

UNCLASSIFIED

DEPARTMENT OF STATE

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C.

PROJECT PAPER

EGYPT

BASIC EDUCATION

PROJECT NUMBER 263 - 0139

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DATA SHEET

1. TRANSACTION CODE
 A = Add
 C = Change
 D = Delete

Amendment Number _____

DOCUMENT CODE
 3

2. COUNTRY/ENTITY
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5. PROJECT TITLE (maximum 40 characters)
 Basic Education

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
 MM DD YY
 01 6 30 8 6

7. ESTIMATED DATE OF OBLIGATION
 (Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 81 B. Quarter C. Final FY 81

8. COSTS (\$000 OR EQUIVALENT \$1 = L.E.O.70)

A. FUNDING SOURCE	FIRST FY 81			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
ALL Appropriated Total						
(Grant)	(11,400)	(33,600)	(45,000)	(11,400)	(33,600)	(45,000)
(Loan)	()	()	()	()	()	()
Other						
U.S.						
Host Country		5,400	5,400		38,300	38,300
Other Donor(s)						
TOTALS	11,400	39,000	50,400	11,400	71,900	83,300

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	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				45,000		45,000	
(2)									
(3)									
(4)									
TOTALS						45,000		45,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
 BR BW EQTY

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code _____

B. Amount _____

13. PROJECT PURPOSE (maximum 40 characters)

Expand school enrollments and increase relevance, efficiency, and effectiveness of basic education.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
 0 6 8 2 0 4 8 4 0 3 8 6

15. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 Local Other (Specify) _____

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY

Signature _____
 Title Mission Director

Date Signed MM DD YY
 0 6 8 6

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION:
 MM DD YY

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I. RECOMMENDATIONS.

USAID/Cairo recommends that AID/W approve a grant to the Government of Egypt in the amount of \$45 million. This grant will be used to finance the construction of classrooms at the primary and preparatory or basic education level, the purchase of instructional materials and equipment for basic education schools and provide technical assistance in support of the Egyptian government's efforts to improve the relevance, efficiency and effectiveness of basic education. The grant's purpose is to expand enrollments among rural children, particularly girls, between the ages of 6 and 15, and to increase the efficacy of basic education.

USAID/Cairo recommends that, subject to the availability of funds, monies to support this project be fully obligated in FY 81.

USAID/Cairo recommends that a determination be made under Section 612(b) of the Foreign Assistance Act of 1961, as amended, to permit dollar financing of local costs. This waiver is requested because the anticipated supply of U.S. owned Egyptian currency will not be sufficient to meet the requirements of this project and other obligations of the United States Government in Egypt.

USAID/Cairo recommends AID/W concurrence with the Mission Director's determination that it is in the project's best interests not to categorically exclude commercial construction firms wholly or partially owned by governmental entities from eligibility for A.I.D. financing but to encourage the participation of privately owned commercial construction firms by letting contracts on a competitive basis, limiting the size of any single contract to a scale appropriate to the financial and managerial capabilities of private sector companies, and according the same treatment to public and private sector firms as regards contracting and payments.

II. PROJECT DESCRIPTION

A. Summary.

The proposed project grew as two initially separate lines of thought, one within the Ministry of Education (MOEd) and the other within the Mission, developed and converged on educational issues of widely recognized importance, i.e., relevance, efficiency, effectiveness and access. Within the MOEd, the project represents one aspect of a broadly conceived and widely supported effort to up-date the quality and change the structure of education. At the core of this effort is a desire to provide relevant basic education opportunities to all children between the ages of 6 and 15 in a manner which is both effective and efficient. Within the Mission, the project represents a series of USAID sponsored activities which have been brought together in a more coherent program designed to support MOEd efforts to expand enrollments, particularly among rural youth and girls, and to increase the relevance, efficiency and effectiveness of basic education.

The Mission believes the Ministry's efforts in this regard merit support for several reasons. First, literacy and numeracy -- the central foci

of basic education -- are generally considered basic human needs because the physical quality of life of those who possess such skills tends to be higher than that of those who do not. Second, there is a general, positive relationship between widespread education and higher levels of industrial and agricultural productivity, better health and nutrition, and lower rates of population growth. Each of these factors also has a bearing on the physical quality of life available to members of a given society. The Mission, therefore, in supporting the MOEd's efforts to increase access to basic educational opportunities and improve the quality of instruction provided, seeks to enhance the standard of living available to Egyptians, particularly those living in rural areas.

The financial resources to be provided through this project will be used to procure technical assistance related to planning and implementing educational change, purchase instructional materials and equipment, and build new classrooms. The estimated value of these services, commodities and buildings, is \$2 million, \$10 million and \$33 million respectively. The total estimated value of the project including inflation and evaluation is \$83.3 million. The Government of Egypt will contribute approximately \$38.3 million; the U.S., approximately \$45 million. Project outputs will include 6,595 new classrooms, instructional materials and equipment for approximately 1,000 basic education schools and approximately 140 person months of technical assistance and related activities.

