UAD, FMiller
DR/UAD, CScheibal

ID#BE86

Project Background^{1/}

Compulsory free elementary education was proclaimed in the Egyptian constitution, Article 19, in 1923. However, lack of facilities and financial support prevented the early provision of broad educational opportunities for the population in general. It was not until the Revolution of 1952 under Gamal Abdul Nasser that a serious attempt to provide a broad-based education system began. The five-year plan for 1955-60 included within its provisions the goal of promoting universal primary education within a ten-year period. And indeed, in the period between 1956 and 1966, a number of impressive advances in education took place.

In law #213 of 1956, education from grades one through six was declared compulsory and subsequently a number of measures were taken to encourage voluntary compliance with the provision; in 1962, the system was declared tuition free; and between 1956 and 1966 school facilities were built across Egypt to provide for the rapidly expanding enrollments. However, in the 1970s the system struggled to keep up with the popular demand for education. Between 1967 and 1977, a decade of military spending and economic depression halted the construction of school facilities, resulting in severe overcrowding and general decline in the quality of Egyptian education. By the end of the 1970s, 60 percent of elementary schools and 30 percent of preparatory schools had a two-shift school day.

Despite adverse conditions in the decade of the 1970s, enrollments in primary and preparatory levels increased overall, 13 and 69 percent, respectively. In 1976, 43.5 percent of all Egyptians had experienced some schooling (including 29 percent of women). By the school year 1978-79, 68.2 percent of relevant age primary school and 59 percent of preparatory school children were enrolled. Of these enrolled children, females comprised 40 percent.

Despite general important advances in the educational system, access to education is still not equally available to all Egyptian children. Major disparities are still found between males and females, urban and rural, and Upper and Lower Egyptians. In 1977-78, from among six- to twelve-year-olds, 90 percent were enrolled in urban areas and 62 percent in rural areas; girls enrolled 86 percent of the time in urban and 46 percent in rural areas. Girls' ratios of total enrollments have remained a fairly static 35 to 40 percent between 1965 and 1979. However, the absolute number of females out of schools has been increasing as a result of an ever-expanding population base.

^{1/} Taken from Creative Associates, Inc. "Study of USAID Contributions to the Egyptian Basic Education Program, Second Annual Report, September 1985", pp viii -xi.

Education plays a significant role in Egyptian life. It affects social mobility, the level and distribution of income, and the quality and quantity of the work force. Education contributes to a well-informed citizenry and to the realization of the full potential and self-esteem of individuals. Because of the important consequences to the nation and to its citizens, the MOE laid plans in the early 1980s to overcome the deficiencies hindering the expansion of school enrollment and attainment, especially among less-advantaged populations of the country.

In 1981, compulsory education was extended from six to nine years, under a Basic Education curriculum that was to increase the efficiency and skill level of students in both academic and practical course areas. With the cooperation of USAID, the MOE also embarked on an ambitious program to increase the number of institutional facilities available to school children, under the assumption that lack of facilities was a main hindrance to educational participation.

The 1950s and early 1960s saw an extraordinary volume of school construction as Egypt set about accomplishing the goal of universal free education. This activity was interrupted by the large share of the Egyptian budget allocated to national defense in the late 1960s and early 1970s. In the late 1970s, attention returned to school building, which by that time had fallen seriously behind population growth. On September 20, 1982, Minister Mustafa Kamal Helmy announced that the five-year plan to meet the new needs of an expanded student body envisioned construction of almost 2,000 primary and preparatory schools with annual allocations increased for education to LE 102 million from a then current rate LE 71 million. An agreement was reached between USAID and MOE for an extensive new school-building program aimed specifically at reaching educationally disadvantaged rural populations.

To make most effective use of limited resources, MOE chose to begin building schools in governorates where rural enrollments and enrollments of girls were particularly low, identifying in the first phase of the project the governorates of Kafr El Shiekh, Beheira, Assiut, Sohag, and Qena. Specific sites within the governorates were chosen after the MOE prepared up-to-date school maps that identified the areas most lacking in facilities. A basic criterion set a two-kilometer minimal distance between location of a new school and already existing facilities.

MOE officials worked with local citizens to obtain donations of land for the schools, and construction was financed by USAID in such a way as to ensure rapid completion of the buildings. A standard school building design was used, the basic module being classrooms for grades one through six, expandable to grades one through nine, electricity, water facilities, and indoor toilets. This initial design resulted in an easily constructed, inexpensive, and utilitarian school.

By the late 1970s, the primary and preparatory schools in Egypt lacked not only appropriate facilities but also instructional equipment in the classrooms. With the advent of the Basic Education program, it became imperative to provide equipment for teaching the practical courses in the primary and preparatory schools. Also, it was necessary to upgrade equipment in the science classrooms, because much of the equipment was worn-out or obsolete and many schools had none.

As part of the general agreement between USAID and the Government of Egypt to support the Basic Education program, the Commodity Import Program was used to supply the requisite equipment. The Ministry assembled meetings of supervisors in the practical courses, science, and social studies, and charged them with drawing up lists of equipment needs. After the lists were determined, a system was devised for tendering, purchasing, receiving, storing and distributing the equipment to the schools.

Once the school construction and commodities programs were established and operating well, USAID and Ministry officials turned their attention to the matter of how to provide the Ministry with appropriate expertise in technical areas such as curriculum development or teacher education, on an on-call basis over a period of time long enough to ensure adequacy of input.

Consequently, a decision was made to set up a three-year, host-country, time-and-effort contract through the Ministry of Education for the provision of technical assistance in support of the Basic Education Program. It was felt that such a contract would provide the Ministry of Education with the flexibility to call on expertise as needed and to adjust work efforts easily to fit new needs that might arise. The host country contract was awarded in 1983 to the non-profit educational planning firm, the Academy for Educational Development in Washington, D.C. The Academy has a subcontract with Team, Misr of Cairo. The contractor has recently been granted a one-year no-cost extension.

After "school construction," "commodities," and "technical assistance," the fourth project component is "evaluation." Annex H.7. describes this component in some detail.

The following information is also useful for background material for understanding the Basic Education system.

Location

If a traveler follows the Nile from Upper Egypt down to either branch in the Delta, he cannot miss seeing every few kilometers a Basic Education school. The schools are concrete structures, two or three stories high and house grades 1-6, 7-9, or combined 1-9. The schools are located in villages, between villages, in towns, and cities. USAID financed schools are almost all in villages or between villages. The locations are determined by the Ministry

of Education after proposals from local and regional education authorities. A series of USAID-financed school maps are consulted to judge where schools are lacking. Many schools are built near agricultural land. It is common to find schools in the delta near cotton or rice fields and in Upper Egypt near sugar cane fields. The Ministry of Agriculture must approve school sites on agricultural land.

Length of Schooling

Schools are in session for 250 days in the year from early October till early June. The length of the school day changes for the pupil depending on the number of shifts in the school.

Single Session

8:00 - 2:30

o'clock

Double Session

7:30 - 11:30
12:30 - 4:30

o'clock

Triple Session

7:00 - 11:00
11:30 - 3:30
4:00 - 6:30

o'clock

On Mondays and Thursdays the school day in a single session school is somewhat shorter, ending at 12:30.

Exterior Appearance

Most Basic Education schools look alike. They form is an "L", with classrooms on the "long" side. The "short" side is devoted to the principal's office, a faculty room, a staff lavatory, and the stairs. Separated from the main building is an annex built for boys and girls lavatories. This annex contains storage room and a place transformed into a prayer alcove. Schools are often painted beige with gray trim. All schools have water and electricity, funded under the project if unavailable before. Classroom windows have thin iron bars bars on them, as protection against courtyard football games and other hazards. Some schools are surrounded by fences or brick walls funded by the school community.

Courses offered

Courses offered in Basic Education Schools are divided between those in Primary (1-6) and in Preparatory (7-9) Grades. The chart below presents course subjects followed by the number of periods of instruction (45 minutes) per week.

Table 20
Basic Education Subjects and
Schedule in Hours per Week

Subject	Primary Grades						Preparatory Grades		
	1	2	3	4	5	6	7	8	9
Religion	3	3	3	3	3	3	2	2	2
Arabic	10	10	10	9	9	9	6	6	6
Mathematics	6	6	6	6	6	6	5	5	5
History	-	-	1	1	1	1	-	-	-
Geography	-	-	1	1	1	1	-	-	-
Civics, social studies	-	-	1	1	1	1	3	3	3
English or French	-	-	-	-	-	-	5	5	5
Music	2	1	1	1	1	1	1	1	1
Science, Hygiene	-	2	2	3	4	4	4	4	4
Fine Arts	2	2	2	2	2	2	1	1	1
Physical Education	3	3	3	2	2	2	2	2	2
Environmental Observation	1	1	-	-	-	-	-	-	-
Home Economics, agric	-	-	1	1	-	-	-	-	-
Practical Training	-	-	-	-	4	4	5	5	5
<u>Total</u>	<u>27</u>	<u>28</u>	<u>31</u>	<u>30</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>	<u>34</u>

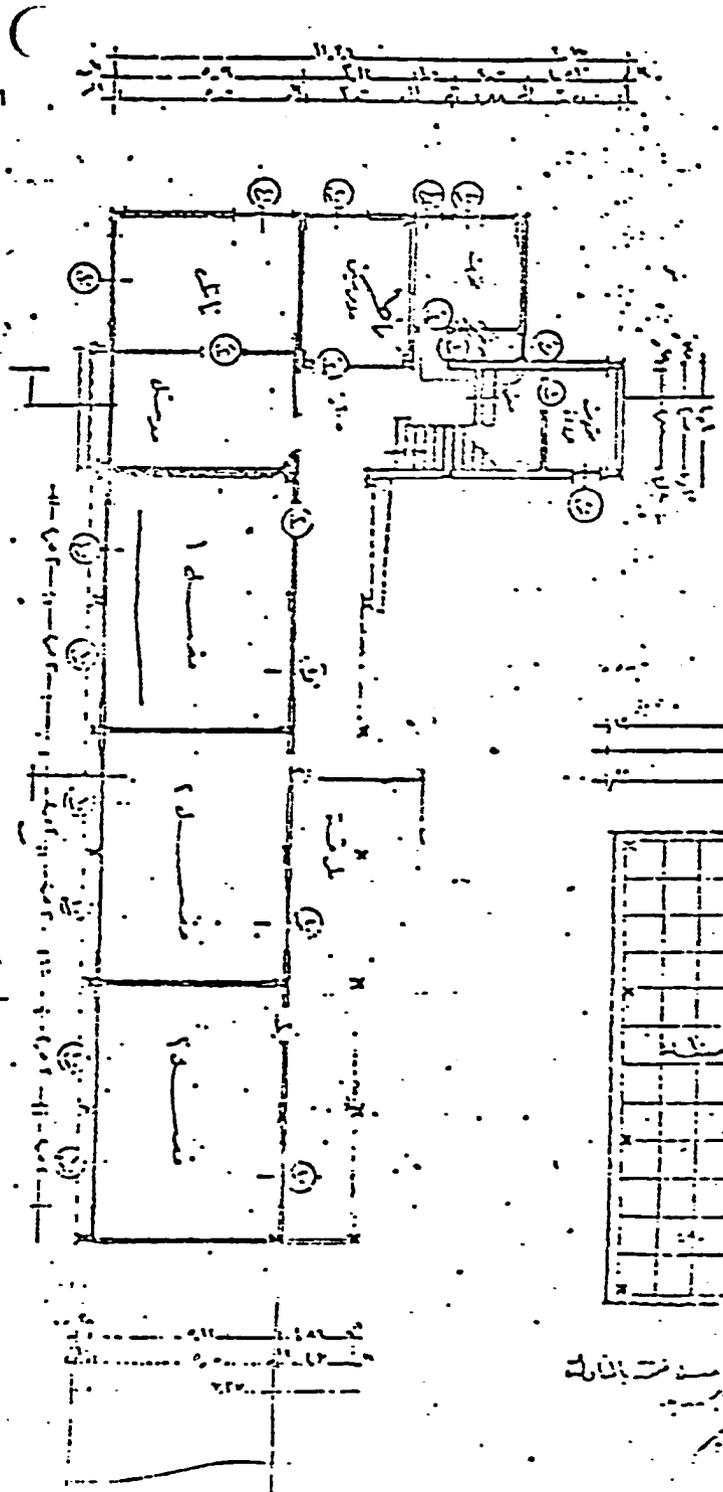
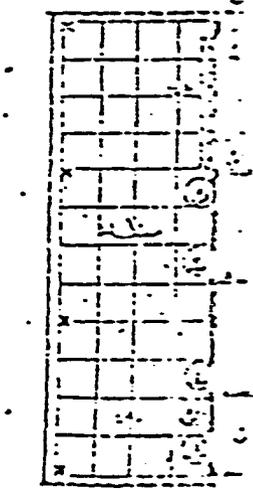
Source: Ministry of Education, Basic Education Guide, 1983 - 1984

School Design

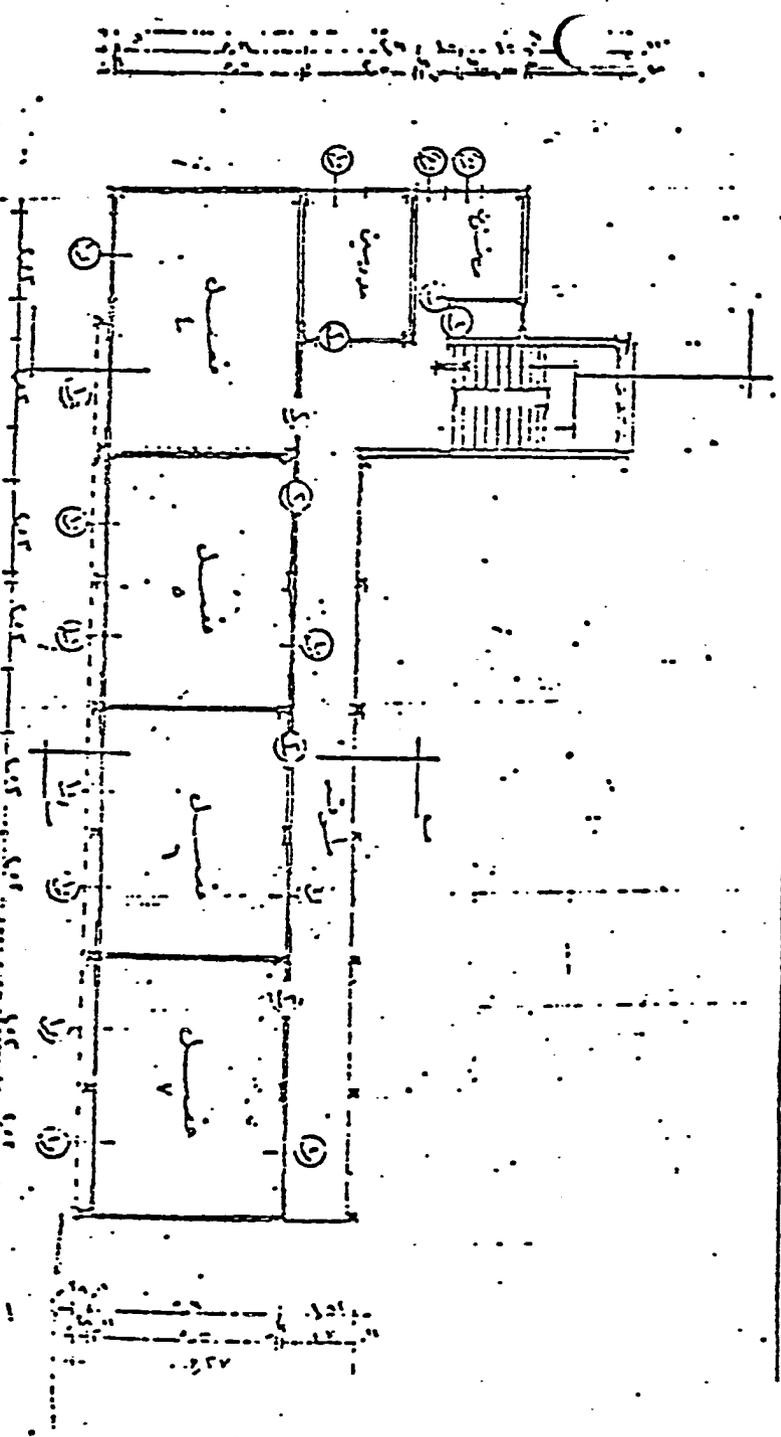
During the design stage of this project, engineering drawings used for schools in Egypt were reviewed by the Mission and judged to be adequate. Nevertheless, the Mission has requested a review of the school layout by an architect under the technical assistance component (Work order #4). The design used in all governorates is the same with minor changes according to site configuration on the following pages. The prices change among governorates, within a governorate, among districts and within districts from a location to another. Factors such as labor, materials, roads, and distance govern prices.

The area of a classroom is usually 5m X 7m. According to the MOE's norms, every student should have 1.1 square meters of the classroom area. This standard would mean that a classroom should include 32 students. According to the reality of schooling in Egypt now, such a ratio is considered luxury. Forty-five (45) students is considered the acceptable figure for primary and forty (40) for preparatory in the present phase. The Prime Minister has even announced these figures may have to reach 50.

The design used, except for preparatory schools in Sohag, contains only one stairway. In its simple form, the design used did not include labs. and workshops. Some governorates implemented it as is, but others such as Beheira and Fayoum included workshop and labs. in the design. Wooden cabinets were placed in these workshops to be used for storing equipment and instructional materials. Labs. for the prep. stage are provided with extra water and electricity connections, additional fixed tables plus butagas connections.



سنگین از ان در این طرح

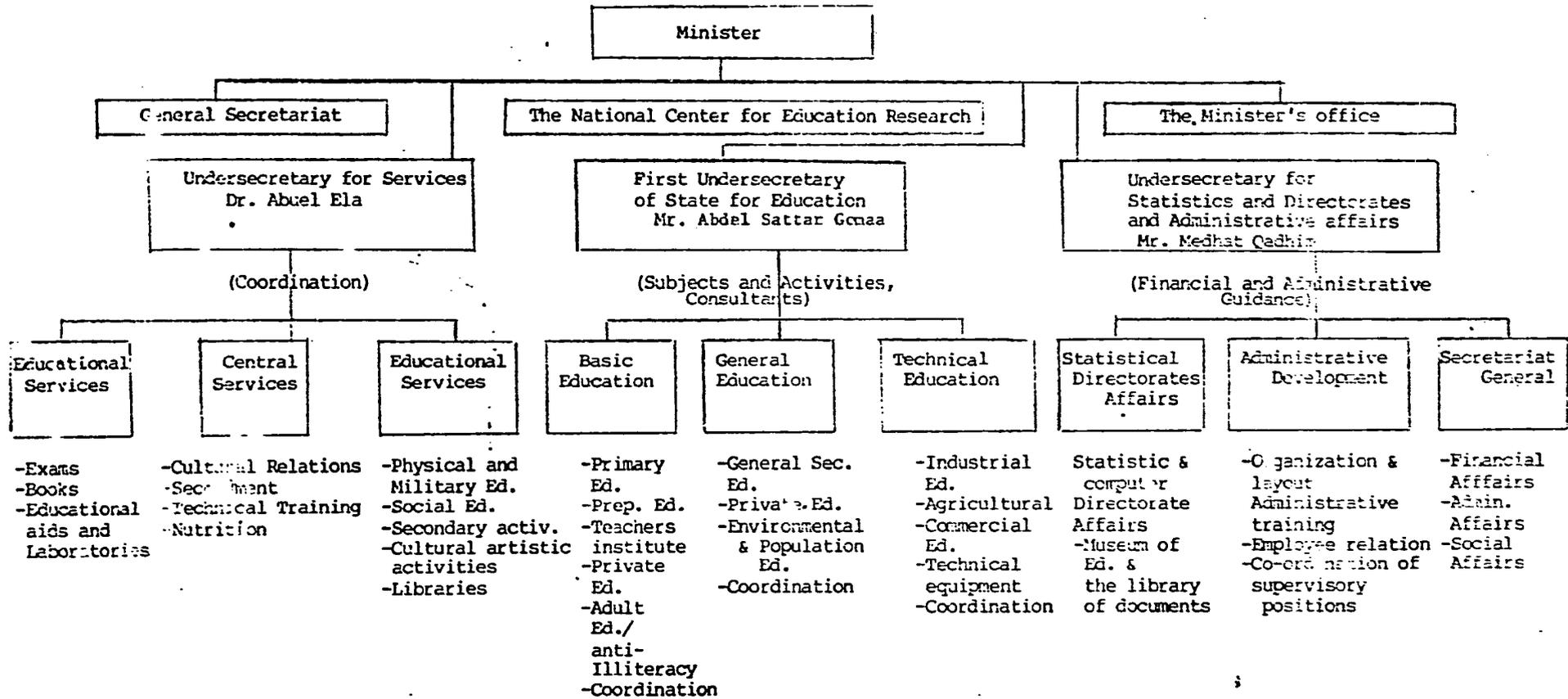


The Main Design

Costs

The best prices obtained in this project have been in Beheira. El Ibrahimia school in Etay El Baround Markaz, a building of 3 stories, comprising 9 classrooms plus 2 workshops (11 classrooms) cost L.E. 44,000 approximately. The area of construction per floor equals approximately 250 square meters. This means that the area of the 3 floors is 750 m². The area of separate toilettes is approximately 100 m². Total area of construction equals 850 m². This means that the cost per square meter in this school is (44,000/850) approximately L.E. 52. This was in 1982 in Beheira. The average cost per square meter at the beginning of the project was L.E. 80. The average per square meter as of January 1, 1986 is approximately L.E. 120.

The Organizational Chart of the Ministry of Education
May 1986



1312E: AM

CURRENT PROJECT

H. 1. Goal and Purpose

Goal: To enhance Egyptian Government efforts to improve the physical quality of life in Egypt.

Purpose: To expand enrollments and increase the efficiency of Basic Education.

H. 2. Inputs and Outputs

Inputs to the Basic Education Project take the form of a USAID grant and a GOE contribution. Outputs consist of newly built schools or classrooms; educational commodities (also referred to as instructional materials); technical cooperation (also referred to as technical assistance or educational planning); evaluation.

USAID has financed \$85 million; the GOE proposed a L.E. 65 million contribution, but has actually contributed L.E. 82 million.

Table 21
Obligated Funds by Project Components

<u>Item</u>	<u>Amount (million U.S. \$)</u>	<u>Amount (million L.E.)</u>	
		<u>Proposed</u>	<u>Actual</u>
School Construction	60.8	65.0	82.0
Educational Commodities	20.0	0.0	0.0
Technical Cooperation	2.6	0.0	0.0
Evaluation	<u>1.6</u>	<u>0.0</u>	<u>0.0</u>
	85.0	65.0	82.0

Outputs in school classrooms are the following for the ten Governorates:

Table 22

Number of Classrooms Financed by AID and GOE in Ten Governorates

	<u>No. Classrooms AID financed</u>	<u>No. Classrooms GOE financed</u>	<u>Total</u>
Beheira	830	1255	2085
Kafr El Sheikh	267	411	678
Sohag	755	832	1587
Qena	600	531	1131
Assiut	455	659	1114
El Fayoum	573	449	1022
El Minya	775	406	1181
Sharkiya	396	850	1246
Beni Suef	372	302	674
Giza	256	1,143	1,399
Total	5279	6,838	12,117

Outputs in educational commodities are the following:

Table 23

Number of Units of Instructional Materials Provided
and Cost

<u>Category</u>	<u>Equipment Package</u>	<u># of Packages AID Financed</u>	<u>\$ Million</u>
A	Electricity	8,590	1,005
B	Home Maintenance	8,590	0,735
C	Woodworking	8,590	1,783
D	Brick Laying	8,590	0,430
E	Food Industry	8,640	0,579
F	Dairy Products	8,640	0,351
G	Poultry	2,160	0,055
H	Horticulture	8,640	0,112
I	Home Economics	8,790	0,537
J	Sewing Machines	7,050	1,259
K	Science	8,950	4,484
L	Social Studies	11,900	5,403
M	Audio-Visual	3,200	1,097
N	Science Charts	9,000	1,717
O	Stoves	11,480	0,310
	Total	122,450	19,877

Outputs in technical cooperation are expressed in person/months of activity. AID financed 300 person/months of activities leading to educational planning reports produced for the Ministry of Education.

The technical cooperation component is budgeted at \$2,600,000, broken down as follows:

1. \$2 million: technical services contract
2. \$500,000: technical services support
3. \$100,000: research and development

The first two categories are progressing normally. The third has been delayed due to several reasons:

- 3 different Ministers of Education in 3 years with changes in Undersecretary in charge
- the institution originally named to produce the study did not satisfy AID with its proposal

The GOE did not contribute counterpart financing to the components educational commodities, technical cooperation, or evaluation.

GOE Contribution

Since the Agreement of Basic Education was signed in August 1981, the Governorates of Beheira, Kafr El Sheikh, Assiut, Sohag and Qena (the first five governorates to participate in the Project) have been getting funds from two sources: MOE's investment budget and USAID's Basic Education Project. Statistics from the Governorates of Kafr-El-Sheikh and Beni Suef will serve to illustrate the GOE contribution from the MOE's investment budget.

Kafr El Sheikh Governorate received L.E. 6,073,654 in 4 years: 1981/83 - 1984/85. Table "24" shows the number of complete schools and classrooms built, the stage (primary or preparatory), and if it is a new or a replacement school.

The column, "No. of additional classrooms" refers to those classrooms built to be added to existing schools, as opposed to building entire new schools.

The Ministry is adopting a system of attributing approximately 60 percent of the budget to complete units and 40 percent to additional classrooms. The budget for complete units is divided into 2 parts, one for the new schools and the other for replacement schools.

Kafr El Sheikh Governorate was supposed to build 411 classrooms in 5 years (the life of the project) under the MOE's investment budget. As Table 24 shows, 768 classrooms have been built in 4 years, of which 472 classrooms in the primary stage and 296 in the preparatory stage. In 1983/84, 10 complete

schools were built, of which 7 were replacement schools. More than 40 percent of the 1983-84 budget was devoted to replacement schools. Eleven replacement schools (111 classrooms) were built during the period shown in Table 24 which represent almost 15 percent of the total number of classrooms.

Beni Suef Governorate is supposed to build 302 classrooms in 5 years under the MOE's investment budget. As table 25 shows, 309 classrooms have been built in 2 years only of which 181 classrooms in the primary stage and 128 classrooms in the preparatory stage. 24 complete schools were built of which 17 (71 percent) are replacement schools. Replacement represents 42 percent (129 classrooms out of 309) of total construction efforts in Beni Suef Governorate.

The following remarks apply to the tables 24 and 25:

1. Replacement of condemned schools represents a serious problem that faces all governorates. This problem varies from one governorate to another. For example tables 24 and 25, show that this problem is more severe in Beni Suef than in Kafr El Sheikh.
2. The Governorates all over Egypt try to face the problem of old or condemned school buildings by allocating funds from the annual budget to build replacement schools. Nevertheless, these funds are inadequate.
3. The MOE has increased the construction level in the participating governorates over what was planned. Kafr El Sheikh and Beni Suef governorates are good examples of this point.
4. The governorates are more becoming responsive to the requirements of the GOE investment budget. That is, more complete schools were built in 1983/84 and 1984/85 than during the two previous years (1981/82 and 1982/83). Kafr El Sheikh governorate is a good example of this case: 23 schools were built in 1983/84 and 1984/85 while only 3 schools were built in 1981/82 and 1982/83. This phenomenon occurred in Kafr El Sheikh and other governorates, such as Qena. The decision to build a small number of complete schools or, on the other hand, many classrooms is taken by the local council. Having limited resources, some local councils prefer to build one new classroom in as many villages as they possibly can. After starting the Basic Education Project, the governorates of Qena and Kafr El Sheikh (with more resources) built more complete schools as illustrated by table (24) in Kafr El Sheikh Governorate.
5. Kafr El Sheikh governorate built 26 complete schools while AID under the Basic Education Project financed the construction of 34 new schools. This means that 60 new schools were built in Kafr El Sheikh during the last 4 years, i.e., more than 1000 classrooms. This ambitious construction program has helped the enrollment figure in Kafr El Sheikh to improve considerably, exceeding 90 percent while the target was 83 percent.

schools were built, of which 7 were replacement schools. More than 40 percent of the 1983-84 budget was devoted to replacement schools. Eleven replacement schools (111 classrooms) were built during the period shown in Table 24 which represent almost 15 percent of the total number of classrooms.

Beni Suef Governorate is supposed to build 302 classrooms in 5 years under the MOE's investment budget. As table 25 shows, 309 classrooms have been built in 2 years only of which 181 classrooms in the primary stage and 128 classrooms in the preparatory stage. 24 complete schools were built of which 17 (71 percent) are replacement schools. Replacement represents 42 percent (129 classrooms out of 309) of total construction efforts in Beni Suef Governorate.

The following remarks apply to the tables 24 and 25:

1. Replacement of condemned schools represents a serious problem that faces all governorates. This problem varies from one governorate to another. For example tables 24 and 25, show that this problem is more severe in Beni Suef than in Kafr El Sheikh.
2. The Governorates all over Egypt try to face the problem of old or condemned school buildings by allocating funds from the annual budget to build replacement schools. Nevertheless, these funds are inadequate.
3. The MOE has increased the construction level in the participating governorates over what was planned. Kafr El Sheikh and Beni Suef governorates are good examples of this point.
4. The governorates are more becoming responsive to the requirements of the GOE investment budget. That is, more complete schools were built in 1983/84 and 1984/85 than during the two previous years (1981/82 and 1982/83). Kafr El Sheikh governorate is a good example of this case: 23 schools were built in 1983/84 and 1984/85 while only 3 schools were built in 1981/82 and 1982/83. This phenomenon occurred in Kafr El Sheikh and other governorates, such as Qena. The decision to build a small number of complete schools or, on the other hand, many classrooms is taken by the local council. Having limited resources, some local councils prefer to build one new classroom in as many villages as they possibly can. After starting the Basic Education Project, the governorates of Qena and Kafr El Sheikh (with more resources) built more complete schools as illustrated by table (24) in Kafr El Sheikh Governorate.
5. Kafr El Sheikh governorate built 26 complete schools while AID under the Basic Education Project financed the construction of 34 new schools. This means that 60 new schools were built in Kafr El Sheikh during the last 4 years, i.e., more than 1000 classrooms. This ambitious construction program has helped the enrollment figure in Kafr El Sheikh to improve considerably, exceeding 90 percent while the target was 83 percent.

Kafr El Sheikh Governorate

Table 24
GOE Financed School Construction Kafr-El-Sheikh Governorate
1981-1985

<u>Year</u>	<u>No. of complete classrooms/(schools)</u>	<u>Stage</u>		<u>New</u>	<u>Type Replacement</u>	<u>No. of Additional Classrooms</u>		<u>Total No. of Classrooms</u>
		<u>Primary</u>	<u>Preparatory</u>			<u>Primary</u>	<u>Preparatory</u>	
1981/82	17 classrooms (2 schools)	17 (2)	-	17 (2)	-	83	75	175
1982/83	6 classrooms (1 schools)	6 (1)	-	-	6 (1)	104	87	197
1983/84	105 classrooms (10 schools)	81 (8)	24 (2)	30 (3)	75 (7)	51	26	182
1984/85	123 classrooms (13 schools)	87 (9)	36 (4)	93 (10)	30 (3)	438	48	214
Total	251 classrooms (26 schools)	191 (20)	60 (6)	140 (15)	111 (11)	281	236	768

Beni Suef Governorate

Table 25
GOE Financed School Construction Beni Suef

<u>Year</u>	No. of complete classrooms/ (schools)	Stage		Type		No. of Additional Classrooms		Total No. of <u>Classrooms</u>
		<u>Primary</u>	<u>Preparatory</u>	<u>New</u>	<u>Replacement</u>	<u>Primary</u>	<u>Preparatory</u>	
1983/84	84 classrooms (12 schools)	57 (9)	27 (3)	36 (4)	48 (8)	(12)	(21)	(117)
1984/85	108 classrooms (12 schools)	81 9	27 3	27 3	81 9	31	53	192
Total	192 classrooms (24 schools)	138 (18)	54 (6)	63 (7)	129 (17)	43	74	309

H. 3. Beneficiaries

The largest educationally unserved population in Egypt is rural girls. If you are a boy and live in an urban area, the chance is significantly greater that you will have access to schooling and become literate.

The primary beneficiaries of the Basic Education project are unschooled rural Egyptians, especially girls, between the ages of 6 and 15. The construction of 620 schools will allow approximately 28,500 children, including 11,000 girls, to go to primary school for the first time.

Another group of beneficiaries are the children who were already in school, but for whom the construction of 620 schools will mean a shorter walk from home. Under the project, schools are built in communities where the next closest school is more than two kilometers away. Approximately 100,000 children will change schools, thereby diminishing their daily "commute" from 2-6 kilometers to one kilometer.

A third perspective on project beneficiaries regards the Governorates. 620 schools are being built in the ten Governorates with the lowest enrollment rates among six-year-old children. Through the project these ten Governorates will be brought up to the level (83%) of other Governorates in enrollments of six-year-olds. These Governorates will thus benefit from increased classroom capacity and investment in education leading to higher levels of literacy and consequently more productive graduates.

One way to view development aid to Governorates is through the Physical Quality of Life Index (PQLI). This index applied to Governorates varies in Egypt from a low of 15 to a high of 95. Thirty-one percent of USAID financed classrooms are being built in the three Governorates ranked lowest on the PQLI. Sixty-eight percent are going to the six lowest ranking Governorates.

A fourth group of beneficiaries is the private sector in Egypt. All school construction is performed by small private Egyptian contractors. Approximately 500 contractors, utilizing a total of 10,000 laborers, have won competition to build Basic Education schools.

A fifth group of beneficiaries are all the school-children who have been exposed to the instructional materials purchased under the project (\$20 million) and distributed to 15,000 primary or preparatory schools. Examples of equipment are sewing machines (both manual and electric), hammers and saws, garden tools, science kits, and overhead projectors. An estimated 200,000 5-9 graders have directly benefited from participation in a practical curriculum.

A final and general beneficiary from the project is the Ministry of Education, through the following ways:

- helping to meet Five-Year Plan for school construction
- providing teachers with much need instructional materials

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- producing for the Ministry planning and policy reports under the Technical Assistance contract
- assisting in the evaluation of the impact of the Basic Education Program by longitudinal studies carried out under the evaluation of USAID contributions.

H. 4. Administration

The Education and Training office of HRDC at AID/Cairo has managed the project since its inception by a two-man team, an American and an Egyptian.

Project implementation responsibilities lie primarily with the Ministry of Education. Bi-weekly meetings are held with the First Undersecretary of State for Education to discuss progress and problems concerning the commodities, the technical assistance, and the evaluation components.

Responsibility for the construction component has been delegated to the Undersecretary for Planning and Follow-Up in the Ministry. Meetings with him are held on an ad-hoc basis at least twice a week. Meetings are also held (almost on a daily basis) at least twice a week with the consultant of Basic Education, Ministry of Education to resolve implementation issues of the commodities procured under the project. The nature of the commodity importing mechanism and system of distribution result in many problems. This part will be dealt with under issues section of this paper. Regional Education Zones in the Governorates also play a very important implementation role.

The construction component has necessitated close involvement with institutions outside USAID and outside the Ministry of Education. First, the Housing Department (Ministry of Housing); second, City Councils in the Governorates; third, the National Investment Bank (Ministry of Planning and International Cooperation); and fourth, the elected local councils of the governorates.

Frequent meetings are held with National Investment Bank (NIB). At least once a week with the technical staff to review implementation problems. Also one meeting every week to review the financial situation, the needs of each governorate for funds and the results of financial reviews performed by NIB to help the governorates keep accurate records.

The main responsibilities of each of the six institutions or entities mentioned above are the following:

a. (Elected) Local Councils

- approves site selection criteria;
- makes suggestions for construction sites.

b. (Appointed) City Councils

- Furnish engineers to supervise construction
- Sign construction contracts.

c. Housing Department (in the Governorate)

- Furnish engineers to supervise construction;

- Sign construction contracts;
- Submit construction contracts to NIB through Education Zones.

d. National Investment Bank (NIB)

- Review construction contracts prior to signing to assure price reasonableness
- Advance funds to Education zone in governorates
- Control funds by governorate
- Review financial records in governorate
- Audit governorate records
- Send engineers to follow-up construction at five different stages
- Submit to USAID certified expenditures
- Submit to USAID certified cash needs

e. Education Zone (in the governorate)

- Control funds by construction site
- Report expenditures to NIB
- Report cash needs to NIB
- Pay contractor vouchers
- Make visits and use school maps to make site selections

f. Ministry of Education

- Review site selection process to make sure they comply with criteria
- Monitor progress of all project components
- Discuss plans for future project activity
- Approve Egyptian and American consultants proposed under technical assistance component

- Approve reports submitted by Egyptian and American consultants under technical assistance component
- Approve budget amendments, Project Implementation Letters

g. USAID

- Advance funds to NIB on basis of estimated cash need for 90 days
- Liquidate expenditures on monthly basis according to certified reports from NIB
- Monitor progress of all project components
- Review and approve amendments for Direct AID contract for evaluation service
- Write Project Implementation Letters (16 to date)
- Brief and debrief consultant teams concerning technical assistance and evaluation components
- Meet representatives from suppliers of instructional materials and discuss procurement regulations, procedures, opportunities
- Visit Education Zones, primary and preparatory schools to observe teacher and student behavior, use of equipment, condition of building and grounds

2. Commodities

(Under Host Country Contract)

- MOE's experts write specifications of materials and equipment.
- AID reviews specifications.
- RFQ is issued in CBD.
- Tender documents are solicited from the Egyptian Embassy in Washington, D.C.
- Offers are delivered to MOE at a certain time on a certain date.
- Offerers pay 2 percent bid bond.
- Offers are reviewed and evaluated by MOE.
- Offers are negotiated. Best and final offers are made.
- Awards are made to the best offerers and contracts signed with MOE.
- Performance bond (5 percent) is paid to the MOE by the successful offerer.
- AID establishes the funding documents (Direct L/Coms).
- The successful offerer (contractor and supplier) supplies the commodities.
- The supplier gets paid upon delivery of shipping documents to AID/Cairo.
- The MOE clears commodities through customs.
- The MOE distributes the commodities to schools all over Egypt.

3. Technical Cooperation

A host country contract was signed in 1983 between the Ministry of Education and non-profit educational planning firm in Washington, D.C., the Academy for Educational Development, Inc. The Academy has subcontracted with a profit-making private sector firm in Cairo, Team Misr, to perform certain project related tasks.

The Academy does not have an office in Cairo, but a sends a senior project officer to Cairo 2 or 3 times a year to look after project affairs. In his absence, the subcontractor is expected to advance the contract work.

Report produced by the Academy are reviewed by a Technical Committee and forwarded for approval to an Executive Committee within the Ministry of Education.

4. Evaluation

A direct AID contract was signed between the 8-A Minority firm, Creative Associates, Inc., from Washington, D.C. and AID/Cairo to perform a life-of-project evaluation.

A project coordinator works in the Washington, D.C. headquarters, while most of the field research is done in one or two annual data collection trips. For these, two American specialists fly into Cairo to join an American senior project advisor in residence 8 months of the year in Cairo (working on the project about 3 months per year) and an Egyptian professor of Economics from Cairo University.

In the Ministry of Education, the evaluation contractors report to the Undersecretary for Educational Services.

H. 5. Finances

The Basic Education Project was designed with the following cost estimate, including foreign exchange (FX), local currency from USAID funds, and the counterpart contribution (GOE):

Table 26
Basic Education Project Cost Estimate (1983)
(\$ Million)

	<u>A. I. D</u>			<u>GOE</u>	<u>Total</u>
	<u>FX</u>	<u>LOCAL</u>	<u>TOTAL</u>		
1. Construction	0.0	37.1	37.1	48.1	85.2
2. Furniture	0.0	5.0	5.0	6.4	11.4
Sub-total	<u>0.0</u>	<u>42.1</u>	<u>42.1</u>	<u>54.5</u>	<u>96.6</u>
3. Materials and Equipment	19.8	0.2	20.0	0.0	20.0
4. Educational R & D	1.5	1.1	2.6	0.0	2.6
5. Evaluation	0.5	0.3	0.8	0.0	0.8
6. National Investment Bank	0.0	0.5	0.5	0.8	0.3
Sub-total	<u>21.8</u>	<u>2.1</u>	<u>23.9</u>	<u>0.8</u>	<u>24.7</u>
7. Inflation	0.0	16.8	16.8	23.7	40.5
8. Contingency	—	2.2	2.2	0.0	2.2
Sub-total		<u>19.9</u>	<u>19.0</u>	<u>23.7</u>	<u>42.7</u>
9. Total	<u>21.8</u>	<u>63.2</u>	<u>85.0</u>	<u>79.0</u>	<u>164.0</u>

The major item in the Project budget is school construction, for both USAID and GOE. The two governments are, in consort, applying different principles however, in calculating the extent of their contribution. USAID has committed itself to raising the enrollment rate of six year-olds to 83% in the ten targeted governorates and to financing the number of classrooms required to see these pupils through ninth grade, that is, the end of compulsory schooling. GOE, on the other hand, has committed itself to financing the number of classrooms required to maintain existing enrollment levels in light of population growth. Such is the agreed-upon principle of cost sharing.

The construction costs applied to schools are presented in most project documents as classroom units. The classroom unit is used because much of the GOE contribution takes the form of new classrooms added on to existing buildings, rather than totally new schools. The USAID principle, on the other hand, has been to build only total schools, not additional classrooms. As a parallel, the mission's "Neighborhood Urban Services Project" has also opted to add classrooms to existing schools (in urban areas only) rather than to build whole schools. The unit classroom cost used in project planning since 1983 has been \$8226. The actual unit classroom cost observed (by governorate average) previous to 1983 ranged from \$7989 to \$8112.

Table 23 presented estimated cost figures by component. Table 24 presents obligated or earmarked (not actual) figures by component. Notice that the inflation and contingency categories have been eliminated and that the construction and furniture elements have been combined.

Table 27

Obligated/Earmarked Project Components

<u>Component</u>	<u>USAID</u> ¹	<u>GOE</u> ²
Construction and furniture	\$58,900,000	98,600,000
Materials and Equipment	20,000,000	0
Technical Cooperation	2,149,429	0
Evaluation	1,197,524	0
National Investment Bank	221,239	—
Sub-total	\$82,468,192	—
Unearmarked	2,531,808	—
Total	85,000,000	98,600,000

¹from Mission MACS system as of 11-27-85.

²from MOE records.

Education Finances

Under the current Project GOE and AID have committed approximately 112 million pounds to be distributed to the ten participating governorates to construct new schools.

AID's contribution is used to raise initial enrollment in the ten governorates up to 83 percent, while GOE's contribution is used to keep pace with population growth.

The following Table 25 shows the contribution of GOE to construction during the life of the project (LOP).

- For the governorates of Beheira, Kafr El-Sheikh, Assiut, Sohag and Qena, the funds shown represent 4 years out of 5 years that represent life of the project.
- For the governorates of Sharkiya, Giza, Fayoum, Beni Suef and Minia, the funds shown represent 2 years out of 5 years that represent life of the project.