The objective of project financed technical assistance is to assist MOEd decision-makers establish an empirical basis for setting policy or choosing among alternate programs in areas of concern to MOEd administrators. It is anticipated that such areas will include curriculum development, teacher preparation, educational planning, and cost analysis. Because questions related to access have significant implications for future USAID programming in education, they will be studied through the project's evaluation plan. The types of services to be provided through technical assistance are those normally associated with decision-making, i.e., informational, analytical and advisory. For the most part, project funded technical services will be provided through short term assignments focused on specific tasks.

Project funded commodities will consist of instructional materials and equipment such as small hand tools, health and science charts, and maps or globes which are needed to reinforce the new basic education curriculum. These items will be distributed throughout Egypt and will not be limited to project financed classrooms. It is assumed that they will impact favorably on the relevance and effectiveness of Egyptian education.

Project funded construction will build new schools in areas where none exist or additional classrooms in areas where female enrollments are low, schools are incomplete or severe overcrowding occurs. This component of the project is targeted on communities within five rural governorates where the problem of access seems to be most acute. These are Behera and Kafr El Sheikh in the Delta Region and Assiut, Sohag and Qena in Upper Egypt. The Ministry and Mission have agreed on these governorates and the criteria which will govern the location of construction sites within the targeted areas. It is assumed that by placing schools within a reasonable distance of more

children and by completing schools or reducing overcrowding, children will not be prematurely forced out of schools. Hence, it is expected that the project will have a favorable impact on access and efficiency.

Implementation will occur through existing Government of Egypt entities and, to the extent possible, will take advantage of established procedures within those entities. Technical services will be managed via a host country contract with the MOEd. The U.S. contractor for technical services will be supervised by the Deputy Minister of Education and will work with various units in the Ministry such as the General Administration for Planning and Follow-Up, the Statistics Department, or the National Center for Educational Research. Commodities will also be purchased through host country contracts and competitive procurement procedures as established by A.I.D. Regulation 1. Decisions and responsibilities in this regard will follow patterns established within the MOEd for similar procurements under the FY 79 Supplemental and FY 80 Commodity Import Programs. Sites for construction will be identified during the normal process of planning educational investments which involves the Ministries of Education, Planning and Finance as well as the Governorates, their Educational Directorates and Local Councils. Funds will be controlled through the National Investment Bank (NIB) recently established to finance Egyptian government investments. Construction will be supervised by engineers from the Housing Departments or Local Councils of the targeted governorates. It is anticipated that, for the most part, construction will be carried out by private sector contractors. Nevertheless, the Mission has determined that it is advantageous to the project to permit commercial construction firms wholly or partially owned by governmental entities to compete with private sector firms on an equal basis for project financed construction contracts. Existing school designs will be used. The Mission has reviewed these designs and has determined that specifications are adequate. It has also determined that there is sufficient construction capacity in the targeted governorates to implement the project at the planned level; that the procedures of the NIB are such as will ensure adequate financial control; and that the MOEd has the capability to effectively utilize and maintain project funded classrooms.

B. Background and Purpose.

USAID programming in the area of education began in the mid-1970s with a series of ad hoc activities mounted in response to specific requests from officials of the MOEd. Notable among these early activities were the low cost educational materials seminars which reached approximately 200 Egyptian teachers during the summers of 1977, 1978 and 1979; the Population Education Program which eventually became a major effort managed by the Office of Health and Population; and the English Language Testing and Evaluation Program which is beginning to have an impact not only upon the preparation of English language tests but those in other academic subjects as well.

Late in 1978, however, the MOEd requested the Mission to consider increasing the level of U.S. assistance to education. After additional

discussions with the Ministry and consultations with AID/W in early 1979, the Mission decided to proceed with the development of a more coordinated and targeted educational program. At the primary level, this program was to focus on expanding enrollments, particularly among rural youth and girls, and increasing the relevance of education to these same children.

As a first step in the development of this program, USAID sponsored an assessment of the problems and constraints facing Egyptian education. This assessment was carried out by a team of Egyptian and American educators under the auspices of the MOEd. The team submitted its reports in August, 1979. Among the positive aspects of the existing system, this report listed:

- strong mandate to provide basic education to as many children as possible;
- consensus on the need for change and major areas in which change is required;
- rising percentage of female enrollments and decreasing urban/rural disparities;
- consensus on the need to make education more practical;
- substantial budgetary commitment to education; and
- capacity to produce and distribute large quantities of printed materials.