Table No. 28

Governorate	<u>GOE Contribution to the Project</u> <u>By Governorate (L.E.)</u>			Actual Contrib./ Proposed Contrib (Same Period) %	Contrib. in 4 years/ Payment in 5 years %
	Contrib. Proposed in 5 years	Actual Contrib. To Date	# of years of Contrib.		
Beheira	8,652,796	9,317,342	4	135	108
Kafr El Sheikh	2,824,883	6,073,654	4	269	215
Assiut	4,555,442	6,807,941	4	187	149
Sohag	5,751,564	6,963,793	4	151	121
Qena	3,664,713	7,081,151	4	242	193
Sharkiya	10,668,747	5,941,719	2	139	56
Giza	14,370,427	5,972,525	2	104	42
Fayoum	5,661,077	2,872,751	2	126	51
Beni Suef	3,800,443	2,444,036	2	161	64
Minya	5,067,258	4,737,755	2	234	93
TOTAL	65,037,350	58,212,667	--	161	89.5
or AVERAGE					

The GOE has contributed 161 percent of the amount it had agreed to contribute in 1981.

Construction Costs to date

The best prices obtained in this project were in Beheira. Menshat Nassar school which is in Damanhour Markaz, a building of 3 stories, comprises 9 classrooms plus 2 workshops (11 classrooms) cost L.E. 44,366. The area of construction per floor equals approximately 250 square meters. This means that the area of the 3 floors is 750 m². The area of separate toilets is approximately 100 m². Total area of construction equals 850 m². This means that the cost per square meter in this school is (44,366/850) approximately L.E. 52. This was in 1983 in Beheira. The highest cost per square meter in Beheira is in Menshat Razafa, Shubra Kheet district. The cost per square meter is 97 L.E.

The average cost/m² in Beheira under this project is 75 L.E. (This cost is calculated from 60 completed schools with final payments made.)

- In Kafr El Sheikh Governorate, the lowest cost/m² is L.E. 66 (Abdel Wahid Eid School - Sidi Salem district), while the highest cost/m² is L.E. 119 (Bani Bakkar School, Metoubis district). The average cost/m² is L.E. 86 in Kafr El-Sheikh Governorate. (This cost is calculated from 34 completed schools with final payments made.)

- In Qena Governorate the lowest cost/m² is L.E. 66 (Naga Dahi School, Naga Hammadi district) while the highest cost/m² is L.E. 137 (Sawaki El Attamin School, Quos district). The average cost/m² is L.E. 92. (This cost is calculated from 48 completed schools with final payments made.)

- In Sohag Governorate, the lowest cost/m² is L.E. 65 (Naga El-Gedian School, Guinga district) while the highest cost/m² is L.E. 139 (Naga Owais School, Guiga district). The average cost/m² is L.E. 90 in Sohag Governorate. (This cost is calculated from 29 completed schools with final payments made.)

- In Assiut Governorate, the lowest cost/m² is L.E. 70 (Bani Rafea School, Manfaloot district) while the highest cost/m² is L.E. 158 (Ezbet Khalifa School, El Badary district). The average cost/m² is L.E. 95 in Assiut Governorate. (This cost is calculated from 24 completed schools with final payments made.)

These prices, in general, are very reasonable. This project shall continue to use the same mechanism to control construction cost.

The average cost figures are expected to be increased in the previously mentioned governorates (Beheira, Kafr El-Sheikh, Assiut, Sohag and Qena) by approximately 20 percent by December 1986. An annual inflation of approximately 20 percent will be taken into consideration for the Project Amendment figures.

Possible change in exchange rate:

As HRDC/ET was finalizing the project paper amendment in March, 1986, the office was requested to revise the LOP budget for the Basic Education Project, with a focus on USAID-funded local currency expenditures. This revision pertains to the unexpended balance of the current \$ 85 million project under the assumption that the \$1 = .83 L.E. exchange rate may immediately change to \$1 = 1.35 L.E. (the \$93 million amendment has been developed over the past several weeks already using the 1.35 L.E. exchange rate, upon the recommendation of the Program Office.) The revision was also required to more accurately calculate 1986 obligations under the budget revision exercise. The first step is to review the LOP Budget, which stands (per PIL 16 of April 17, 1985) as follows:

Table 29

USAID-financed Project Budget
in its Foreign and Local Currency Components (in \$000)

	<u>FX</u>	<u>LOCAL</u>	<u>TOTAL</u>
Construction and furniture	0.0	60.3	60.3
Materials and Equipment	19.8	0.2	20.0
Technical cooperation	1.5	1.1	2.6
Evaluation	1.0	0.6	1.6
NIB Support	<u>0.0</u>	<u>0.5</u>	<u>0.5</u>
	22.3	62.7	85.0

The project consequently has a local currency component of 73.8 percent.

The second step is to examine the unexpended balance of the local currency portion expressed in U.S. Dollar.

Table 30

Obligated and Unexpended Local Currency Component
as of March 31, 1986
(in \$000)

	<u>Obligated</u>	<u>Unexpended</u>
Construction and furniture	60.3	25.0
Materials and Equipment	0.2	0.2
Technical cooperation	1.1	0.4
Evaluation	0.6	0.1
NIB Support	<u>0.5</u>	<u>0.35</u>
	62.7	26.05

Consequently, 42 percent of the local currency costs remain unexpended as of March 31, 1986 which is 27 months before the PACD.

The third step is to review options concerning the unexpended amounts if the exchange rate is altered. The three basic options are these

- (1) the same local costs with fewer dollars
- (2) more local costs with original budget
- (3) same combination of (1) and (2).

These options will be reviewed component by component.

Construction and Furniture:

\$25 million at .83 rate equals	L.E. 20,750,000
\$25 million at 1.35 rate equals	L.E. 33,750,000
The increase would be	L.E. 13,000,000

School construction being such a priority in Egypt and increasing construction costs constitute the two main reasons why HRDC/ET proposes option (2) above. The office proposes that one half of the funds (L.E. 6,500,000) be used to complete the agreed upon number of schools under the current project in the ten participating governorates.

It is currently estimated that construction funds now available will fall short by approximately \$4.8 million (L.E. 6,500,000) of meeting the objective of classroom construction. This L.E. 6,500,000 will suffice to assure that construction goals in the second five of the ten governorates are reached.

The additional L.E. 6,500.000 would be made available for construction and furniture needs pertaining to the 24 governorates participating in the proposed project amendment.

Materials and equipment: (\$200,000 unexpended):

\$200,000 at .83 rate equals	L.E. 166,000
\$200,000 at 1.35 rate equals	L.E. 270,000
The increase would be	L.E. 104,000

These funds are designed to be used for local production of slides and charts by audio visual centers providing services for the Ministry of Education. Option (2) above should be applied to this component to allow a more substantial experimentation in developing local materials, rather than importing similar materials.

Technical Cooperation: (\$400,000 unexpended):

\$400,000 at .83 rate equals	L.E. 332,000
\$400,000 at 1.35 rate equals	L.E. 540,000
The increase would be	L.E. 208,000

The local currency component of technical cooperation is applied to sub-contractor work by Team Misr and to research and development activities performed by the Ministry. The application of option (2) above would enable the Ministry, on one hand, and the private sector firm, on the other, to increase its participation in work orders and research efforts. This increased participation would benefit the project as it enters the amendment stage by improving the Egyptian capacity to identify, execute, and follow up educational studies.

valuation: (\$100,000 unexpended):

\$100,000 at .83 rate equals	L.E. 83,000
\$100,000 at 1.35 rate equals	L.E. 135,000
The increase would be	L.E. 52,000

The second option above would allow newly available funds to develop the new in-country training component of the evaluation. Although training was not a project component in this AID direct contract, USAID/Cairo has declared that the evaluation has been carried out with insufficient Ministry participation. Consequently, the L.E. 52.000 could greatly improve Ministry capability to address evaluation questions

NIB Support: (\$350,000 unexpended):

\$350,000 at .83 rate equals	L.E. 290,500
\$350,000 at 1.35 rate equals	L.E. 472,500
The increase would be	L.E. 182,000

The availability of L.E. 182,000 would assist the project by allowing NIB to improve its data reporting on the one hand, and conduct additional soil testing, on the other.

The summary, HRDC/ET believes that L.E. 26,050,000 made available by the exchange rate modification could all be used to help the project attain its stated objectives or otherwise to improve project implementation, and results.

The only significant change occasioned by use of newly available L.E. would be a decrease in the FY 1986 obligation. The planned level has been \$ 20 million. With the second allotment of L.E. 6,500,000 (referred to in the above paragraph on "construction and furniture") postponed to usage later during the project amendment, the approximate dollar equivalent (\$5 million) would no longer be obligated in 1986. Therefore, the current FY 86 obligation is \$15 million.

H. 6. Implementation

The project is composed of four components (construction, commodities, technical cooperation, and evaluation) which are inter-related but not inter-dependent. That is, construction can proceed regardless of progress made in commodity procurement, technical cooperation, etc.

Construction implementation has taken place in two waves: the original project (\$39 million) concerning the first five Governorates and the first project amendment (\$46 million) concerning the second five Governorates.

The implementation of commodity procurement has likewise involved two separate bidding and awarding procedures for the original project (\$10 million) and its first amendment (an additional \$10 million).

The technical cooperation component and the evaluation component, on the other hand, have constituted a single implementation.

Each component will be discussed in order, followed by Tables 29-35 which compare implementation plans (from Project Paper) with implementation achievements.

1. Construction

Construction is the biggest activity (\$61 million) under the Project. It takes place in ten governorates of which three are in the Delta area: Beheira, Kafr El-Sheikh and Sharkeya Governorates, while the other seven are in Upper Egypt: Giza, El-Fayoum, Benif Suef, Minya, Assiut, Sohag and Qena governorates. For these selected governorates, the Minister of Education sends a letter to each governor asking for the approval of the governorate's Local Council on the Project's site selection criteria. Construction activity would not start in any governorate until this approval is obtained.

Stages of Building a School (see chart later in this section)

a. Site Selection

The first stage in building a school is to select a site. This happens following review of the school maps at the governorate level (education zone), or at the Markaz level (education directorate), an initiative by the elected local councils, or an initiative by the farmers themselves. In all cases, the site has to be donated and the title of the land is given to the Ministry of Education.

The education zone reviews the selection to make sure that the site meets the criteria set by the Project. Sites selected are finally reviewed and approved (or disapproved) by the Ministry of Education (MOE).

b. Advertising

As soon as any site is approved, the MOE notifies the concerned education zone which, in turn, notifies the implementing agency which is either the Housing Department (central system at the governorate level), or the city councils (decentralized system at the Markaz [district] level).

The Housing Department or the city council advertizes for the selected site/sites in one of the national newspapers such as El-Ahram, El-Akhbar, El-Gomhoreya, or El Messa.

Contractors buy a copy of the drawings and the bill of quantities and submit their bids before a certain date.

The first round of competition is always formal. On the bid opening date, prices of the different bids are read loudly to all bidders. Bids are evaluated by the implementing agency and the successful bidder is selected. If prices of all bids are not reasonable, the tender is readvertised. Again it is done formally, but if reasonable prices are not obtained, the implementing agency can start negotiations with all bidders to get a best and final offer. If time is a prime factor negotiations can take place right after the first round.

c. Contract Letting

Once the implementing agency obtains what it considers a reasonable price, it presents, through the education zone, the results to the National Investment Bank (NIB). The NIB reviews the prices and decides, once more, if: (1) the prices are reasonable; (2) readvertising should be done; or (3) prices should be negotiated with bidders.

N.B.

Under the current Project (\$85 million), there was mention neither in the PP, nor in the first amendment, nor the Grant Agreement nor the PILs of any instructions to the implementing agency i.e., the National Investment Bank (NIB), to get AID's approval of any contract that exceeds \$100,000, i.e., L.E. 83,000.

USAID/Cairo is correcting this by amending PIL # 6 so that any contract that exceeds \$100,000 (L.E. 83,000) must be approved by USAID. To facilitate this action a format was made for the NIB to use to get AID's approval (the following Form.

COST REASONABLENESS DETERMINATION

ATTACHMENT No. 1

1. Governorate: _____
2. Markaz: (District): _____
3. Type of School: Primary: _____ or Preparatory: _____
4. Number of Classrooms: 6 _____, 9 _____, 12 _____, 15 _____, other _____
5. Number of Workshops & Labs.: Illustrated in room units
(For Example, One Workshop + One Lab. equals Four Rooms)
6. a. Area of Construction of the main Building: _____ m²
b. Number of Floors: _____
c. Area of Construction of the Toilets Area: _____ m²
7. Soil Testing: Done _____
Not Yet Done _____
8. Type of Foundation: Isolated Footing

Raft (plain concrete) - Required thickness _____ cm
Raft (P.C. + Beams) - Required thickness _____ cm
Raft (plain + R.C. concrete) - Required thicknesses P.C. _____ cm
R.C. _____ cm
9. A list of the bids of all contractors showing the price of R.C./m³.

1. Contractor: _____	Price: _____	Price/R.C./m ³ : _____
2. Contractor: _____	Price: _____	Price/R.C./m ³ : _____
3. Contractor: _____	Price: _____	Price/R.C./m ³ : _____
10. Successful bidder: Name: _____

Value: _____

Recommendation by NIB: - This offer is Reasonable _____
- This offer is not Reasonable _____
(A layout of the school should be attached).

Form filled out by:

Name: _____
Title: _____
Date: _____

The following chart indicates the stages which take place in school construction.

Chart

Stages of School Construction

(1)	Stage	
(2)	<u>Responsible Agent</u>	<u>Duration</u>
(1)	<u>Site Selection</u>	
(2)	<u>Educational Zone</u>	30 days
(1)	<u>Land donation:</u>	
(2)	- villager(s) - state-owned land	30 days
(1)	<u>Site approval</u>	
(2)	<u>MOE</u>	30 days
(1)	<u>Advertising</u>	

(2)	<u>Housing Department City Council</u>	45 days
(1)	<u>Bid Review</u>	
(2)	<u>Housing Department City Council (HD/CC)</u>	15-30 days
(1)	<u>Price approval</u>	15 days
(2)	<u>NIB</u>	
(1)	<u>Implementation Order to the Contractor</u>	15 days
(2)	<u>Housing Department City Council</u>	
(1)	<u>Soil testing</u>	30-60 days
(2)	<u>Contractor/NIB</u>	
(1)	<u>Construction</u>	270-450 days
(2)	<u>Contractor HD/CC Engineers</u>	
TOTAL		480-705 days (16 to 24 months)

d. Execution

As soon as the NIB approves the cost of a school, it notifies the education zone, then the implementing agency, which in turn issues an implementation order to the successful bidder and actual implementation begins.

The first step of execution starts with soil testing to determine the bearing capacity (B/C) of the soil. The drawings and the bill of quantity are calculated assuming that the B/C of the soil is 1 kg/cm². If the B/C of the soil is different, the drawings of the foundation and the bill of quantity are modified accordingly.

e. Financing Mechanism

As soon as the Ministry of Education approves a site, the NIB advances initial funds to the education zone so they can advertise. After the NIB approves a school contract, the building department in the education zone submits to the NIB a financial request upon which the NIB makes a second advance to the education zone. Each education zone submits a monthly report to the NIB. This report shows the expenditures figure and the unused balance of funds. The NIB accumulates the reports of the different governorates and submits them to AID along with voucher form 1034. The expenditures report illustrates disbursements and balance in each governorate. The statement of advances illustrates the needs of each governorate for the following 90 days.

The Planning and Follow-up Department in each education zone also prepares a monthly report which shows expenditures per site, total expenditures and the needs of the following 90 days per site and as a total.

In most cases the B/C is less than 1 kg/cm², so the modification in the foundation usually costs more. The Egyptian law allows for 25 percent increase in the contract value for additional work. This additional work (25 percent) will use the same unit prices of the original contract. If the additional work is more than 25 percent of the contract value, both parties (the contractor and the implementing agency will have to agree on the list of prices for the amount that is more than 25 percent).

For the few contracts that exceeded 25 percent of the contracted original value, the unit prices of the original contract were used. Such increases were because of foundation modification.

An Implementation Problem related to construction:

Education Zones often experience shortages of funds to pay contractors. The following analysis presents the nature of the problem and the attempted solutions being discussed.

Expenditures reports are supposed to be sent from each Education Zone to the NIB by the 10th of the month. They are usually sent 2-3 weeks late. It takes the NIB 1-2 weeks to process the Zone reports. AID's review before check issuance takes 1-2 weeks. Then the NIB issues financing orders within one week. It takes 2-3 additional weeks for the bank statements to actually arrive in the governorate. To take an actual case, this means that the report of December 31, 1985 is sent to NIB by Jan. 15, 1986. The NIB sends its report to AID by Jan. 25. The check is issued by AID o/a February 10. NIB issues financing orders by February 15. The Bank statements are actually in the governorates by the end of February.

Consequently, 60 days out of the 90-day advance are lost, which means that the actual advance is only for 30 days. If for any reason the advance is less than actual expenditures, a shortage of funds occurs.

Two efforts are being made to overcome this shortage:

- a) AID's Controller's Office has agreed to give a period of 3-4 months as a lead time to verify the new rate of expenditures. Meanwhile the Controller's Office will accept NIB estimates of the needs for funds in each of the ten governorates. This will give the governorates an opportunity to report on their actual rate of execution and expenditures.
- b) The NIB is making efforts to change the method of transferring funds from the central account to the governorates' accounts. It is done now through the Egyptian Central Bank. The NIB is considering using the National Development Bank (NDB) instead. This would save 2-3 weeks from the financing mechanism cycle as the NDB would make the transfer of funds to governorates by telex.

2. Commodities

MOE experts write specifications of the required equipment and materials, then AID received these specifications to make sure that they comply with Basic Education curricula.

Requests for quotation are issued in CBD. Interested suppliers buy copies of the solicitation from the Egyptian Cultural Bureau in Washington, D.C.

45 days are usually given for suppliers to prepare their offers. Offers are submitted to the MOE by a certain time on a certain date.

After review of the offers by the MOE's experts, another date is identified for negotiations. On that date, best and final offers are submitted by the suppliers. As a result awards are made and contracts (orders) are signed with the responsible responsive supplier that submits the lowest price. These orders include a delivery schedule.

The successful offerer opens a letter of guarantee in the name of the MOE in the amount of 5% of the order.

AID opens a direct letter of commitment for each supplier in the amount of the order signed with the MOE.

The suppliers ship the equipment and materials to Alexandria port. The suppliers submit payment documents to AID and accordingly get paid. The suppliers also delivery documentation to the MOE which clear commodities and materials through customs.

Finally, the MOE distributes the materials and equipment to the Basic education schools all over Egypt.

3. Technical Cooperation

The Ministry of Education and the Academy for Educational, Inc. work from a Host Country Contract to perform consulting services on a system similar to that of the Indefinite Quantity Contract (IQC). Services are furnished following the issuance of work orders signed by both parties. USAID reviews work orders in draft. They are deemed "issued" at the time of signature by the First Undersecretary of State for Education.

In practice, the contractor meets periodically with officers in USAID/Cairo and the Ministry of Education to discuss possible subjects for work order activity. Some subjects are suggested by the Ministry because they constitute urgent and difficult problems. Other subjects are presented in project evaluation reports as specific recommendations for technical cooperation activity.

When the general description of the task for a work order has been agreed to, the Academy and its sub-contractor, Team Misr, search for the American and Egyptian specialists to perform the work. Candidates' resumes are presented to the Ministry for approval.

The selected Egyptian counterparts prepare an outline of what is required in the work order to send to the selected American consultants before their arrival.

The American and Egyptian teams work together, outlining a work order strategy, assigning interviewing and writing responsibilities, and consulting with the Ministry on a regular basis. A briefing and debriefing are held at USAID/Cairo. For work orders 6 and 8 on in-service teacher training and the structure and organization of the Ministry, the debriefings were held with the American-Egyptian team, the Ministry, and USAID/Cairo.

Two committees have been created within the Ministry to determine which educational problems should be addressed in work orders. The Executive Committee is responsible for the following:

- Setting policy
- Reviewing work plans
- Approving key personnel
- Monitoring evaluation execution
- Reviewing deliverables

Secondly, the Technical Secretariat serves as liaison between the Executive Committee and the Project Management. Its chief role is to review deliverables in draft form and give recommendations to the Executive Committee concerning their acceptability.

4. Evaluation

As a life-of-project enterprise, the evaluation concerning the USAID contributions to the Basic Education Program began in 1982 and is running its course. Under the Direct AID contract, the contractor submits a proposal containing scope of work, level of effort, and budget which is discussed in HRDC/ET. The proposal, when accepted or modified by AID, is sent to the Ministry for its approval. The letter from the Ministry giving its approval is cited in the PIO/T which is forwarded from HRDC/ET to the Contracts Office. The completed contract is signed by USAID/Cairo and the contractor.

Much of the evaluation work depends upon field research. Before the Contractor can travel to the governorates for this purpose, it must receive approval from CAPMAS. CAPMAS reviews the questionnaires drafted by the Contractor and submitted generally six months before the intended data collection.

After CAPMAS approval, the Ministry informs each governorate concerned of the scheduled visit by the evaluation team. The expatriate evaluators are accompanied by Ministry officials plus researchers and data collectors from the University of Cairo. Before visiting schools and villages, they make protocol visits to administrative and religious leaders.

Collected data are analyzed through computer processing either at Cairo University or in the U.S. Reporting takes the form of an annual report plus quarterly progress reports. Before and after every field visit briefings and briefings are held at USAID/Cairo and at the Ministry. An annual oral presentation is made to the Minister.

The following tables 29 through 35 present the implementation actions contained in the previous project papers. At this moment of amendment design, HRDC/ET considered it an appropriate time to review the target dates for action completion compared with the actual completion dates. The resulting discrepancies, i.e. delays may prove helpful in estimating more realistic targets in the future.

Table 31

Construction (First Five Governorates): Implementation

<u>Action</u>	<u>Responsibility</u>	<u>Target Date</u>	<u>Achieved Date</u>
1. Pro Ag	AID/GOE	8/81	8/81
2. CPs	MOE	10/81	9/81
3. Disbursement Request, bids	Ed zones NIB/Housing Depts'	12/81	3/82
4. Investment Plan and MOE budget	MOE	7/82	7/82
5. Investment Plan and MOE budget	MOE	7/83	7/83
6. All Classrooms operational	MOE	12/86	83% Operational by 5/86

Table 32

Construction (Second Five Governorates): Implementation

<u>Action</u>	<u>Responsibility</u>	<u>Target Date</u>	<u>Date Achieved</u>
1. Pro Ag Amendment	AID/MOE	11/83	11/83
2. CPs	MOE	already met	already met
3. Disbursement Request, bids	Ed zones NIB/Housing Depts'	4/84	7/84
4. Investment Plan and MOE budget	MOE	7/83	7/83
5. Investment Plan and MOE budget	MOE	7/84	7/84
6. All Classrooms operational	MOE	3/88	10 % operational by 1/86

Table 33

Commodity Procurement (First Tranche): Implementation

<u>Action</u>	<u>Responsibility</u>	<u>Target Date</u>	<u>Date Achieved</u>
1. Pro Ag Amendment	AID/GOE	8/81	8/81
2. CPs	MOE	10/81	9/81
3. Preliminary Specs	MOE AID/W	1-3/83	10-11/82
4. Specs approved	Suppliers	12/83	5/83
5. Solicitation CBD	AID/W	2/84	9/83

Table 34

Commodity Procurement (Second Tranche): Implementation

<u>Action</u>	<u>Responsibility</u>	<u>Target Date</u>	<u>Date Achieved</u>
1. Pro Ag Amendment	AID/GOE	11/83	11/83
2. Negotiations/ Wards/Direct L/COM	MOE AID/W	8/84	6/84
3. Deliveries to Alexandria	Suppliers	7/85	8/85
12. Distribution to schools	MOE	11/85	9/85

Table 35

Technical Cooperation: Initial Implementation

<u>Action</u>	<u>Responsibility</u>	<u>Target Date</u>	<u>Date Achieved</u>
1. Pro Ag Amendment	AID/GOE	8/81	11/83
2. CPB	MOE	10/81	8/81
3. CBD Notice	MOE	11/81	11/81
4. Responses	Proposers	1/82	6/82
5. Shortlist	MOE	2/82	7/82
6. RFTP	MOE	3/82	8/82
7. Proposals	Proposers	6/82	11/82
8. Ranking	MOE	8/82	2/83
9. Contract signed	MOE	10/82	3/83
10. First consultants	Contractor	1/83	12/83

Table 36

Technical Services: Implementation of Work Orders

<u>Work Order Number</u>	<u>Topic</u>	<u>Original Target Completion Date</u>	<u>Date Arrival of Consultants</u>	<u>Submitted Report to Ministry</u>	<u>Report Approved by Ministry</u>
1	Administration	6/86	N/A	amended until	N/A
2	State of the Art of Basic Education Teacher Education	12/83	12/83	4/84	6/84
3	Economics of Basic Education	1/84	5/84	10/84	1/85
4	Basic Education School Design	12/83	5/84	5/84	not yet*
5	Computer-Based Educational Planning	6/85	5/84	not yet	not yet
6	In-Service Teacher Training	5/86	12/85	not yet	not yet
7	Handicapped in Basic Education	5/86	2/86	not yet	not yet
8	Organization and Management	5/86	12/85	not yet	not yet
9	Experimental Schools	5/87	not yet	not yet,	not yet
10	Educational Supervision	5/87	not yet	not yet	not yet

*As of March 1, 1986

Evaluation: Implementation

<u>Action Achieved</u>	<u>Responsibility</u>	<u>Target Date</u>	<u>Date</u>
1. CBD Notice	AID	11/81	11/81
2. RFTP	AID	1/82	6/82
3. Submission	Proposers	4/82	7/82
4. Evaluation	AID	4/82	10/82
5. Contract signed	AID	5/82	12/82
6. First Annual Report	Contractor	8/84	9/84
7. First Annual Report	Contractor	8/85	9/85
8. Third Annual Report	Contractor	8/86	_____
9. Fourth and Final Annual Report	Contractor	8/87	_____

H. 7. Evaluation

The Basic Education Project is one of only two mission projects (out of 83) in which the same contractor provides life-of-project evaluation services. Creative Associates, Inc. of Washington, D.C., an 8-A Minority firm, won the competition in 1982 to execute a four-year evaluation of USAID contributions to the Egyptian Basic Education Program. Three principal researchers are American; a fourth colleague is an Egyptian researcher from Cairo University. The data collection is carried out with research assistants from Cairo University and from the Ministry of Education.

The contractor submits quarterly progress report to AID and an annual report. The Summary of the Annual Report, typically 50 pages, is translated into Arabic. The annual report consists of four independent but closely related sub-studies:

- Intensive Study of New-School Communities, which is qualitative and anthropological, drawing its data from interviews with village leaders, school officials, and parents that influence children's enrollment and attainment in school;
- Extensive Study of the Impact of New Schools, which is quantitative and statistical, drawing its data from governorate and school records; aimed at assessing the impact of the new schools on enrollment and literacy;
- Study of New Equipment which is qualitative and administrative, drawing its data from interviews with teachers and school administrators and classroom observations; aimed at understanding how the new equipment has been distributed and used, what factors constrain its effective use, and how it fits into the overall curriculum;
- Study of Technical Assistance, also qualitative and administrative, drawing its data from interviews of technical assistance providers and recipients; aimed at understanding the content and process of the technical assistance activity and its impact on Ministry of Education policy and procedures.*

Results of the two annual evaluation reports produced to date have been used to improve the existing project implementation and to guide the planning of future project development. The evaluation has helped USAID determine whether it should continue the project and in many cases how the project extension should be planned. The following are examples of Evaluation Report conclusions that are being used in planning the project extension.

1. Significant impact on enrollment. Although the target in the Project Paper for enrollment increase of six-year-old due to project-financed school construction was 9 percent, a 13 percent increase has occurred to date.
2. Significant impact on girls enrollment. In the sample of schools tested, girls enrollment in 1st grade has increased dramatically by 46 percent, from 49 to 95 percent.
3. Single-six schools. Building all girls schools is not an ideal way to increase girls enrollment and retention.
4. Distance. The distance threshold (home to school) before girls enrollments start to drop may be as low as one-half kilometer.
5. Instruction in agriculture. In some rural areas where land is unavailable, the practical courses taken should probably be commercial or industrial courses rather than agricultural.

* Creative Associates, Inc., "Study of USAID Contributions to the Egyptian Basic Education Program, Second Annual Report, September 1985", p. V.

6. Teacher training for practical courses. Some teachers do not know how to use the school equipment USAID provides. Some headmasters do not understand the purpose of such equipment.
7. Supplies for practical courses. Some schools have received hand saws from USAID but do not have any lumber to saw.
8. Maintenance of Basic Education equipment. Hand saws are not sharpened.
9. Follow-up after Technical Assistance report. Once a technical assistance report is completed and presented, its recommendations are rarely acted upon. There is confusion concerning implementation responsibilities for each set of recommendations.

The above examples are discussed thoroughly in the second annual evaluation report, presented to USAID in September, 1985. Since that time, USAID has asked the evaluators to give additional oral and written comments to assist the mission in its preparation of the Project Paper Amendment.

Annex I

Site Selection

In planning the Amendment, HRDC/ET and the Ministry referred to the 5 selection criteria (see Section II. B. 1.) and then to the 240 school maps. The maps suggested a ranking of the criteria, in the following descending order.

1. Rural areas that are deprived completely of educational services. Schools of nine (9) classrooms will be built to include the Basic Education stage, grades one through nine.
2. Rural areas that do not have preparatory schools. These areas are deprived of the chance to complete the compulsory stage of basic education.
3. Rural areas or small towns in remote governorates where there are: (a) condemned buildings; (b) overcrowded schools.

The following lists include names of districts and villages where new schools are planned in 13 of the 24 governorates under criteria Nos. 1 and 2.

As to criterion No. 3, the MOE needs to replace 1031 Basic Education school buildings that are condemned. The Ministry decided to replace 40 percent of this number (i.e. 412 schools) during the period 1985/86 - 1989/90. The other 60 percent (i.e. 619 schools) will be replaced during the period 1980/91 - 1994/95. No schools are planned to be built primarily to remedy overcrowding.

AID will participate in this activity by financing the construction of approximately 100 schools, which equals 25 percent of the GOE proposed contribution during the life of the project (until 1990). (L.E. 15 million will be allocated for this purpose.)

The following governorate lists show sites selected for construction under the amendment.

* Ministry of Education, Report on Needs for School Construction, 1985-86/94-95, November 1984.

MATRUH GOVERNORATE

<u>Section</u>	<u>Primary School</u>	<u>Preparatory School</u>
1. Seewa	-Abu Shorouf -El Zaytoon	-El Sabbookha -El Kareebain
2. El Dabaa		-Galal
"		-Foaka
"		-Sidi Abdel Rahman
"		-Talle Ghazala
3. Borg El Arab & El Hammam		-Helaisse
4. Matruh	2 primary	3 preparatory
5. El Salloum	1 primary	
	<hr/>	<hr/>
	5 primary	10 preparatory

A visit to the governorate is required to see how small communities look like.

NORTH SINAI

<u>Section</u>	<u>Primary Schools</u>	<u>Preparatory Schools</u>
1. El Areesh	-El Masaeed -El Shebeika -Mazar -El Kareeaa -El Kharooba	-El Salam
2. Nekhel	-Tamada	
3. Beer El Abd		-Kateya -El Negeilla -Balooza -Beer El Abd
4. El Masana	-Abu Egeilla	
5. Rafah & Sheikh Zoweid	-El Awayda -2 in Rafah	-El Wehda -Naga Shibana -Oga Hefeir -El Gora -El Sheikh Zoweid -2 In Farah
Total	<hr/> 10	<hr/> 12

DUMLAT

Markaz

Primary

Preparatory

1. Dumiat

-Ezbet Ahmed A. Shaolah
-Ezbet El Salayma
-El Menya
-Ezbet El Awam
-Ezbet El Raml
-El Tabya El Sharkiya

-Awlad Hamam
-Shata
-Ezbet El Enaniya
-El Sayala
-Ezbet El Ratma
-Kafr Hameedo
-Shatt El Sheikh Dorgham

2. El Zarka

-Ezbet Ahmed Hassanein
- " Mostafa Sherif
- " Ahmed El Badry
- " Ahmed Noah
- " Galal
- " El Kazzazin
- " El Nazzara
- " El Makana

-El Zaatra
-Ezbet Ali El Baz
- " Attalla
- " El Kashef

3. Kafr Saad

-Ezbet M. Arafa
- " El Hamamsy
- " Youssef El Taweel
- " M. Abul Ezz
- " Abdel Kader Hassan
- " Abdel Aleem El Badry
- " Ghars El Deen
- " Kafr Saad
- " El Hesseiniya
- " Taher El Loozy
- " El Fouadiya
- " El Westaniya
- " Kafr Youssef
-Ezbet Eish
-Ezbet Ibrahim Rakna

-El Sawalem
-Kafr Meet Abu Ghaleb
- " El Manazla
- " Shehata
- " Abdel Aziz El
- Badrawy
-Ezbet El Ismailiya
- " El Ibrahimiya
- " El Bahriya
- " El Arayda
- " El Saidiya El
- Kebliya
- " El Awamer &
- El Salam
- " Dawoud

4. Faraskoor

-Menshat Karam & Razzook
-Ezbet El Gamea
-Ezbet El Zeraa #14
-Ezbet M. Zefta
-Ezbet El Siddeek El Wosta
- " Aref Keera
- " Salam Boktor
- " Taher Kesaiba

-El Saraya (2)
-Ezbet Sidi Elarbeen
-Naggaga
-Awlad Khalaf
-Meet El Sheyoukh

Total

38

28

KALIOBIYA

Markaz

Primary

Preparatory

1. Shobra El Kheima

-Ezbet Ibrahim Beck
-Extension of Ezbet Osman

-Mostorod
-15th Street of May
-Ezbet Abdél Hamid El Bakry
-Masaken Esco
-El Wehda El Arabiya

2. El Kanater El-Khairiya (Barrage)

-Kafr Saleima

-Koronfale
-Kafr El Hareth
-Ezbet El Ahaly
-Kafr El Shorafa El Gharby
-Bahada
-El Moneera

3. Banha

-Ezbet El Assal
-Ezbet Abdel Malak Youssef
-Ezbet Mahdy Hasheesh
-Ezbet Hassan El Harrass

-Sahel Degwy
-Kafr Tahla
-Frsees
-Meet El Attar
-Kafr Abu Zerry
-Nefias
-Atreeb
-Kafr Moweisse
-Gangara El Gadeeda
-Meet El Hofeyeen

4. El Khanka

-Ezbet Abdel Moghny
(Georgy Eid)
-Ezbet Osman Sirry
-Orban Foda
-Ezbet Sarsak
-Ezbet Youssef Sarsak El Kabeera
-Arab El Elikat El Kibliya

-El Gabal El Asfar
-Sanadooh
-Arab El Elikat El Bahariya

5. Shebeen El Kanater

-Ikbal Hanel
-Assaad El Sergany
-Ezbet Rizkalla Ibrahim
-Ezbet M. Rizk
- " M. Abdel Hamid Gohar
- " El Hamasha
- " Dabadobolo
- " Kassab
-Naga Ghanem Abu Rassy

-El Koam El Ahmar
-El Ahweyeen
-El Kasheesh
-Nobe Taha
-Koam El Samn
-Kafr Sanadooh
-El Hassafa
-Kafr El Deir
-Kafr El Sahb
-Kafr El Sheikha Salma

6. Kalyoob

-Ezbet Saad Taha
-Ezbet M. Nasr
-Ezbet El Ekeily
-Mostafa M. El Akhras
-Ezbet Salah El Din
 El Shawarby
-Ezbet Ismail Fahmy
-Farag El Sanhoory
-Saleh Reda

-Ezbet Sawaross
-Ezbet Abu Senna
-Hallaba
-Abu Gomaa
-Kafr Ramada

-Geziret El Nagdy

7. Kafr Shokr

-Khalil Sarhan
-Ismail Walliyel Din
-Meet El Dereig

-Kafr Kordy
-Kafr Mansour
- " El Shahawy Khater
- " Arab Ghoneim
- " Sharaf El Din
- El Bakkasheen
-El Menshat El Soghra
-Ezbet Maamoon
-Kafr El Sheikh Marwan

8. Tookh

-Ezbet M. Gamal ElDin Refaat
- " El Fouadiya
- " M. El Meleegy
- " Mostafa Kamel
- " Abu Hagar
- " Abdu Shafei

-Shobra Harris
-Karkashanda
-Dandana
-Kafr El Hasafa
-Ezbet El Kedeiry
-Kafr El Haddadeen
-Zawiet Baltan &
 Manshat Esmat
-El Safa
-Nazlet El Rawashda

Total

41

61

DAKAHLIYA

Markaz

Primary

Preparatory

1. El Senbellawane

-Ezbet Doash Tairad	-El Hagayza
- " Salem Galala	-Ezbet El Zamzamiya
- " Abu Dahish & Banaloty	-El Safa "
- " Fahmy Hassan	-El Ameer
- " Mansour M. El Ezaby	-Taranees El Arab
- " Abdel Mawla Salem	-El Bashneen
- " Hassan Abdalla	-Kafr Azzam
- " Osman Ramzy	-Borg Noor El Arab
- " Kamel	-Bashmass
- " El Sabe'een	-Kafr El Hagg Azab
- " El Nassara	-El Tamad El Hagar
-Kafr Tanbool El Kadeem	-El Makhzan
	-Nobe Tareef
	-Tonbara
	-El Orman
	-Meet Ghorab
	-Kafr Tanbool El Gadeed
	-Tahawy
	-Karkeera

2. Belkas

-Ezbet El Manshiya	-Ezbet El Manasher
- " El Sawwak	- " Halawa El Kabeer
- " Ali Borham	-Kafr El Ghannama
- " Sayed El Helaly	-Mostafa A. El Naby
- " Maslahet El Amlak	-Ezbet El Sengawiya
- " El Manyal	- " M. Shehab El Din
- " Fakko	-Mogamma Belkas Khames
- " El Refaei Abu Zeid	-Ezbet El Maklooba
El Refaei	-El Maasara
- " El Sayed Abu Helaly	
-Koam El Yahood	
-Koam A. Shehab El Din	
-Koam Abu Abdel Razik	
- " Dr. Abdel Aziz Ismail	

3. Talkha

-Ezbet Hassan Ghazy	-Kafr El Arab
- " Amin El Alayly	-Menshat El Badawy
- " Naeema Helmy	-Gogar
-Tateesh El Ameer Omar	-Meet Antar
Tosson	
	-Sherinkas
-Ezbet El Koam	-Kafr El Taweela
-Ezbet Samy El Badrawy	-Besat
- " El Mansouriya	-Kafr Besat
- " Hamed El Sherbiny	-Meet Zonkor
- " Sarsak	-Kafr Demeira El Gadid

- | | | |
|----------------|------------------------------------|------------------------------------|
| | - " El Sheikh Selim | -El Khazendara |
| | - " Abdel Aziz Khedr
El Kibliya | El Derwetain |
| | | Kofoor El Arab |
| | | -Kafr El Genaina El Bahary |
| | | -Kafr Abhar |
| | | -Taira " |
| | | -Banoob |
| | | -Kafr El Dakroory |
| 4. Sherbeen | -Ezbet Hassan Fouad | -El Ahmadiya |
| | - " Beiram El Dessouky | -Ezbet El Saadiya |
| | - " Soliman Khalifa | - " El Alf |
| | - " El Sett Yasmeen | -Kafr Sherif |
| | - " Ragab Ahmed | -Terit Ghoneim |
| | - " Dr. Abdalla Aly | -Kafr El Heita |
| 5. Aga | -Ezbet Ata Afify | -Abu Dawoud El Enab |
| | - " Mostafa El Atreby | -Shenfas |
| | - " El Awkaf El Kebliya | -Menshiet El Okhowa |
| | - " El Ameera Meheir
Hanem | -El Bahw Freek |
| | - " El Sett Zeinab Hashem | -Senebkhet |
| | - " Habib Gereisse | -Gerah |
| | - " Abu Zeid El Araby | -Boktaress |
| | | -El Deirress Wa Kafr Latif |
| | | -Sheneisa |
| | | -Kafr Awad El Seneita |
| | | -El Gharraa |
| | | -Meet Fadala |
| | | -Kafr El Nogabaa |
| | | -Meet Bezzo Wa Kafr Osman
Selim |
| | | -Meet Masood |
| | | -Tanamel El Gharby |
| | | -Feesha Benna |
| 6. El Mansoura | -Mahmoud M. El Doodany | -Meet Loaza |
| | -Ezbet M. Tawfik Nessim | - " Gerah |
| | -Ezbet Mahmoud Nosseir | - " Mahmoud |
| | -Ezbet El Kebliya | - " El Nassera |
| | -Galeya | -Ezbet El Shamy |
| | | -El Kheyariya |
| | | -El Danabeek |
| | | -Bark El Ezz |
| | | -Gedidat El Hala |
| | | -Dabo Awam |
| | | -Koam El Derby |
| | | -Meet El Sarem |
| | | -Menyet Sandoob |

		-Nekelta
		-Salka
		-Belgay
		-El Bakliya
7. El Manzala	-Ezbet M. El Sayed Amer	-El Ettihad
	-Ezbet El Farookiya	-Ezbet Aly Zaghloul
	-Ezbet Dr. Aly El Kerdany	-El Shobool
	-Ezbet El Rob'maya	-Gedidet El Manzala
	-Ezbet Ibrahim Omar	-El Nawaged
	- " El Mehallowy	-Ibrahim El Shebly
	- " El Sayed Abaza	-Ezbet Negm
	- " Raouf	- " Moussa
		- " Abdu
		- " Meet Marga Slail
8. El Matariya	One school	One school
Total	<hr/> 63	<hr/> 99

ASSIUT GOVERNORATE

Markaz	<u>Primary School</u>	<u>Preparatory School</u>
Assiut	Awlad Ali El Sheikh Ammar Nazlet El Dafayra Nazlet El Sakka	Sallam
Dayrout	Nazlet Sao Naga Saber Ezbet El Naggarin Ezbet El Hawahel Wakf Moharam Abou Gabal Naga El Debba El Souda	
El Kouseya	Dair El Kasir Shark El Nil El Sarakna Tanagha Nagaa Hassan Abdel Rehim Nazlet Abdalla Darwish Nazlet Gouda Ezbet El Zarabi Ezbet El Darawish Ezbet Radwab Osman	Arab El Gahama
Manfalout	El Sheikha Sherif - Gahdam Nazlet El Sherifa Karyet Sidi Hassan Ezbet El Tekeya Ezbet Mahfcuz	Ezbet Halim Arab El Amayem Bani Shaaran El Madour El Sahreig Serawa
Abou Teig	Nazlet Bakour Nazlet Eissa Karyet El Ahmar Nazlet El Labban	
Sadfa & El Ghanayem	Dair Abou Makroufa Awlad Amer Nazlet El Adayma Teret El Souhageya - El Ghanayem Shark	
Abnoub & El Fath	Nazlet El Kalabat El Gharbeya Ezbet Gaballa Abou Zeid Bani Taleb	Naga Rouayshid Nazlet Mansheyet El Maasara Sawalem Abnoub Koam El Mansoura Arab El Atteyat

El Badari

Ezbet Fayyad
Ezbet Abbas Hamman

Sahel Selim

Karyet El Louka
Karyet El Gamsa

El Natfa
El Matmar
Tassa

THE RED SEA GOVERNORATE

<u>Markaz</u>	<u>Primary</u>	<u>Preparatory</u>
1. El Kosseir	-Morsi Alam (Basic Education) -Beer Abou Osoun (Basic Education) -El Kosseir (3 schools)	-El Kosseir
2. Raas Ghareb	-Mina Raas Ghareb (1 school) -Raas Ghareb (2 schools)	-Raas Ghallab
3. Hedoud Aswan	-Beer Abbad (Basic Education) -Berneis (BE) -Morsi Hemeira (BE) -Shashin (BE)	
4. Safaga	-Kolometer 85 -Hay El Arab -Safaga -Om El Howeitat	-Safaga (one school) -Om El Howeitat (one school)
5. Hurgada	-Minaa El Ghardaka (1 school) -Hurgada (2 schools)	

THE NEW VALLEY GOVERNORATE

Markaz

1. El Dakhla

Primary

-Azab El Kasr
-El Farafra
-Ezbet Zakhira
-Ezbet Marzouk
-Asmant
-Ezbet El Sheikh Waly

Preparatory

-Ein Beryaba El Kariba
-Gharb El Mawhoub
-El Mawhoub
-Bedakhlou
-El Gadida
-El Pashda
-El Talmoun
-Ezbet El Awneya
-El Hindaw
-Mout
-El Maasara

2.