Among its major problems, the report cited:

- disparities in access to education
- inadequate physical capacity;
- shortages of instructional materials and equipment; and
- weaknesses in data and data handling capabilities related to educational planning, management and finance.¹

Simultaneously, the Mission sought a quick response to the obvious need for additional instructional materials and equipment. Hence, in the FY 79

¹Basic Education in Egypt: Report of the Joint Egyptian American Team
(A.I.D. Contract AID/AFR-c-1198, August, 1979, pp. 11-13.

Supplemental Commodity Import Program, it set aside \$7.8 million for the purchase of educational aids. Under this program, the MOEd identified 13 categories of instructional materials or equipment required to teach relevant portions of the basic education curriculum such as social studies, science, agriculture and industrial arts. Through competitive procedures, it then procured approximately 6,000 "packages" of these items which will be distributed to approximately 1,000 schools throughout Egypt by the beginning of the next school year. The FY 80 CIP includes an additional \$10 million for this purpose.

Developments within the MOEd paralleled those in the educational programming of the USAID. In September, 1979, the MOEd precipitated a public discussion of Egyptian education by releasing a document titled "A Working Paper on the Development and Modernization of Education in Egypt." This paper reviewed the positive and negative aspects of the entire pre-university educational system, identified specific areas of Ministry concern, and argued that intellectual, political, social and economic developments within Egypt and the world had created an urgent need to change and up-date Egyptian education.

Among the specific concerns raised by the MOEd regarding pre-secondary education were the following:

- curricula do not prepare students for practical, productive lives;
- rote memorization dominates the learning-teaching situation;
- urban/rural imbalances in the quantity and quality of educational opportunities;
- high truancy and dropout rates;
- low teacher qualifications; and
- insufficient numbers of adequate classrooms and educational aids.

More generally, the MOEd expressed concern about educational finance, particularly the relative amounts budgeted for investment and recurring costs; weak links between educational research and policy formulation; and outmoded management practices.²

²Ministry of Education, "Working Paper concerning the development and Modernization of Education in Egypt," (Cairo: September, 1979).

The public debate over education culminated late in the summer of 1980 when the Government of Egypt agreed to educational reforms along the lines proposed by the MOED. About this time, the Mission also became fully aware of the educational concerns it shared with the MOED. Although expressed in different ways, education was seen as a basic human need and there was a common interest in expanding access to formal schooling and reducing urban-rural discrepancies as well as in increasing educational relevance, efficiency and effectiveness.

The MOED has begun to address these issues. At the core of its proposal to up-date and change education is a plan to restructure the current system's organization and content while, at the same time, initiating programs to improve its performance. In general, the Ministry seeks to establish an educational mainstream which runs from pre-school through basic education (ages 6 to 15, grades 1 to 9) and secondary technical training to continuing adult education with a particular emphasis on up-grading job skills including literacy. Its content is to be geared to productive skills and practical subjects and adapted to rural and urban environments. Performance is to be enhanced by increasing access, reducing repeater and dropout rates, improving curricula and educational aids, raising instructional skills, and strengthening management systems.

Initially, the Ministry will concentrate on establishing the basic education component of its proposed reforms. Its goal is to provide nine years of relevant education to all children between the ages of 6 and 15. This will be accomplished in two steps. First, the Ministry will consolidate and convert to basic education the programs of existing primary and preparatory schools which currently enroll approximately 65 percent of the 6 to 15 year old population. Then, as resources permit the construction of new buildings, the system will expand to include those currently beyond its reach.

Some progress has already been made with regard to the first step. The core of the basic education curriculum has been developed and is being taught to approximately 350 thousand children in 650 basic education schools spread around the country. In the coming year, the number of these schools will increase by 1,000 as additional schools begin to teach the basic education curriculum using the instructional materials and equipment purchased by the MOED through the FY 79 Supplemental Commodity Import Program.

In addition, the Ministry has created a structure whereby it can analyze problems to be confronted in further extending basic education reforms, develop appropriate programs and policies, and follow progress toward achieving goals. This structure is the "Central Committee for Orientation and Supervision" chaired by the Minister of Education and composed of 18 Technical committees. Its members have been drawn from the ranks of professional educators as well as from those with a strong interest in education, such as representatives from the Education Committee of the People's Assembly, who share responsibility for the system's operation, such as officials from the Ministries of Finance and Planning, or those who use its graduates, such as the managers of public sector industries.

Over the past several years, therefore, the MOEd has taken a hard look at the status and performance of the system it manages, identified specific problems and corrective programs, shaped a public and governmental commitment to change and up-date Egyptian education, and established a broadly based structure to guide and implement plans to establish a system of basic education.