-El Mounira
-One school in Kharga
-Sanaa
-Gedda (Garshein 5)
-El Khartoum
-Bagdad (El Haga)
-Paris (Basic Education)

-Ezbet El Sherka
-One school in Kharga
Genah

EL SUEZ GOVERNORATE

Markaz

Primary

Preparatory

1. Attaka

-El Nasr Cement Co. &
El Mostaamara El Sakaneya

-El Nasr Cement Co. &
El Mostaamara El Sakaneya

2. El Arab

-El Adabeya
-El Nasr Pet. Co. Houses
-Masaken El Maamal
-Hay Feisal
-Hay El Sabah
-Hay El Herafeyeen

-El Adabeya
-El Nasr Pet. Co. houses
-Masaken El Maamal
-Hay Feisal
-Hay El Sabah (2 schools)
-Hay El Herafeyeen

3. El Arbein

-Ezbet El Agroud

-El Muthalath
-Kafr Mohamed Salama
-El Shaloufa
-El Ganayen
-El Gabalayat
-Geneina
-Kafr El Naggar
-Sharei Omar Ibn Abdel Aziz
-Sharei Salam Pasha
-Sharei Ahmed Orabi
-Sharei El Geish

4. El Suez

-Masaken Nasser

-Port Tawfik
-A school next to El Suez
Inst. for Religion
-Masaken El Corniche
-Sharei Mostafa Kamel Pasha
-Tal El Kalzam

ISMAILIA GOVERNORATE

Markaz

Primary

Preparatory

1. Kantara Shark

One school

One school

2. Kantara Gharb

-Ezbet El Banahwa
-Ezbet Mohamed Abou Sobeih
-Ezbet Mohamed Abou Sheikhoun
-Ezbet Mohamed Abou Said

-El Rouda
-Ezbet Abou Rashid
-Klometer 24
-Nasr

4

4

3. El Tal El Kebeir

-Abou Ghalifa
-Ezbet El Ahd
-El Dawayda
-El Bakarsha
-El Koumi
-El Faraboua
-Ezbet El Gemeiza
-Ezbet Khat El Thar
-Ezbet Salem Zethroun
-Ezbet Ghanem Oweisi
-Ezbet El Shafei Hanafi

-El Mahata El Kadima
-Ezbet Om Shaker
-Abou Geneina
-Ezbet Sabry
-Abou Eyada
-El Hamawa
-Kafr El Sheikh Attia

4. Ismailia

-Ezbet El Ghabaysha
-El Gamaleyin
-Ezbet Abaza
-Ezbet El Shalakani
-El Mahsamr El Gedida
-Ezbet El Kersh

-Gharb Touson
-Gharb Ein Ghosein
-El Emarat
-Gharb El Dabeya
-Ezbet El Sahara
-Ezbet El Derbesa
-Ezbet Shehata Mostafa
-El Saba Abar El Sharkeya
-Abou Hassan
-El Manayef
-Ezbet El Wasfeya
-El Sabaa Abar
-Ezbet El Khamsein
-El Sabaa Abar El Gharbeya
-El Warawra
-Ezbet Abou Ayyad
-Ezbet El Maskhouta
-Ezbet Abou Shameya

5. Fayed

-Ezbet Abou Hallouf
-Ezbet Mostafa Farid
-Ezbet Mostafa Hussein Rabei
-Ezbet Abaza
-Ezbet Hasseib
-Ezbet El Daoudeya
-Mahatet Serabyoum

-Howeis
-El Saideya
-Mahatet Serabyoum

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3

ASWAN GOVERNORATE

Markaz

Primary

Preparatory

1. Kom Ombu

-Geziret Maniha
-Ezbet El Naroukeya
-Geziret El Fariseya
-El Helfaya
-Ezbet Hamed Mohamed Hassan
-Naga El Hamam
-Naga El Rafikain
-Ezbet El Yousefeya
-Ezbet El Salameya
-Naga El Emarab
-Naga El Kenouz
-Naga El Kheira El Foukaneya
-Naga Mahmoud Hassan Zeid
-Naga El Bashat

14

-Ezbet El Sabil Kebli
-Ezbet El Atmour Kebli
-El Shahma
-Ezbet El Reghama Gharb
-Ezbet El Mansheya El
Mustaguida
-Ezbet El Selsela El Gedida
-Fetira
-Naga El Shabakeya
-Naga Gaafar Sadek
-Naga El Hagar
-Ezbet El Basali
-Ezbet El Nagagra
-Benban El Wosta

13

2. Efdu:

-Naga El Wasn
-Naga Hassanein
-Naga El Takeya
-Naga El Sheikh Ali
-Naga El Tounab
-Naga El Douha
-Naga El Koffa
-Naga El Hami
-El Sharawna El Wosta

9

-Naga El Ghawayleya
-Naga El Ekazeya Gharbi
-Naga El Wakadab
-Naga El Zik El Bahari
-Naga El Tanadla
-Naga El Nazi
-Naga El Salameya
-Naga El Ghara
-Naga El Masri
-Naga El Maghalsa
-El Saayda El Bahari
-Naga Geziret El Hagz
-Naga El Shamaykha
-Naga El Memareya
-Naga El Kenan
-El Sharawna El Kebleya

16

3. Aswan

-El Allaki
-Azab Kima
-Naga Geziret Awad El Sharki
-Naga El Keroud
-Geziret Suheil
-Naga El Hagelab
-Naga El Aguibab
-Naga El Maghara
-Naga El Tawil
-Ezbet El Onda

10

-Naga Suheil Gharb (Karki)
-Naga El Mahhata
-Geziret Aswan
-El Sail El Gedida
-Game El Gezira
-Naga El Garanis
-Naga El Hegab El Foukani
-Naga El Mazara
-El Akaba El Kebira

9

4. Nasr

-One school

- One school (Markaz Nasr)
- El Amir Kab
- El Aalaki
- El Madik
- Ballana Thani wa Thaleth
- Tushca Shark wa Gharb
- Kherbit

MENOUFIA GOVERNORATE

Markaz

Primary

Preparatory

1. El Bagour

-Ezbet Kamal Alma
-Ezbet Salam Hassan
-Manshaat Seif
-Ezbet Awad Abou Hassan
-Ezbet Kom El Dabe

-Masguid El Khadar
-El Kattamiya
-Beer Shams
-Samman
-Kafr El Khadra
-Fisha El Soghra
-El Makate
-Ezbet Abou Hegazy
-Beer El Deb

2. Shebin El Kom

-Ezbet Abdel Kawi El Gabali
-Menshat El Sherikein
-Ezbet Abdel Hamid

-El Dalatoun
-Zarfa Shams El Din
-Kafr Shenwan
-Meet Massoud
-Meet El Louz
-Meet Afia
-El Sukkariya
-El Kom El Akhdar
-Kafr Tanbawi
-Tanbawi
-Menshat. Essam
-Sakma
-Shenoun

3. Menouf

-Ezbet Saleh El Arab
-Kafr Sanrag
-Kafr Soliman Salama
-Ezbet Ibrahim Zaza
-Ezbet Mansour El Wasimi
-Ezbet Abbas Abou Alam
-Ezbet Mohamed Fahmi
-Ezbet Ali Fahmi
-Ezbet Beraik
-Ezbet Hassan Ali El Gammal
-Ezbet Ali El Naggar
-Ezbet Hilana
-Ezbet Shahin El Ganzouri
-Ezbet Mohamed Sadek Kamel
-Ezbet Mohamed Khaled

-Ghamrein
-Kafr El Ashri
-Heit
-Kafr Fisha El Kobra
-Meet Rabeia
-El Amra
-Shoubra Beloula
-Ezbet Mohamed Imbabi
-Sansaft
-Kafr Belmasht

4. El Shohada

Menshat El Sadat
-Ezbet El Sawi Habib
-Ezbet Abdalla Abou Hassan

-El Erakeya
-Sersemous
-Kafr Ashma
-Sersina
-Shemiatis
-Kafr El Shabaa
-Beshtami
-Ibshawi
-Danasour
-Abou Kalas
-Kafr Denshway
-Nader

5. Kouissna

-Kafr Mostafa El Sayed Mansour
-Meet El Ebs
-Ezbet Dr. Habib Ghattas
-Ezbet Bayouni Ali El Setta
-Ezbet Abdel Salam Afifi
-Kafr El Salameya
-Kafr El Arab El Kebli
-Ezbet Ibrahim Adham
El Demerdash

-Bani Gherban
-Metsay
-Damhoug
-Kafr El Akram
-Kafr Abnahas
-Kafr El Mansh El KelLi
-Kafr Taba Shabra
-Kafr Meet El Ibs
-Bara El Agouza
-Kafour El Raml
-Meet Abou Sheikha
-Sheranis
-Ezbet Baoumi Abou Zekri
-Kafr El Sheikh Ibrahim
-Shamandil
-Kafr Meet Serag 639
-El Agayza 453
-Kafr Abshish
-Kafr Zein El Din
-Aghoud El Raml

6. Berket Sabaa

-Ezbet Rateb El Gedida
-Ezbet El Dabayba
-Ezbet Sabaa El Regal
-Ezbet Ali Abdel Gelil

-Kafr Hourine
-El Rouda (Kelebshou)
-Meet Oum Saleh
-El Ghouri

7. Tala

-El Kalsak
-Semalig
-Kom El Sheikh Abeya
-Ezbet Ibrahim Azab
-Ezbet Ahmed Abdel Ghaffar

-Kafr Askar
-Kafr El Sadaat
-Kafr El Sukkareya
-Kafr Gozour
-Kafr El Kabs

-Ezbat Mostafa Abdel Ghaffar
-Ezbat El Elameya
-Gedamm
-El Sayed Abou Hussein
-Ezbat El Deyaba
-Ezbat El Naggarin

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8. Ashmoun

-Ezbat El Ahali
-Ezbat Gorgui Sagda El Gharbeya
-Ezbat El Raml
-Kafr Oun
-Ezbat Mostafa Hassan
-Ezbat Sidi Ibrahim
-Ezbat Ahmed Amr
-Ezbat Mashaala
-Ezbat El Maamour
-Ezbat Ghobreyal Mousa
-Ezbat Naguib Bastarous
-Ezbat Ahmed El Dawi
-Kom Ayyad
-Ezbat Abdalla Abou Hussein
-Ezbat Zaliki
-Ezbat Toeima
-Ezbat El Gebali Ismail Mahrous
-Kafr Abou Rakaba

-Babell
-Kafr El Arab El Bahry
-El Bendareya
-El Kamaysha
-Kafr El Shurafa El Gharby
-Ezbat Abou Eisha
-Tanoub
-Meet El Keram

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-Manyal Arous
-El Kawadi
-El Fetameya
-Serawa
-El Nenaeya
-Kafr El Bedareya
-El Kanaterain
-Manyal Wadib
-Berashim
-Lebisheya
-Sakyat El Mankadi
-Delhemou
-Mowansa
-Abou Awali
-Shousha wa Kafr Atta
-Talya
-Bouha Shatanouni
-Sheshaa

BEHEIRA GOVERNORATE

Markaz

Primary School

Preparatory School

Damanhour

Ezbet El Awkaf El Bahareya
El Kallaf
El Shafei, El Fitani &
Ghorab

Bastara
Abou El Fadl
Zarkoun

Kafr El Dawwar

El Taher El Safi
El Shouka
Abou Ebeid
Tall Abou El Noum
El Kasr El Abyad

Abou Hommos

Ezbet Mostafa Agha
Koum El Atwa

Koam Aziza
Rouda Kheir El

Balad

Ezbet Harfoush
Ezbet Samaan
Ezbet El Naffar
Ezbet El Gali
Ezbet El Khamsein
Ezbet Abdalla Omar

Etay El Baroud

Manshaat El Sierfy
El Sawalem Kebli
Ezbet Abou Zeria
Ezbet El Koam
Ezbet El Shafeei
Ezbet Abou Zerik

Zebeida
El Nakrash

Koam Hamada

Manshyet El Shorbagui
Sharkia
Kanater Kafr Boulin

El Delengat

Abou Wafeya El Kobra
Gharaket Hamed
El Korshi
Dr. Kamal Ganboub El Noubareya
El Hindawi
Ezbet El Sharkawi
Hammour El Gadida
Naga Ibrahim
Salem Gebril

Omar

Shabrakhit

Manshaat Lakana
Ezbet Khalil Nessim
Ali Hafez
Mahalet Keis

El Rahmaneya	El Abrkagui Mahalet Daoud	Abou Kharash Sankhrat
Edko	El Ezba El Beida Touril	
Housh Eissa	Ezbet El Reboumeya Ezbet El Fiki	
Abou El Matamir	Amin Allouba	
El Mahmoudeya	Ezbet El Awwam Ezbet El Hagar Ezbet El Sheikh Ezbet El Reyah Koam El Furn Ezbet El Shaffei El Labban Ezbet El Keshk Ezbet El Sabil	
Rashid		El Koam

Selection of construction sites from the remaining 11 Governorates will be made according to the same procedure of consulting school maps and reviewing local sites suggestions by Governorate and Ministry authorities.

Annex J
Evaluation Framework

A. Key Evaluation Questions

Table summarizes key evaluation questions. These questions are not intended to be final or exhaustive but to direct initial data collection and analysis efforts. They should be modified as necessary during project implementation.

B. Data Collection for Evaluations

To provide the information needed to answer the evaluation questions the following data sources will be utilized:

1. National Statistics: A major part of the scope of technical cooperation activities will be to assist the MOE Office of Planning, Follow-up and Technical Research in improving the analysis and utilization of education statistics in planning and programming. This effort should also include the capability to utilize these data to project future enrollments at the national and regional levels, taking demographic growth, social demand for education and efficiency factors into consideration.

For evaluation purposes, annual national and regional education statistics and relevant, available census data will be analysed, broken down by governorate, gender and other appropriate elements, and trends in enrollments and efficiency identified. This analysis will be conducted at the beginning of the Project Amendment period to serve as a baseline for later comparison, and annually thereafter as each year's statistics become available.

2. Project Area Statistics: Education statistics will be collected systematically and on an annual basis for project catchment area schools. These statistics will be collected from annual education zone or governorate reports for enrollments, drop-out, repetition and other education indicators. These data should include baseline information on enrollment prior to the construction of project schools as well as annual enrollment statistics for the catchment area after the new school is operational. Trends for project schools should be identified and compared with trends for national and regional statistics.

3. Special Evaluation Studies: As described in the Evaluation Plan, Section II H, the technical cooperation effort will include assistance to the MOE in the design and implementation of special studies to assess program impact and to improve data for decision-making. While the MOE Technical Research Unit and the technical cooperation contractor will have primary responsibility for conducting these studies, both high-level MOE officials and USAID should provide guidance to the unit and the contractor regarding the priority issues to be examined by such studies. It is anticipated that approximately

ten such studies will be conducted over the life of the amendment. As noted in the Evaluation Plan, data collection and analysis efforts for these special studies will be coordinated to the maximum extent possible in the implementation plans developed by the Technical Research Unit and the Technical Cooperation contractor.

Since the intent is to provide rapid feedback to the MOE and to the project, and to institutionalize the capability to conduct such studies within the MOE, such studies should be relatively brief and simple in design. Although on occasion more complex statistical methods will be required, the emphasis will be on rapid, low-cost data collection techniques that can be inexpensively replicated by the MOE after the project is completed. While a list of potentially useful special studies is included below, these should be viewed as indicative rather than as final or fixed. Additional studies will be incorporated as new problems and issues emerge.

At the beginning of the amendment period, the technical cooperation contractor will develop a proposed list of studies for approval by the MOE and USAID, prioritize these activities, and develop a workplan for their implementation over the life of the project. This plan will be modified as necessary by mutual agreement between USAID and the MOE during annual reviews of project progress (see Section C, below).

An indicative list of special evaluation studies might include:

*Use, maintenance and impact of project commodities. Classroom observation, interviews with teachers and administrators, testing of skills acquisition for a sample of students, to determine whether utilization and maintenance of project commodities has improved over time. This study would build on the "Equipment Study" carried out in 1986.

*Effectiveness and impact of project curricular materials. A baseline study to document the extent to which such materials are currently available in schools, and the problems associated with their inadequacy. A follow-up effort, after the materials have been printed and distributed to schools, to examine their use, their effectiveness and their impact. Methods would probably be observation and interviews with staff and students.

*Effectiveness and impact of teacher training activities. Follow-up study of teachers trained under the project to assess the effectiveness of training and the extent to which training is being utilized.

*Utilization and Impact of project special education facilities. Study based on site visits, administrative records and interviews with staff, handicapped students and their parents to assess effectiveness of special education centers and use of special education equipment in schools in expanding access to and enhancing the quality of education for handicapped children.

*School-related factors affecting drop-out and repetition. A study (or studies) to identify school-related factors associated with drop-out. This study would for example look at differences in grade 6 dropouts in schools with 9 grades as opposed to schools with grades 1-6 only; the effect of new school construction on class size, multiple shifts etc. and the relationship (if any) on dropout and repetition, etc. This might include interviews of recent drop-outs, their parents and teachers and administrators, as well as analysis of school administrative records. The same or a separate study might examine the special school-related factors influencing female drop-out and repetition at different grade levels - for example, segregated schools, presence of female teachers etc.

*School maintenance. Site visits to and observation at schools built early on in the project to determine whether appropriate maintenance is being carried out on the buildings. Interviews with school administrators and appropriate local and central MOE officials to assess the effectiveness of maintenance procedures.

4. Project Records. Routine (probably quarterly) reports from governorates/zones to assess implementation progress in school construction, commodity procurement and distribution, curriculum printing and distribution, and operation and equipment of Special Education centers and schools. The MOE Follow-up Unit will be the primary user of these reports.

5. Site Visits, Observation and Informal interviews with MOE personnel, governorate-level education staff, school administrators and technical cooperation staff to monitor implementation progress, and to identify problems, issues and needed changes in design. These methods will primarily be utilized by USAID and MOE project management personnel in the course of routine project monitoring. The external evaluation teams conducting the mid-term and final evaluations may also conduct visits and interviews of this type.

C. Data Analysis and Review

There will be several mechanisms for review and evaluation built into the project which will utilize the data described above.

1. Annual project reviews conducted by USAID and MOE personnel. Prior to these reviews, the MOE Technical Research Unit, Follow-up Unit and the technical cooperation contractor will prepare a report summarizing implementation progress and evaluation findings to-date, and identifying problems, issues and alternative solutions. . The review agenda will be identified based on this report. The review will identify actions to be taken to address implementation problems and will provide guidance for project data collection and analysis activities for the following year.

2. Mid-term and final evaluations. If project implementation proceeds satisfactorily, there will be an interim evaluation prior to the \$28 million obligation in 1988. An end-of-project evaluation will take place in 1990. Funding has been set aside for each of these evaluations, in addition to funding for the technical cooperation component which includes ongoing data collection, analysis and studies.

Ideally, these "external" evaluations should be conducted by a "mixed" team of AID and MOE personnel and external consultants. These evaluations will assess overall project progress, drawing heavily on ongoing data collection and analysis activities as well as the annual reviews. A major emphasis of these evaluations will be the quality and utilization of technical cooperation services, including the establishment of feedback mechanisms to use evaluation findings and recommendations. These evaluations will also assess progress in developing evaluation capability within the MOE.

D. Personnel and Budgetary Requirements of the Evaluation Plan

A team of external consultants will be required for the technical cooperation and data analysis effort. It is anticipated that a total of sixteen (16) person years of assistance will be required. The technical cooperation contract will also include funds for special studies and for microcomputer hardware and/or software necessary for the storage and analysis of data. Every effort will be made to provide bilingual software programs as well as all reports in Arabic and English.

Funds will also be required for external consultants participating in the mid-term and final evaluations. It is anticipated that the team will include at least one AID and one MOE team member, and that no more than two external consultants will participate in each evaluation for a period not exceeding six weeks each.

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Table 38
Evaluation Framework and Questions

A. Impact Questions

<u>A. Impact Questions</u>	<u>Means of Measurement</u>	<u>Who and When</u>
1. Has the national literacy rate for rural youth increased?	Comparison of future Census or other national-level data on literacy rates for the under 15 age-group in rural areas, with most recently available literacy statistics.	MOE Technical Research Unit, as data become available.
2. To what extent has the project contributed to an increase in enrollment rates at the national and governorate levels?	Analysis of relative magnitude of changes in enrollments in project areas in relation to changes at the national/regional levels. Data to be disaggregated by gender.	MOE Technical Research Unit and Technical Cooperation contractor. Baseline at beginning of project and comparative information collected and analyzed annually.
3. Are there significant variations in project impact on enrollment rates among participating governorates? To what factors can these differential impacts be attributed?	Analysis and comparison of governorate enrollment trends and other available socio-economic and educational indicators.	"
4. Are there significant variations in the project's impact on enrollment rates by gender? To what factors can these differences be attributed?	Analysis and comparison of national and regional enrollment data by gender and secondary analysis/comparison with other socio-economic and educational indicators.	"

5. Do drop-out, repetition and completion rates vary significantly by governorate? By gender? To what factors can these variations be attributed?

Analysis and comparison of national and regional statistics on educational efficiency. Secondary analysis and comparison with other social and educational indicators. This might lead to a special study.

6. What school-related factors (class size, multiple shifts, teacher qualifications etc.) have a significant impact on drop-out and repetition? What are the relative importance of these factors for dropout at various grade-levels?

Special study including interviews of parents of recent drop-outs, school administrators and teachers/ and analysis of school administrative records.

MOE Technical Research Unit and Technical Cooperation contractor, special study early in project implementation.

7. What school-related factors (presence of female teachers, segregated classrooms etc.) have a significant impact on female drop-out and repetition? What is the relative importance of these factors at different grade-levels?

Special Study (see 6 above).

(see 6 above)

8. To what extent has the project addressed school-related factors affecting drop-out and repetition? To what extent has this resulted in reduced drop-out and repetition rates?

Special Study to assess the effects of project activities on factors (if any) identified in 6 and 7 above. Comparison of baseline and ex-post data for project catchment area schools, utilizing school administrative records and interviews with school administrators and teachers.

MOE Technical Research Unit and Technical Cooperation Contractor. Ensure baseline availability early in the project. Follow-up mid- and end project.

9. To what extent has the project contributed to expansion and improved effectiveness of in-service teacher training? Are teachers utilizing improved pedagogical techniques taught in these programs? How does the demonstration school approach compare with that of the traditional teacher training schools?

Special study to evaluate and compare programs; observation of training sessions, analysis of administrative records and trainee evaluation questionnaires; follow-up study of former trainees and school administrators.

Technical Research Unit and Tech. Coop. Contractor. Mid- and end project.

10. To what extent have project inputs to special education improved the quality of instruction for handicapped children? Is Special Education equipment utilized effectively in EE schools? Are services provided by Special Education Centers benefiting handicapped children? To what extent have project inputs contributed to expanded access to education for the handicapped, i.e., have new handicapped children been enrolled as a result of these inputs?

Special Study. Baseline on special education to be provided by AED report, or to be collected early in the amendment period. Impact study towards end of project utilizing analysis of administrative records, site visits and observation, and interviews with school staff, handicapped students and their parents.

MCE Follow-up and Technical Research Units and Tech. Coop. Contractor. Baseline (as necessary) early in the project. Impact study after Special Ed. programs are fully operational.

11. To what extent have commodities provided under the project contributed to improving the quality of Basic and Special Education? Have certain types of commodities proved more valuable than others?

Special study including classroom observation and interviews with teachers and school administrators and testing of student skills. Comparison of outcomes with 1986 equipment study (provides baseline).

MCE Technical Research Unit and Technical Cooperation contractor. Mid-project and end of project.

12. To what extent are teachers/students using curricula printed and distributed under the project? To what extent has the distribution of these curricula contributed to improving the quality of basic education?

Special study. Baseline assessment of materials availability and problems associated with their inadequacy. Follow-up site-visits, observation and interviews with staff and students.

MCE Technical Research Unit and Tech. Coop. contractor. Baseline, mid- and end of project.

13. To what extent has the MOE utilized the recommendations of technical cooperation studies? What changes, if any, have occurred in MOE policies and programs as a result of these studies?

Review of recommendations, analysis of MOE documents; interviews with technical cooperation contractor, USAID and MOE personnel, and school administrators.

External evaluation team. Mid-project and final evaluations

14. To what extent has the technical cooperation effort contributed to the improvement of MOE capability to plan, organize, manage and utilize similar studies?

Interviews with contractor, MOE and USAID staff, and analysis of administrative records to determine role of Technical Research Unit in project data collection and analysis activities overtime.

External Evaluation team. Mid-project and final evaluations.

B. Implementation Questions

1. Is school construction on schedule? How many schools have been approved, contracted for, completed? Do sites selected meet PPA criteria? What are the major implementation problems in the school construction program?

Review of project records and routine progress reports from education zones and governorates and MIB. Site visits.

MOE Follow-up Unit and USAID Project staff. Ongoing.

2. Is construction quality adequate? Are completed schools adequately maintained?

Site visits, observation and interviews of MOE and school officials.

MOE, USAID and Technical Cooperation contractor. Early in the amendment, looking at previously constructed schools. Ongoing for current phase of construction.

3. Is GOE counterpart support to new schools being provided in a timely and adequate manner? For example, are trained teachers in place and buildings adequately furnished and maintained?

Statistics from new schools on number of teachers and furniture/budget allocations. Site visits and interviews with school personnel to assess their adequacy.

MOE Follow-up Unit. USAID Project staff Ongoing.

4. Is commodity procurement and distribution to Basic Education schools on schedule? How many sets of equipment have been distributed? How many schools have received their full allocation of commodities, and how many have not yet received their allocation? Is the allocation of commodities occurring on a rational basis? Is equipment adequately maintained? Are materials available to use Equipment with (i.e. lumber to saw)?

Review of project records and routine progress reports from education zones and governorates. Site visits and informal interviews with school staff.

MOE Follow-up Unit and USAID Project staff. Ongoing.

5. Is printing and distribution of curricula materials on schedule? Have the anticipated number of schools received adequate copies of these materials? If not, why not?

Review of project records and progress reports from education zones and governorates. Site visits and informal interviews.

MOE Follow-up Unit and USAID Project staff. Ongoing.

6. What is the status of construction of National/regional Special Education Centers? Of procurement of special education equipment for the centers and for BE schools? Is distribution of equipment occurring in a timely and rational manner? Have teachers at recipient schools been trained in special education techniques and equipment use?

Project Records and routine progress reports. Site visits, observation and interviews with staff at recipient schools.

MOE Follow-up Unit and USAID Project staff. Ongoing.

7. Are teacher training activities at both in-service training schools and demonstration schools meeting project targets for upgrading in-service teachers? If not, why not? Are trainee selection criteria appropriate?

Project records and routine progress reports. Monitoring visits and observation of seminars at demonstration schools.

MCE Follow-up Unit and USAID Project staff. Ongoing.

8. Are technical cooperation activities proceeding smoothly? Have appropriate mechanisms been established to identify studies of real importance to the MCE? Are these mechanisms sufficiently flexible to accommodate evolving needs for research and information? Have appropriate mechanisms been established to utilize findings and recommendations from these studies?

Review of project records and technical cooperation studies/reports; interviews with contractor and MCE personnel.

External Evaluation Team. Mid-project evaluation.

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Annex K

Basic Education (263-0139)
Proposed Amendment FY 1986-1990

Concept Paper

AID/Cairo
Human Resources and Development Cooperation
Education and Training Office

September 1985

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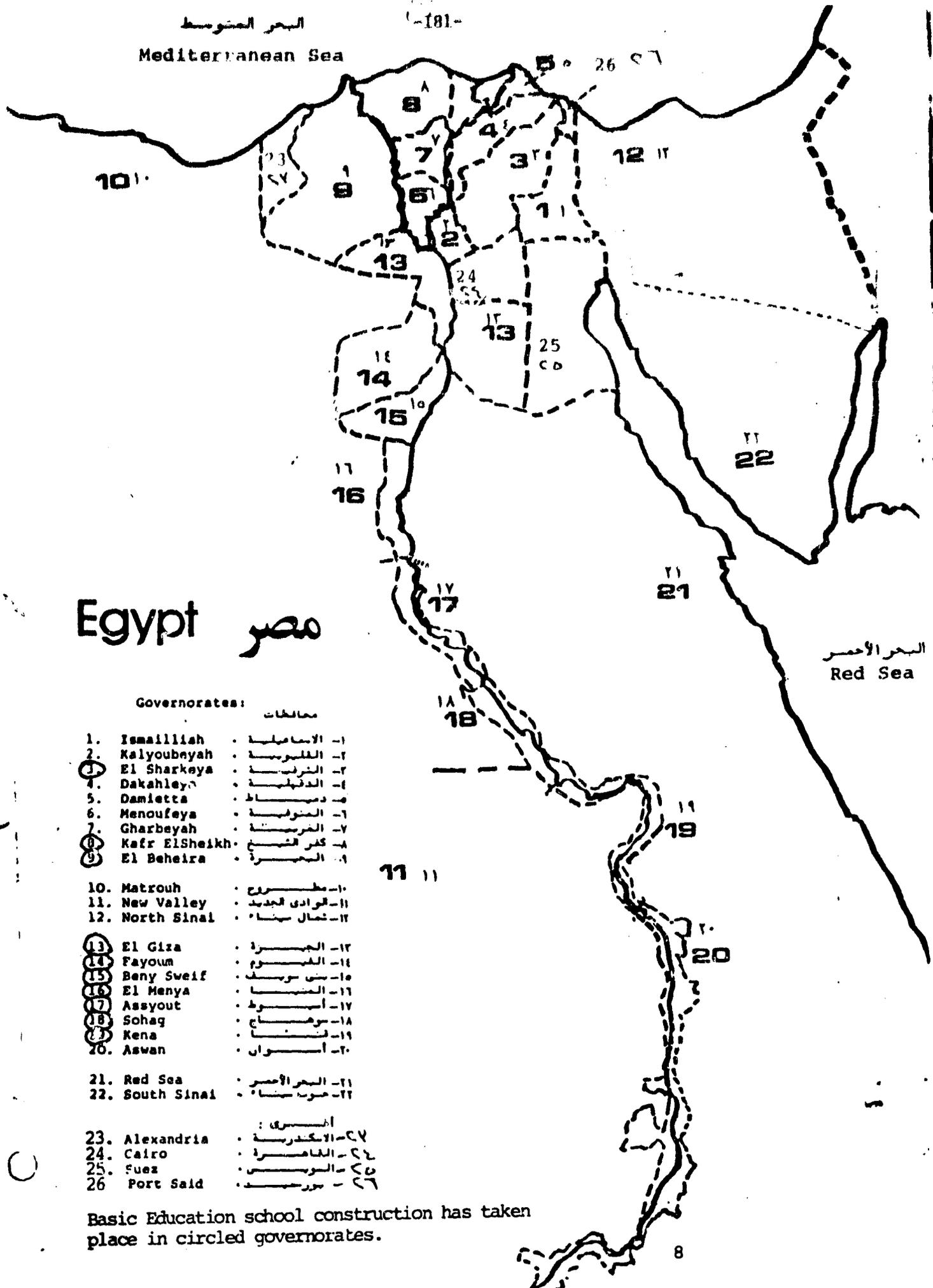
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Concept Paper Regarding
Proposed Amendment to Basic Education (263-0139)
FY 1986-1990

SUMMARY

1. What is the purpose of the Basic Education Project? To "expand school enrolments and increase relevance, efficiency, and effectiveness of education"
2. What are the planned outputs to date?
 - 620 new primary or preparatory schools built in the rural areas of 10 governorates with lowest enrolment rates 73%
 - Instructional materials for 12,000 schools 24%
 - Planning and policy studies 3%
 - Life-of-project evaluation
3. Why add funds to the project?
 - There is a need for school construction in all governorates (USAID is building in only 10 now)
 - The project is highly visible and highly appreciated by Egyptians
 - The project is running well
 - USAID/Cairo project management requirements are low (1 FSN full-time; 1 DH half-time)
 - U.S. Consultant requirements are low (no full-time resident in Cairo; in a year 6 consultants for 2 months each)
4. How would the new funds be used?
 - Build schools in all governorates. Most schools will be in rural areas. Some will be in provincial cities. A few, model schools or schools for handicapped children, will be in Cairo and Alexandria
 - Continue to provide instructional materials such as maps, science kits, A-V equipment to schools
 - Improve the performance of teachers, especially in the use of project-funded equipment, through in-service teacher training
 - Continue educational planning studies
 - Continue life-of-project evaluation

البحر المتوسط
Mediterranean Sea



Egypt مصر

البحر الأحمر
Red Sea

Governorates:

- | Governorates: | | محاكمات |
|---------------|---------------|---------------|
| 1. | Ismailiah | الإسماعيلية |
| 2. | Kalyoubeyah | القليوبية |
| ① | El Sharkaya | الشرقية |
| 4. | Dakahleya | الدقهلية |
| 5. | Damietta | دمياط |
| 6. | Menoufeya | المنوفية |
| 7. | Gharbeyah | الغربية |
| ⑧ | Kafr ElSheikh | كفر الشيخ |
| ⑨ | El Beheira | البحيرة |
| 10. | Matrouh | مطروح |
| 11. | New Valley | الوادي الجديد |
| 12. | North Sinai | شمال سيناء |
| ⑬ | El Giza | الجيزة |
| ⑭ | Fayoum | الفيوم |
| ⑮ | Beny Sweif | بنى سويف |
| ⑯ | El Menya | المنيا |
| ⑰ | Assyout | أسيوط |
| ⑱ | Sohag | سوهاج |
| ⑲ | Kena | قنا |
| 20. | Aswan | أسوان |
| 21. | Red Sea | البحر الأحمر |
| 22. | South Sinai | جنوب سيناء |
| الاسكندرية: | | |
| 23. | Alexandria | الاسكندرية |
| 24. | Cairo | القاهرة |
| 25. | Suez | السويس |
| 26. | Port Said | بورسعيد |

Basic Education school construction has taken place in circled governorates.

Egypt Education Data Sheet*

Percentage of total GOE budget devoted to Education: 8.7%	(1983-84)
Percentage of total GOE budget devoted to Ministry of Education: 5.3%	(1983-84)
Percentage of total GOE budget devoted to Basic Education: (Grades 1-9): 2.8%	(1983-84)
Percentage of Basic Education budget devoted to salaries: 87.2%	(1982-83)
Percentage of student in grades 1-6 who are girls: 42.2%	(1983-84)
Percentage of student in grades 7-9 who are girls: 39.1%	(1983-84)
Cost of grade repetition grades 1-6: L.E. 6.8 million	(est, 1983-84)
Cost of grade repetition grades 7-9: L.E. 21.1 million	(est, 1983-84)
MOE total expenditure per primary student: L.E. 60.09	(1982-83)
MOE total expenditure per preparatory student: L.E. 95.28	(1982-83)
Adult Literacy rate: 44% (male 57% female 29%)	(1976)
Percentage of persons enrolled as percentage of age group: Primary: 76% Secondary 52% Higher 15%	
GOE per capita expenditure on education: \$19	(1985)
GOE expenditure on education as percentage of Gross Domestic Product: 3.6%	(1980)
Percentage of first graders who are girls: 44.1%	(1983-84)
Average annual compound rate of growth of enrolment in grades 1-9: Total enrolment: 5.7% Girls enrolment: 7.0%	(1979-80 to 1983-84)

* Source: Economics of Basic Education in Egypt, Academy for Educational Development, Washington, D.C., 1984

ISSUES RAISED BY HRDC/ET RELATING TO BASIC EDUCATION CONCEPT PAPER

Priorities expressed by USAID and priorities declared by Ministry of Education concerning the extension of Basic Education do not entirely coincide.

The Ministry would like USAID to:

1. build new and replacement* schools in Cairo and Alexandria (1st choice)
2. build new and replacement schools in towns and other cities (2nd choice)
3. build new and replacement schools in rural areas (3rd choice)
4. build model schools
5. build schools for handicapped children
6. provide equipment from U.S.A. for Basic Education Schools as in the past, and add equipment for two new fields: music and physical education

USAID, on the other hand, would prefer to see the following project elements:

1. build schools in rural areas in all governorates where there are no schools
2. construct a limited number of replacement schools in villages or towns

* A replacement school is a school built on or near an existing school site. The schools to be replaced are invariably old and dilapidated.

3. provide some equipment for Basic Education Schools where:
 - a. some equipment is imported from the U.S.A. (and some equipment is manufactured locally)
 - b. music equipment would not appear a priority (requires waiver per Handbook.)
4. improve teacher skills through in-service teacher training (model schools, seminars, educational materials)
5. perform Educational Policy Studies (including Technical Assistance)
6. Perform Evaluation Studies

A meeting was held August 7, 1985 with the Minister of Education during which elements of each position were stated. The Minister again stressed the need for help in urban schools, especially in Cairo and Alexandria. Bernard Wilder responded that the "Neighborhood Urban Services" Project already assisted school construction renovation in Cairo, Alexandria, and Giza Governorates. Mr. Wilder further affirmed that USAID intended to continue concentrating on schools in rural areas or at least not in Cairo and Alexandria. This assistance, he continued, might allow the MOE to transfer to Cairo and Alexandria funds it normally would have put into rural areas. The Minister appeared to accept this position reluctantly, saying, "Please see what you can do."

Since the meeting with the Minister, the Ministry has submitted to AID/Cairo its long-term school construction needs, which remain the Ministry's most critical concern.

Ministry Needs: Construction of Schools

<u>Level</u>	<u>No. Required</u>	<u>Date</u>
Primary	1949	1986-1990
Primary	<u>1008</u>	1991-1995
Sub-Total	3757	
Preparatory	1118	1986-1990
Preparatory	<u>1208</u>	1991-1995
Sub-Total	2326	
Grand Total	6083	

N.B. In order to eliminate double session schools, where children attend school less than five hours a day, an additional 3,000 schools would have to be built.

A first round of negotiation took place between the Ministry and AID/Cairo. The First Undersecretary expressed his wish in writing (see Annex to Concept Paper) that \$70 million out of the proposed \$93 million (75%) be devoted to construction. While recognizing the crucial contribution of construction to improving education in Egypt, AID/Cairo perceives an imbalance in disfavor of Teacher Training, Educational Planning, and Evaluation (\$1 million each). After hearing of AID's concern in this regard, the Ministry agreed to reduce the construction component by \$5 million, to be re-allocated among teacher training, educational planning, and evaluation.

Now we are faced with a second round of negotiations. Given the Ministry and AID priorities outlined above, and the results of the previous negotiation round, HRDC/ET proposes the following compromise.

1. Construction of new schools in rural areas in any Governorate except Cairo and Alexandria (\$40 million or 60% of construction value under the Amendment).
2. Construction of replacement schools in rural and urban areas of any Governorate except Cairo and Alexandria (\$15 million or 25% of construction value).
3. Construction of model schools for in-service teacher training in any Governorate (\$10 million or 15% of construction value).
4. Construction of 3 schools for handicapped children in any Governorate (\$3 million).
5. Procurement of equipment as in the past to cover remaining schools, Addition of physical education equipment, and materials for in-service teacher training. Local production to be encouraged. (\$20 million)
6. In-service Teacher Training Seminars (\$1 million)
7. Educational Planning Studies (\$2 million)
8. Evaluation (\$2 million)

Drafted: HRDC/ET: SGrant: am 1281.E 9/24/1985

Concept Paper

Proposed Amendment to Basic Education (263-0139)
FY 1986-1990

Introduction and Problems:

The Basic Education Project was designed in 1980 in response to a study^{1/} which had revealed the following major problems:

1. Disparities in access to educational institutions
2. Inadequacy of physical capacity (quality and quantity)
3. Inadequacy of teacher training and problems with supply, especially in practical fields
4. Instructional materials and equipment shortages.

The GOE realized the magnitude of these problems, and determined to deal with them through the espousal of a new doctrine: "Basic Education." Law No. 139 of 1981 defined the term in the following way:

"Basic Education aims at developing the abilities and aptitudes of students, satisfying their inclinations and providing them with the necessary amount of values, behavioural codes, knowledge and practical and vocational skills that are in harmony with the conditions in their respective environments, so that it may be possible for a person who completes the basic education stage to continue his education in a higher stage or to face life after an intensive vocational training; the aim thus is to prepare the individual for becoming a productive citizen in his own environment and community."

Since the passing of the law in 1981, the MOE has put into action the following educational changes:

1. Extended compulsory education from six to nine years of schooling
2. Issued a new syllabus for Basic Education

^{1/} Basic Education in Egypt, Report of the Joint Egyptian-American Team, Human Resources Management, Washington, D.C., 1979, p. 12.

3. Contracted for rewriting all textbooks
4. Completed workbooks for use with practical subjects, beginning in grade 5
5. Initiated pre-service and in-service programs for training or retraining instructional and administrative personnel in the philosophy and practice of Basic Education.
6. Initiated a building program for schools offering grades 1-9.^{1/}

USAID approved of the Basic Education Program launched by GOE initiative. It indicated its support by signing on August 19, 1981 the Basic Education Project 263-0139. This \$39 million project was amended in 1983 by a \$46 million add-on to achieve the following outputs:

1. Build 12,111 new classrooms in the 10 governorates with the lowest enrolment rates (620 new schools)
2. Provide instructional materials to 12,000 schools in all governorates for students in grades 5-9
3. Produce educational planning studies defined in work orders under a host country contract
4. Conduct life-of-project evaluation

The Basic Education project in almost four years has achieved the following:

1. 200 AID funded primary or preparatory schools completed in 6 governorates (matched by 200 schools constructed by GOE funds)
2. \$20 million of AID financed instructional equipment distributed to schools (and an additional \$20 million through AID's Commodity Import Program)
3. Three educational planning and policy studies produced for the Ministry.

Where do we stand in 1985 concerning the educational problems and their having been overcome? One planning study concludes that "relative to other nations with similar levels of national income, the enrolment of primary school students in Egypt, as a percentage of age group, is still relatively low."^{2/} In a major evaluation study, "all evidence points to a severe

^{1/} As reported in Basic Education: An Assessment, Academy for Educational Development, 1984.

^{2/} Economics of Basic Education in Egypt, Academy for Educational Development, Washington, D.C., 1984, p. iii.

shortage of facilities at the preparatory and secondary level in rural areas in the near future."^{1/} Although USAID has made a significant contribution to the penury of equipment in rural schools, this equipment has been spread (widely but thinly). 15,000 schools have received equipment, which has allowed pupils limited exposure to a practical instruction. "It seems clear from our observations in the classroom, from teacher interviews, and from interviews with headmasters, that more equipment would be extremely useful--particularly in agriculture--if instruction is to offer the students adequate opportunity to use the equipment themselves rather than only observe it in use."^{2/} Absence of equipment alone is not the problem, but the inadequate use of that equipment by Egyptian teachers. "A revised, more effective, and more efficient in-service training system should be devised based on an examination of the current in-service training system for teachers of practical courses and for headmasters."^{3/}

In conclusion, planning studies and project evaluation reports confirm that primary school enrolment is still low; the number of preparatory schools is inadequate; instructional equipment should be more universally available; school teachers are insufficiently trained in practical fields.

There exist additional problems worthy of consideration which fall into two categories.

1. Problems considered minor in the 1979 joint study which have not been resolved.
2. Problems unrecognized as such in 1979 which have appeared or have been the object of recent discussions between USAID and the Ministry of Education.

In the former category, one finds a weakness in data and data-handling capacities; plus insufficient plans for projecting education needs and priorities. One also meets the problem of the severe overcrowding in urban public schools. In the latter category, one finds an area of special education, the need for improved school for physically and mentally handicapped children.

Alternative Solutions:

There are nine alternative solutions or potential project sub-components which have been discussed by MOE and USAID.

1. Construction of new schools in rural areas. The first phase of Basic Education Project 263-0139 in 1981 (\$ 39 million) concentrated on building new schools in neglected areas of five governorates--two in the Delta and

^{1/} Study of USAID Contributions to the Egyptian Basic Education Program, Creative Associates, Washington, D.C., 1984, Vol II, p. 73.

^{2/} Ibid., p. 34.

^{3/} Ibid., p. 39.

three in Upper Egypt--where the enrolment rates in first grade, especially among girls, were the lowest. The second phase in 1983 (\$46 million) added five more governorates, in which enrolment rates in first grade were below 83%. In 1985, the remaining 14 rural governorates are well aware of the USAID project assistance and are hoping for similar contributions from USAID. One alternative would be to construct new schools in the 14 remaining governorates or some part thereof, bringing the enrolment rates of first graders up to, say, 88%. A second alternative would be to continue building new schools in the ten governorates already involved, since the "machinery" is in place, i.e. the regional education officials are motivated and well accustomed to the process; the small private construction firms who have built schools are eager for more business, etc. Enrolment rates in these ten governorates or a part thereof could be brought up to 90%, say.

2. Construction of replacement schools in urban areas:

The Basic Education Project to date has provided for school construction in places where no schools existed, specifically disallowing construction in cities. Its purpose was to produce a dramatic increase in enrolment and substantially lessen the distance pupils had to walk to and from school. Replacing an old school by a new school on the same or on a neighboring site was discouraged. In the ten governorates where USAID has already built new schools, and where there exists a real momentum as well as an "oiled machinery" for school construction, regional education authorities have told their visiting Ministry officials and USAID staff that they consider funding replacement schools in their urban areas as the next logical step in improving the educational infrastructure. The schools which would be replaced fall into three categories; old buildings owned by the Ministry which are small; old buildings owned by the Ministry which are delapidated; old buildings--usually not built as schools--rented^{1/} from a local landlord. Building a replacement school will not only improve the quality of the educational opportunity due to the superior school design, but will also improve enrolment, for schools will be bigger (18 or 24 classrooms) as well as better. Two other major justifications for building replacement schools are that they will help reduce safety hazards (several classrooms in presently used schools have been condemned) and that they represent a high GOE priority.

3. Construction of new Schools Urban Areas. The rural exodus in Egypt has continued at such a rate that school overcrowding in Cairo and Alexandria, and a few other cities, has become a major preoccupation of the GOE.

^{1/} Almost 40% of the primary and preparatory school buildings are rented.

Through another USAID Project, Neighborhood Urban Services, from a totally different perspective (the main objective is local decision making and the "product" happens in some cases to be new classrooms or new schools), some urban school extensions have been built, but the scale is small. There is no partnership with the Ministry of Education, and the overriding problem remains unsolved. The school day in Egypt is already short by international standards (8:00-2:30). Where there are double sessions, a child is in school 5 hours a day, and where there are triple sessions less than 4 hours a day. Of all the educational problems facing the Minister of Education, the lack of urban schools is the one he has expressed most strongly in his meetings with USAID and with the U.S. Ambassador. USAID could construct new urban schools, following the school maps which are being completed in 1985.

4. Instructional Equipment. The visitor to a primary or preparatory school in Egypt is struck by the absence of instructional paraphernalia: books, notebooks, writing materials, science equipment, audio-visual equipment, maps, physical educational equipment, tools, musical instruments, copying machines, etc. He also notices that the classroom walls are rarely lined with cupboards, cabinets, and counters for storage or for useful school artifacts to be placed in reach of children. Granted, some equipment is locked in a separate schoolroom, but the overwhelming reality of the classroom is an instructional process with a bare minimum of supporting materials. One alternative to remedy this situation is to continue the provision of the same Basic Education materials as in the past. With a few notable exceptions, the project evaluators have judged the materials quite appropriate, after visiting well over 100 schools. Additional equipment would allow children to use tools they had only observed in use before or would provide a map for every class and not just for one class. A second alternative would be provide materials concerning the same subjects, i.e. science, but different items, such as slides or experiments. A third alternative is to concentrate on a equipment for entirely different subjects list. Three areas of evident need are books for school libraries, simple musical instruments, and equipment for physical education. A fourth alternative is to supplement the Basic Education textbooks by producing and distributing to each pupil a series of sheets or booklets which would be kept by the pupil and shared in the home. This material might treat topics in health, nutrition, agricultural or industrial development, population, sanitation, etc. Producing instructional material on these topics could involve collaboration with new Ministries and offices within AID/Cairo.
5. Teacher Training. Teacher training was not a paramount concern in the early plans for Basic Education assistance by USAID, for it was postulated "first we'll help in the areas of principal need--construction and equipment--and then we'll examine teacher performance and classroom interaction." The project evaluators have documented teacher deficiencies in utilizing unfamiliar equipment. Furthermore, the evaluators have differentiated between the initial enrolment in schools, as being a factor of parental attitudes plus the existence of a nearby school, and the

continued enrolment, as a factor of the successful administration and good teaching in the school. That is, certain criteria are necessary to allow a child to enter school; other criteria are applied concerning the school's ability to maintain the child in the school. And one of these latter criteria is teacher performance.

Teacher training can involve two mutually exclusive audiences: pre-services or in-service teachers. The former are training to be teachers for the first time. The latter are experienced teachers in need of improving acquired skills or learning new ones. In addition to teachers, however, there are two other important categories of school personnel that must not be neglected: school headmasters of primary preparatory, or combined schools; and school supervisors, each of whom has a subject matter specialty. The project evaluators found that often school headmasters did not understand the Basic Education reform, not to mention how equipment worked, with the result that they could not be of much support or assistance to their teachers.

The first instance of Basic Education Project assistance to the teacher training areas has occurred through Work Order No. 6 with the Academy for Educational Development. In this endeavor, in-service training programs will be assessed, and a prototype in-service training module developed, followed by a workshop.

In planning for a project extension, the Ministry has requested that USAID fund a portion of in-service training, rather than pre-service. The training curriculum would be written by the Director-General of Training and her staff. Training would cover the objectives of Basic Education, use and maintenance of equipment, plus traditional subjects. Workshop teachers would consist of faculty from the Schools of Education, technical consultants, Undersecretaries from the Ministry, members of higher technical institutes, members of the College of Home Economics. Training would take place each summer, and would reach teachers, headmasters, and supervisors. Supervisors, in their turn, would be trained to train staff in each governorate during the USAID funded summer workshops that would be held in Cairo, Alexandria, Port Said, Tanta, Zagazig, and Assiut in teacher training centers attached to the Ministry. On the other hand, USAID could again raise the possibility of assisting pre-service teacher training.

6. Model Schools. In addition to in-service teacher training, there is another means by which teachers can observe and learn from superior teachers: a system of "model schools", Egypt already has three such systems. There are 19 faculties of Education training teachers for the preparatory and secondary levels in special schools attached to those faculties. The schools in Heliopolis, Tanta, and Zagazig are the best. Secondly, there are 92 teacher training institutes that train primary teachers only. And thirdly, there is a new network of 36 English language

schools, where students pay extra for additional services. In addition to these formal model schools systems, there are a number of institutions throughout Egypt known for their excellence; these are the informal model schools recommended by the project evaluators for utilization in training teachers and headmaster.

A model school is one in which many of the components of schooling are designed to be of higher quality than in ordinary schools. Superiority may be present in the following areas: qualifications of teachers or supervisors; buildings and equipment; instructional materials and teaching methods; financial and parental support for the school; relationship between school and community; number of subjects and activities available to students; amount of practical work engaged in by each student, etc. The model school creates an ideal school environment which will serve as an example for practicing teachers or teachers-in-training and students and parents are also beneficiaries. The problem associated with model schools in the past has been the fact that these schools have enjoyed a level of support which cannot be matched in an ordinary school. For example, model schools (particularly semi-private schools) have been provided expensive equipment such as video tape machines; their physical facilities have been palatial; parents have donated countless hours to paint classroom walls, etc. The successful model school teaches children well, inspires parents, trains teachers through observation and practice lessons. It must have facilities and be composed of elements which are "within reach" of the ordinary schools. In the extension of the Basic Education Project, model schools could be built and/or equipped; or they could consist of existing institutions which are reinforced or upgraded. The schools must also form part of a system by which students, parents, teachers, and school administrators each play a role, and where the whole experiment is monitored and evaluated.

7. Schools for Handicapped Children. Mentally retarded, deaf, mute and blind children in Egypt have received to date very few opportunities for learning and training. For several months now Ministry officials have asked USAID to consider assisting this disadvantaged and neglected population. This assistance might take the form of school buildings and dormitories plus special equipment.
8. Educational Planning and Policy Studies. Less than 3% of current Basic Education Project funds have been devoted to a series of studies, performed by joint Egyptian American teams, on questions of educational planning, budgeting, data retrieval, projections, and policy. USAID firmly believes in the importance of such analytical studies. The technical assistance component of the project, in the framework of which these studies have been carried out, has presented the clear advantage of being flexible to the dominant problems of the day, either as surfaced through evaluation studies or as perceived independently by the Ministry or by USAID.

9. Evaluation

The project should continue its life-of-project evaluation of project progress and impact.

USAID/Cairo Position on Alternative Solutions:

The preceding section contains 9 alternative solutions or potential project components. Several "solutions" contain more than one "sub-solution," reaching a total of 22 different options. How to prioritize or eliminate some solutions, because USAID cannot do everything?

Four major reference works help determine our choice:

1. USAID/Washington Policy Paper on Basic Education
2. USAID/Washington Near East Bureau Strategy, 1983-88
3. USAID/Cairo FY 86 Game Plan
4. GOE Five-Year Plan

The pertinent paragraphs from these four key documents follow.

1. USAID/Washington Policy Paper on Basic Education (1982)

"Support for system expansion should be contingent on an assessment of the adequacy of the extant system and should be accompanied by measures to resolve problems of the extant system." p. 7

"AID will give priority to improvements in the retention, promotion, and efficiency measures of each stage of schooling rather than to increasing initial enrolment figures." p. 7

"AID assistance will be direct at.....substantial improvement in access for girls and the rural poor." p. 8

"AID will provide technical assistance to help Less Developed Countries examine the efficiency of the education system as a whole where such assistance is important for the improvement of the basic education system." p. 8

2. USAID/Washington Near East Bureau Strategy 1983-88 (1983)

"Egypt will continue to require major investments in basic education. Its low level of literacy (44%) will continue to impact negatively on various development indicators, especially agricultural productivity and population reduction. Investments will be required not only to expand basic education systems but also to improve their efficiency and quality." p. 48

"AID should continue throughout 1983-88 its support to bilateral basic education programs inEgypt..... Support for basic education will contribute to the social equity objective and will create one of the preconditions for productive investments, i.e., a labor force with basic literacy and numeracy skills." p. 60

"Building on earlier successes in altering the methods the Egyptians use in locating schools, AID should work on improving the efficiency and quality of the school system. Support to educational planning, administration, and finance should become integral parts of AID's support for basic education."
p. 60

3. USAID/Cairo FY 86 Game Plan

Problem: Inadequate access for students in rural areas, particularly girls; p. 1

Problem: Rapidly increased enrolments in all levels of education have been accompanied by deteriorating quality, because of failure to make adequate capital investment, particularly at the primary and secondary levels, and grossly inadequate fiscal resources to meet recurrent costs at all levels.

Proposed Solution: In basic Education, we would increase access to schools through a gradual expansion of new construction into more rural areas. We will address the qualitative impact of basic education by facilitating the distribution by the GOE of improved instructional materials and through improved teacher training. Our priority focus would be on new rural schools in the present 10 governorates and then a gradual extension into the remaining governorates. Urban school construction would be limited to model schools where especially severe overcrowding exists or to the Decentralization Program.
p. 2-3

Policy Issues: Requiring adequate planning and willingness to address, over time, the administrative/management problems where the educational system (or sub-system) is weak.

Combining selective qualitative improvements with continued quantitative expansion of the school system, particularly at the primary level.

Because of overcrowded/unsafe school buildings in urban areas, make provision for model urban facilities to demonstrate to the GOE what might be done to improve such facilities.
p. 4

4. GOE Five Year Plan

"The Five-Year Plan is geared towards rebuilding the Egyptian human being through promoting quality of education at all levels."
Part II, p. 72

"High classroom density (students per class) reduces education quality and effectiveness."
Part II, p. 73

Objectives for Basic Education for 1983-87: "increase number of classrooms from 151,468 to 193,961 and number of pupils from 6,111,000 to 8,190,300."

Part II, p. 73

The above questions are so varied, with the result that they can be construed to support almost all of the alternative solutions. Of the four reference works, the most relevant one to consult in order to determine the USAID/Cairo position is the FY 86 Game Plan. Under this Game Plan, the Cairo USAID Mission pledges its continued commitment to:

1. increasing access to schooling in rural areas, especially for girls, in the 10 governorates currently being addressed
2. improving teacher training
3. providing instructional materials

In addition, the Game Plan introduces the following new elements:

1. Gradual extension of school construction into the remaining 16 governorates
2. Construction of model schools in urban areas:
 - a. Cairo and Alexandria in the case of severely overcrowded or unsafe schools
 - b. Provincial cities such as Qena, Damanhour, Mansoura, etc. ("Decentralization Program")

There are three additional areas which the Office of Education and Training in USAID/Cairo believes the Basic Education Project extension should also cover:

1. Continue the life-of-project evaluation, for the project has a uniquely rich data collection and data analysis component
2. Continue the technical assistance/educational planning studies, adding the contractual responsibility to follow up on the studies, because currently finished studies are little used
3. Contribute in an additional way to urban education by constructing and equipping a modest number of schools for handicapped children.

In summary, the USAID/Cairo position on the Basic Education Project extension is to continue the rural emphasis and the stress on access. A limited response will be made to the Ministry's strong appeal for assistance to urban school construction.

The Ministry of Education is currently examining the alternatives outlined in the preceding section.

Policy Considerations

1. It is the policy of the Near East Bureau to base project extension and follow-on projects on conclusions and recommendations contained in project evaluations.^{1/} This concept paper has attempted to refer to the evaluation results whenever possible.
2. In future phases of Basic Education Project support, should USAID pay more attention to the quality of the education? This might require being less responsive to the question of expanded access to schooling, i.e., the quantity of new pupils enrolled. Quality can be defined in many ways. Besides concentrating on expanding access, USAID is also concerned that the students admitted remain in school and receive quality instruction.
3. If some of the schools to be replaced in provincial cities are rented structures, some accommodation with the landlord may be necessary.
4. A mechanism should be found to allow some flexibility in each governorate's use of construction funds. One suggestion is to have the same sum, say \$2 million, available to each of the 26 governorates. A list of rank-ordered criteria should be drawn up and each governorate would propose to the Ministry how it wishes to use the funds, providing special justification if necessary.

Budget:

Preliminary discussions have been held with the Ministry concerning the level of anticipated funding and the general line items for funding. When the Associate Director for Human Resources and Development Cooperation handed to the Minister a sheet with the proposed global level of funding of \$93 million for FY 86-90, he noted his priorities by line item funding (Annex).

Next Steps:

This third draft of the concept paper has benefited from numerous comments and suggestions made by the Project Review Committee and by the Education and Training Office. The next steps are:

<u>Item</u>	<u>Calendar</u>
AID/Cairo executive committee review	October 1985
Development of Project Paper Amendment	Oct 85-Jan 1985
Congressional Notification, Project Grant Agreement Amendment Project Authorization Amendment, Action Memorandum for AID/Cairo Director	Jan 1986-March 1986

^{1/} Memorandum from W. Antoinette Ford to all Near East Mission Directors and Representatives regarding Near East Bureau Evaluation Guidelines, August 3, 1984.

ARAB REPUBLIC OF EGYPT
MINISTRY OF EDUCATION
FIRST UNDERSECRETARY OFFICE
(HEAD OF INSTRUCTION SECTOR)

USAID SUPPORT IN BASIC EDUCATION

PROPOSED ADDITIONAL FUNDING FOR 1986 - 1990

(in million US \$)

I. <u>CONSTRUCTION</u>	70
- Replacement of old schools	60
- Schools for handicapped children	4
- Warehouses for books and printing materials	
- Model schools	6
II. <u>TEACHER TRAINING</u>	1
III. <u>EQUIPMENT AND INSTRUCTIONAL MATERIALS</u>	20
IV. <u>EDUCATIONAL PLANNING</u>	1
V. <u>EVALUATION</u>	1

GRAND TOTAL US \$ 93

Moh. Kamal Mansour

Mohamed Kamal Mansour
First Undersecretary for
Education

Annex L

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11. USAID, "Basic Education and Technical Training, 1982 AID Policy Paper," Washington, D.C., 1982.
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Annex M

Waiver No. 1

Subject:

Basic Education Project (Egypt program) Shelf-Item Commodities; Request for a Waiver of the required \$250,000 limit of the total estimated commodity element for imported shelf items financed by AID regardless of origin for code 899, Free World Countries.

Problem:

The Mission Director's approval is required to waive the restriction in section 18 A 4b of Handbook 1B Chapter 18 which limits the total estimated commodity element of imported shelf items financed by AID regardless of origin for Code 899, Free World Countries by \$250,000.

Background:

The Basic Education (Project No. 263-0139) has a total value of \$85 million and may be increased to \$190 million. The major activity under this project is construction (\$61 million approximately which may be increased to about \$140 million). Procuring construction materials, such as cement and steel reinforcing bars, represents the main problem that any builder in Egypt faces. These materials are produced in Egypt, but the local production is not adequate to cover the local needs. The local production of cement and steel reinforcing bars covers about 50 percent of the total need of the local market. The other 50 percent is imported. It is standing practice in building schools to obtain cement and reinforcing bars from government stores at low prices. This means that the chances of getting imported cement or reinforcing bars are limited (less than 10 percent) as the imported cement and reinforcing bars usually go to luxurious housing and joint venture projects. The value of imports purchased under the project from code 899, Free World Countries has been unofficially estimated to be less than 3 percent of total project costs. However, since Egypt is making efforts to reach self-sufficiency in the production of cement and steel reinforcing bars, the production of cement and steel may be approximately doubled by the end of 1986. In this case, the value of imports from code 899, Free World Countries would drop to substantially less than 1 percent of total project costs. As the Project total value is expected to reach \$190 million, the total value of project imports from code 899, Free World Countries is, however, expected to exceed the \$250,000 limit. Exclusion of procurement from Free World countries other than the cooperating country and countries included in code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of foreign assistance program, however, it is not requested to waive the \$5,000 limit on unit prices of imported shelf items (the unit being customarily used when quoting prices), since the unit price of the relevant materials (cement and steel reinforcing bars) does not normally exceed the local currency equivalent of \$5,000.

Authority:

The Mission Director is authorized by paragraph F of Redelelegation of Authority 113.D to approve waivers of origin requirements without dollar limitation.

Recommendation:

Pursuant to the foregoing discussion, it is recommended that you waive the restriction in Section 18A 4b of Handbook 1B Chapter 18 which limits the total estimated commodity element for imported shelf items financed by AID regardless of origin for Code 899, Free World Countries by \$250,000.

The Mission Director's signature in the space provided below will signify his approval.

Approved

Frank B. Kuntz

Disapproved _____

Date

3 JUL 1986

Annex M

WAIVER NO. 2

Subject: Basic Education Project (Egypt Program) Shelf-Item Commodities;
Request for Blanket Waiver of Origin Requirements.

Reference: Action Memo for the Administrator dated May 1982 and his approval on June 4, 1982 (Attachments).

Problem: Your approval is required to waive the restriction in Section 18A 4C of Handbook 1B Chapter 18 of existing origin requirements for AID financed local currency procurement of Egyptian source commodities from normal commercial inventories in those circumstances where items of non-free world or other origin cannot reasonably be distinguished, segregated or otherwise prohibited.

Background: The Basic Education Project (263-0139) has a total value of \$85 million and may be increased to \$190 million. The major activity under this Project is the construction activity (\$61 million approximately which may be increased to about \$140 million). Under this activity, 620 schools will be constructed (about 300 schools have been completed and operative as of May 5, 1986).

The original PP and the First Amendment state that the GOE laws and regulations will be used in the procedures of the different steps of implementation, yet no waivers were obtained to support this statement. One of the most important waivers required in that regard is this Waiver.

The current construction activity is taking place in ten (10) governorates and is expected to cover twenty-four (24) governorates under the proposed Amendment. Procuring construction materials such as cement and reinforcing bars represents the main problem that any builder in Egypt faces. These materials are produced in Egypt but the local production is not adequate to cover the local needs.

Since the circumstances of the shelf item commodities of this project are identical with those of the referenced action memo, HRDC/ET hereby quotes the following part:

"As these materials are purchased in bulk from local sources, frequently, these bulk quantities contain individual items of non-free world origin. Insofar as bulk items such as cement and reinforcing bars are concerned, purchase is normally affected by the government of Egypt by international tender with price the exclusive determining criterion for the successful tender. At any one time supplies may include stock from free world and non-free world countries. Both private and public sector contractors draw their needs by purchase from government stores. As cement and reinforcing bars are commodities in short supply, it is difficult for contractors to refuse shipments which are of non-free world origin, as refusal would result in a delay of months. In other cases, the contractor may be unaware of the origin of commodities purchased since purchase lists are likely to contain commodities of mixed origin.

Procurement of cement and reinforcing bars from the U.S. or free world is not an economically viable alternative. In the case of A.C. procurement, the possibility was studied for the Egyptian Grain Silos. There were large amounts of reinforcing bars and the optimum case for import was presented. The cost was prohibitive, i.e., more than 50 percent above the local price. The problem of cost is compounded by availability, and supplier-enforced requirement of tendering for

It is standing practice in building schools to obtain cement and reinforcing bars from government stores at low prices. This means that getting imported cement or reinforcing bars are limited. The cement and reinforcing bars usually go to luxurious projects and are not available for school projects. Nevertheless, it is difficult to have any guarantees in that regard. Therefore, acquiring a waiver is essential.

As explained* earlier, there are some options that could be used to substitute for the current process but none of them looks reasonable:

Option (1): It could be stipulated in the different tenders that Egyptian cement, reinforcing bars and wood only are to be used.

This option seems reasonable but it can cause delays for several months, depending on the availability of Egyptian cement, bars and wood.

* The same argument mentioned above can also be used regarding the procurement of wood which is used for doors, windows and furniture.

Best Available Document

Option (2): The Project could import its needs directly from the U.S.

This option would be at least 50% more expensive than the cost resulting from the current practice (Ref. action memo page 2).

The value of bloc imports purchased under the Project has been unofficially estimated to be less than 3 percent of total project costs. However, since Egypt is making efforts to reach self sufficiency in the production of cement and steel reinforcing bars, the production of cement and steel may be approximately doubled by the end of 1986. In this case, the value of bloc imports would drop to substantially less than 1 percent of total project costs.

Authority:

The Mission Director is authorized by paragraph F of Redelelegation of Authority 113.8 paragraph 7 to approve a blanket waiver of origin requirements for non-segregable bloc country origin items.

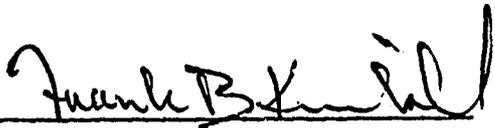
Recommendation:

Pursuant to the foregoing discussion and based on prior approvals to similar projects, it is recommended that you find that it would seriously impede attainment of U.S. foreign policy objectives and objectives of the Foreign Assistance Program to require that existing AID geographic code origin requirements apply to off-shelf procurement in Egypt, and that you approve a blanket waiver of such requirements for AID financed local currency procurement of Egyptian source commodities from normal commercial inventories in these circumstances where items of non-free world or other origin cannot reasonably be distinguished, segregated or otherwise prohibited.

This waiver applies only to the Basic Education Project (263-0139).

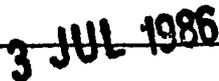
The Mission Director's signature in the space provided below will signify his approval.

Approved



Disapproved _____

Date



Attachments:

- Action memo for the Administrator (May 1982)
- Memo from the Administrator to AA/NE (June 4, 1982)

ES MAY 1982

ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: ES

FROM: AA/NE, W. Antoinette Ford

SUBJECT: Egypt Program Shelf-Item Commodities; Request for Blanket Waiver of Origin Requirements and Concurrent Redelegating of Authority to AA/NE and USAID/Cairo for Project Specific Determinations

Problem: Your approval is required to waive existing origin requirements for A.I.D.-financed local currency procurement of Egyptian source commodities from normal commercial inventories in those circumstances where items of non-free world or other origin cannot reasonably be distinguished, segregated or otherwise prohibited. Your approval is also required to effect an ad hoc redelegation of authority to AA/NE and USAID/Cairo for project specific determinations under this blanket waiver.

Background: As the Egypt program proceeds with decentralization projects and employs, inter alia, fixed-amount reimbursement (FAR) financing, greater amounts of off-shelf procurement are occurring which do not reasonably permit USAID control and monitoring to assure compliance with origin requirements for local source items. Additionally, under all project activities employing off-shelf procurement, circumstances may exist on a case-by-case basis in which the segregation and prohibition of non-free world origin items does not appear to be feasible. (Attachment 2).

In the case of decentralized activities, procurement is often characterized by numerous relatively low value purchases of off-shelf items by village-level officials. The normal commercial inventory available includes items such as small pumps, which are frequently of non-free world origin. These items are familiar to the users, readily available and inexpensive. With 1,617 sub-projects in the Basic Village Services Project (263-0103) alone, with the availability and low price of the items, and with the relative level of sophistication of the village procuring entities, it is virtually impossible for USAID to monitor and control the origin of these purchases.

The same circumstances exist regarding off-shelf procurement under the FAR method of local cost financing. Under the FAR method, however, A.I.D. reimburses the government only for a finished product. While commodities are essential to completion

of each unit, A.I.D. is not financing commodities, per se, and A.I.D. control over individual purchases is even more attenuated.

Even in those projects where A.I.D. control is more direct and realistic monitoring is possible, certain circumstances can arise on a case-by-case basis which frustrate such efforts. This occurs in Egypt when, for example, reinforcing bar and cement are purchased in bulk from local sources. Frequently, these bulk quantities contain individual items of non-free world origin. Insofar as bulk items such as cement and reinforcing bar (re-bar) are concerned, purchase is normally effected by the government of Egypt by international tender with price the exclusive determining criterion for the successful tender. At any one time supplies may include stock from free world and non-free world countries. Both private and public sector contractors draw their needs by purchase from Government stores. As cement and re-bar are commodities in short supply, it is difficult for contractors to refuse shipments which are of non-free world origin, as refusal often results in a delay of months. In other cases, the contractor may be unaware of the origin of the commodities purchased since purchase lots are likely to contain commodities of mixed origin.

Procurement of cement and re-bar from the U.S. or free world is not an economically viable alternative. In the case of U.S. procurement, this possibility was studied for the Egyptian Grain Silos Project (263-K-028). As there were large amounts of re-bar and cement used on that project, the optimum case for import was presented. The cost was found to be prohibitive, i.e. more than 50 percent above the cost of other sources. The problem of cost is compounded by availability, storage requirements, and the supplier-enforced requirement of tendering for extremely large amounts.

Discussion: Agency rules for local-cost financing permit the procurement of unlimited amounts of goods of local source and origin, or of goods imported to meet a general demand ("shelf items") which have their origin in the United States or other eligible source countries. Shelf items having their origin in free world countries not included in A.I.D. Geographic Code 941, however, are restricted to purchases which do not exceed the local currency equivalent of \$5,000 per transaction. In the case of FAR financing, imported shelf items may be financed by A.I.D. regardless of origin, so long as they do not account for more than 25 percent of the total estimated commodity element of

the IAR project or subproject (unless a higher percentage is approved). When FAR financing is not employed, normal A.I.D. policy precludes procurement of commodities having their origin or having components with origin in non-free world countries. Specifically, A.I.D. Handbook 1, Supplement B, Section 18A4c, states that imported shelf items produced in, or imported from, countries not included in Geographic Code 899 are ineligible for A.I.D. financing. While the chapter containing this provision provides for appropriate waivers, whether such waivers may extend to items of non-free world origin depends upon underlying statutory and executive mandates.

The Agency policy prohibiting, as a usual matter, the financing of all shelf items of non-free world origin stems from Section 604 of the Foreign Assistance Act of 1961, as amended (the Act), and Presidential Determinations of October 11, 1961, and August 1, 1962. These provisions restrict the source of procurement outside the United States unless certain determinations are made. The first Presidential Determination prohibits procurement from developed countries except when waived in specific cases to achieve foreign policy objectives, and states that "Procurement outside the United States shall be from free world sources, in any case." Under the Agency's definition of source, (and we are informed that the word "source" in the Executive Order was included at A.I.D.'s suggestion as a term of art) procurement is of local source if the item is located in normal inventories in the cooperating country at the time of sale. Thus Egyptian source procurement would be from free world sources, even though the origin of a particular item were not.

While the impact of these statutory provisions and determinations is considered minimal in the context of local currency financing for shelf items, appropriate caution was raised in a General Counsel Memorandum of Law, dated August 6, 1975. (Attachment 3, page 9):

Until recently, the amount of local currency procurement was strictly limited under the 'shelf item rule' and 'origin' and 'componentry' rules were applied. Accordingly, the validity of A.I.D.'s definition of source, in effect that procurement is 'from' the cooperating country if located therein at the time of sale, was not difficult to defend. Too great a relaxation of the policy restraints, however, resulting in the financing of large amounts of goods identifiable as having been produced in developed or communist countries would call that definition into question and, in view of the rules creating A.I.D.'s geographic codes, raise the difficult issue of what is a 'legal' requirement and what is a 'policy' one.

The conclusion provided by the General Counsel indicates, at least tentatively, that the basis is one required by policy, and therefore subject to waiver:

Given present program structures as we understand them, that is emphasis on FAR techniques which involve small projects usually with large service components, and no projects comprised largely or exclusively of commodity financing, we are prepared to affirm the view that statutory requirements are met with respect to items imported to meet a general demand in the country if located therein at the time of purchase.

This conclusion would appear to be supported by precedent within the Agency. In the 1960's, under A.I.D.-Manual Order 1323.1.1, A.I.D. waived commodity and services contract source requirements for the Special Development Activity Authority (SDAA). This waiver was construed to extend to non-free world procurement. ^{1/} In 1975, the Deputy Administrator found it inappropriate to impose origin or componentry tests to the 750 jointly-funded FAR subprojects under the loan-financed Indonesia Rural Works program. The discussion leading to this conclusion, included at attachment 4, found no clearly applicable origin test in A.I.D.'s regulations when commodities of local source were obtained for numerous subprojects. This discussion also found that securing certificates of free-world origin for all components of each subproject would be unduly costly in terms of administrative effort required, in relation to any benefits gained. The circumstances of the Indonesian program appear analogous to current activities in Egypt, as described above, and the conclusions reached would seem applicable. Additionally, in 1976, the Administrator approved a blanket waiver allowing A.I.D. to finance projects in Afghanistan using FAR financing to pay for shelf items, many of which were of non-free world origin. (Attachment 5.)

Also supporting the requested waiver in this case is the argument of attribution, in that the Egyptian contribution to the projects at issue would appear significantly larger than the value of any bloc-origin items that may be purchased. Egyptian, rather than U.S., funds could therefore be attributed to these items, obviating application of requirements associated with the expenditure of U.S. funds. Bloc imports account for about 15 percent of total Egyptian imports (approximately 15.5 percent in 1979 and 14.9 percent in 1980). The value of bloc imports purchased under project activities has been unofficially estimated to be substantially less than 1 percent of total project costs. At the same time, Egyptian project contributions have averaged

^{1/} GC/AFR, Hager to GC/AFR Phippard memo of June 30, 1969

about 25 percent of total project costs. In the case of the Basic Village Services Project, this contribution has included a cash element of 10 percent of total project costs. While this additional argument is supportive, it is believed that the requested waiver is supportable as a policy decision, and that attribution should not be relied on exclusively without further documentation. While the present request is for a blanket waiver, the requested delegation of authority will permit project specific waivers on a case-by-case basis. The normal \$5,000 ceiling for individual off-shelf purchases will continue to apply except in the case of FAR-financed items, as discussed above. Detailed guidance on use of the waiver, included at Attachment 1, is intended to present A.I.D.'s concern that the waiver be used sparingly, following examination of all other reasonable alternatives.

Conclusion

Free-world origin requirements for local source off-shelf procurement are not statutorily mandated, but are an Agency policy which is subject to waiver. Insistence upon usual Agency origin rules for the Egyptian program under decentralized activities, FAR-financed activities or in other circumstances where items of non-free world or other origin cannot reasonably be distinguished, segregated or otherwise prohibited, would greatly hinder operation of the program. In accordance with A.I.D. Handbook 1 Supplement B, Sections 5B4C and 12D, blanket waivers having a cumulative value in excess of \$500,000 must be made by the Administrator.

Recommendation: Pursuant to the foregoing discussion, it is recommended that you find that it would seriously impede attainment of U.S. foreign policy objectives and objectives of the Foreign Assistance Program to require that existing A.I.D. geographic code origin requirements apply to off-shelf procurement in Egypt, and that you approve a blanket waiver of such requirements for A.I.D.-financed local currency procurement of Egyptian source commodities from normal commercial inventories in those circumstances where items of non-free world or other origin cannot reasonably be distinguished, segregated or otherwise prohibited. This waiver applies to decentralized activities, projects employing FAR financing and such other project or subproject activities as determined on a case-by-case

basis. It is further recommended that you delegate concurrent authority for such case-by-case determinations to the Assistant Administrator, Bureau for Near East, and to the Mission Director, USAID/Cairo.

Approved: [Signature]

Disapproved: _____

Date: 4 JUN 1982

Attachments:

1. Proposed Guidance Memorandum
2. Cable - Cable 01312
3. General Counsel Memorandum of Law dated August 6, 1975
4. Approved Action Memorandum to the Deputy Administrator dated January 24, 1975
5. Blanket Waiver for FAR-financed Activities in Afghanistan

Clearances:

GC/NE:JLKessler _____ Date 5/1/82
 NE/PD/Egypt:TSterner _____ Date _____
 NE/EI/E:GGower _____ Date _____
 NE/PD:STaubentatt _____ Date _____
 DAA/NE:Blangmaid _____ Date _____
 DGC:KKammerer _____ Date 5/15/82
 PPC:JRBolton _____ Date _____
 SER/COM/PP:K.O'Hara _____ Date 5/21/82

Drafted by: GC/NE:BJandjian:paj:4/23/82

M/DAA/SER:JFOwens [Signature] Date 5/26/82

4 JUN 1982

MEMORANDUM

TO: AA/NE, Ms. W. Antoinette Ford

FROM: A/AID, H. Peter McPherson *Y.V.*

SUBJECT: Use of Egyptian Program Shelf Item Waiver and Redlegation of Authority

By the subject waiver and ad hoc redelegation of authority effective _____, 1982, the Assistant Administrator, Bureau for Near East, and the Mission Director, USAID/Cairo, have been delegated concurrent authority to waive origin requirements for Egyptian source "off-shelf" commodities which are purchased with local currency for AID project activities within Egypt. This delegated waiver authority is subject to the appropriate official making a project, subproject or activity specific determination in each case that off-shelf items of non-free world or other origin cannot reasonably be distinguished, segregated or otherwise prohibited and that enforcement of existing AID origin requirements would seriously impede attainment of the objectives of U.S. foreign policy and the Foreign Assistance Program. In the case of activities employing fixed amount reimbursement (FAR) financing, such waivers may not exceed 25 percent of the total estimated commodity element of the FAR project or subproject, unless a higher percentage is justified in the PP and approved by the appropriate official. For non-FAR financed activities, the \$5,000 ceiling applicable to off-shelf procurement of origin outside A.I.D. Geographic Code 941 will continue to apply.

Handwritten notes:
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While having approved this waiver and redelegation of authority, I must reiterate the clear and strongly held policy of this Agency that imported shelf items produced in, or imported from, countries not included in A.I.D. Geographic Code are ineligible for A.I.D. financing (A.I.D. Handbook I, Supplement B, Section 18A4c). Accordingly, I will expect that issuance of specific waivers to this policy will be made only in highly unusual circumstances and only after all reasonable alternatives have been demonstrated to be unsatisfactory. Each waiver shall, of course, be supported by a memorandum setting forth the specific rationale and justification for its use.

This waiver and redelegation will be withdrawn if there is evidence of other than carefully circumscribed and sparing usage which would tend to erode the underlying policies of the Agency.

Annex M

WAIVER NO. 3

Subject: Payment of incentives to selected GOE employees.

Problem: A waiver to M.O. 3-10 is required to pay incentives to certain GOE employees who make substantial input to the Project, and to pay compensation to the Project Management Committee Members for their extra time managing the project.

Discussion: Under the current project, there is a similar waiver to pay the MOE employees that are participating in the R & D component.

The same waiver is required to pay incentives to the MOE and the participating governorates' employees such as site engineers, chief engineers, follow up staff, etc. who will make important contributions to the Project, and to offer compensation to the Project Management Committee Members for their extra time managing the project.

To date, the Ministry of Education received L.E. 250,000 in incentives from the special account. Employees from the Ministry and the Governorates participating in administrating this project receive incentives. The Ministry on the one hand, believes that these incentives are necessary, but on the other hand, the policy the Government uses in handling incentives does not differentiate between minor and major levels of contribution. Engineers in the housing departments or the city councils receive 10-20 pounds per month as an incentive. This amount is considered minor if compared with incentives received from other GOE projects such as irrigation.

Also the Ministry believes that the Project Management Committee should receive compensation for their extra time spent in managing the Project, as this represents an additional duty. The Committee will play a vital role in managing the Project especially during the expansion into 24 governorates.

Payment to Egyptian government employees are proscribed in M.O. 3-10 to protect AID from charges of favoritism or seeking undue policy influence. M.O. 3-10 recognizes, however, that Egyptian government employees may be in the best position to carry out activities which AID wishes to support for programmatic reasons and, therefore, sets certain conditions under which payment can be made to government employees for work which is in addition to their normal responsibilities. These conditions are:

- (a) The activity is of high priority to the U.S. government;
- (b) The participation of governmental employees is an overwhelming necessity;
and

(c) The activity is accomplished in the shortest amount of time consistent with the nature of the task. The proposed Amendment meets these conditions.

As explained in Section 11.3.g., payments to persons under this activity must be approved by both AD/HRDC and the authorized representative in the MOE (The head of the Project Management Committee). The total value of the MOE support is \$150,000. Approximately \$50,000 will be allocated for payment of incentives while the remainder will be used to cover compensation, travel expenses and per diem. ET office believes that such a step will greatly encourage project progress, especially with the expansion from 10 to 24 governorates.

Authority:

According to Mission Order 3-10, only the Mission Director may waive the policy against payment of incentives, compensation, travel and per diem expenses in excess of GOE allowances.

Recommendation: It is recommended that the Mission Director formally approves an exception to M.O. 3-10 permitting payment to GOE's employees from the budget line item "MOE Support".

The Mission Director's signature in the space provided below will signify his approval.

Approved

Frank B. K. [Signature]

Disapproved _____

Date

3 July 1996

Annex M

Justification for use of Informal Competitive Procedures
under AID Regulation 1

Background: Handbook 15, Chapter 3, Section 3B 1 states, "AID Regulation 1 contains two basic procedures for procurement: formal competitive bidding and informal (negotiated) procedures. Under AID Regulation 1, implementing documents rather than regulations specify when formal competitive bid procedures must be followed."

However, Section 3B2b(1) adds that "when public sector entities purchase under CIPs*, they are normally required to use Formal competitive bid procedures for transactions valued at \$25,000 or more. It is the responsibility of the AID officials authorized to negotiate and sign assistance agreements to assure that the agreements and implementing documents issued thereunder specify when formal competitive procedures are required."

Under Handbook 15 Section 3B, "when implementing documents do not require the use of formal competitive bidding, procurements may be undertaken using the informal procedures specified in the regulation". For the Basic Education Project, HRDC/ET believes that informal (negotiated) Reg. 1 procedures are more appropriate for commodity procurements based on the justification set forth below.

Justification: The Ministry of Education has handled 4 rounds of commodity procurement within the last 6 years. The first 2 rounds were under the CIP, while the second two were under the Basic Education Project. Under the 4 rounds, AID Reg. 1, negotiated procurement procedures (Informal competitive procedures) were used. This allowed the Ministry to obtain more accurate specifications since the market of educational commodities is variable. Products of the different suppliers are not alike. Informal procedures permit the Ministry to weigh the advantages and disadvantages of the various products offered and select a supplier accordingly. The Ministry handled the last 4 rounds in a competent and professional manner and the result was appropriate educational material at very reasonable prices.

The design of the educational items procured in different categories are subject to change as a result of the continuous evaluation by both the Ministry and AID. Thus, HRDC/ET preferred to continue using the relatively flexible informal competitive procedures.

Recommended: It is recommended that the MOE use informal competitive procedures for the commodity procurement component under the proposed Amendment based on the above justification. Your concurrence in the use of informal negotiated procurement procedures is indicated by your signature on the Project Authorization.

* (and presumably under Reg. 1 procedures in general)