The MOEd has developed a tentative five-year investment plan (1981/2-1985/6) in support of its basic educational reform goals. This plan is designed to raise enrollment levels among six year old children from the current average of 83 percent to 95 percent; accommodate this increase in enrollments through Grade 9; eliminate double session schools; strengthen secondary technical education; improve teacher training; and achieve a variety of lesser cost objectives. A summary activity and cost table of the MOEd's tentative five year investment plan is presented as Annex A.

Focusing only on the basic education component of this plan, the MOEd projects a need for 28,446 new primary and preparatory classrooms to accommodate increased enrollments at an estimated cost of \$189 million, excluding land. These figures also exclude classrooms and costs related to eliminating double session schools and are based upon data aggregated at the national level. Past investments, however, have favored urban governorates producing more balanced classroom demand-supply situations in these areas vis-a-vis rural governorates. As classrooms can not be moved from one area to the next, the effect of national projections is to underestimate needs as against a governorate-by-governorate tally.

To adjust for this factor, the Mission prepared five year projections of classroom demand at the governorate level under three conditions. The first maintains current enrollment levels among six year olds which range from 70 to 100 percent among the separate governorates. The second raises six year old enrollment levels to the national average of 83 percent in all governorates below this level while maintaining the higher rates in governorates above this level. The third achieves the MOEd's target of 95 percent enrollments among six year olds in all governorates below this level. All three options are adjusted for population growth and proportionate increases in preparatory school enrollments. They assume an annual population growth rate of 2.5 percent; 45 children per classroom at the primary level, 40 at the preparatory level; and no change in drop-out rates.³ The number of classrooms which must be added to existing stocks to achieve these options by 1985/86 can be summarized as follows:

1.	To accommodate population growth:	14,413 classrooms
2.	Growth plus 83 percent enrollments:	20,158 classrooms
3.	Growth plus 95 percent enrollments:	35,086 classrooms

³Over the past three years, drop-out rates from grades 1-6 have averaged 3.4, 2.5, 2.9, 4.9 and 5 percent respectively. See "The Dropouts from Primary Education," by Samir Lewis Saad, National Center for Educational Research, Cairo, 1980. A drop-out rate of 1.5 percent annually has been assumed for grades 7 and 8.

A more detailed governorate-by-governorate breakdown of classroom demand is provided in Table A. Currently, the average per classroom cost for construction and equipment is approximately \$8,030. The cost in current values of achieving each of these options is, accordingly, \$116 million, \$162 million and \$282 million respectively.

In 1980, Egyptian government investments in basic education amounted to \$16 million or approximately 0.0038 percent of the total national investment budget of \$4.2 billion. If it is assumed that the government maintains this level of investment over the next five years and the national investment budget grows at an annual rate of 8 percent, the resources available for basic education investment will total approximately \$101 million in current values. When compared to demand, this amount will fall short of the minimum investment level required to keep pace with population growth. This fact plus the demand-supply situation for the three investment options outlined above can be summarized as follows:

Investments Required
To Match (\$ million)

	<u>GROWTH</u>	<u>GROWTH PLUS 83 PERCENT</u>	<u>GROWTH PLUS 95 PERCENT</u>
Demand	115.7	161.9	281.7
Supply	<u>101.4</u>	<u>101.4</u>	<u>101.4</u>
Difference	14.3	60.5	180.3

Additional Classrooms Required
to Match

	<u>GROWTH</u>	<u>GROWTH PLUS 83 PERCENT</u>	<u>GROWTH PLUS 95 PERCENT</u>
Demand	14,413	20,158	35,086
Supply	<u>12,624</u>	<u>12,624</u>	<u>12,624</u>
Difference	1,789	7,534	22,462

The implications of this situation are clear. The MOED's efforts to implement basic educational reform including increased access to education will be constrained by limited investment resources. The Basic Education Project is designed to lessen this constraint by encouraging the government to invest in basic education at a level commensurate with population growth and by financing the construction and preparation of additional classrooms. Its purpose in doing so is to increase enrollments and, to the extent possible, reduce drop-out rates. In addition, the project will finance the purchase of instructional materials and equipment for basic education and provide technical assistance related to improving the efficiency and effectiveness of Egyptian education.

TABLE A

DEMAND FOR ADDITIONAL CLASSROOMS, 1985/5

	<u>Percent 6 Year Old Enrollments</u>	<u>T O M A T C H:</u>		<u>Growth Plus 95 Percent</u>
		<u>Population Growth</u>	<u>Growth Plus 83 Percent</u>	
Alexandria	100.0	128	433	895
Dumiat	100.0	92	101	300
Port Said	100.0	40	40	40
Ismailia	100.0	241	263	320
Suez	100.0	161	175	244
Cairo	99.8	3,911	3,911	4,202
Aswan	95.9	<u>170</u>	<u>170</u>	<u>236</u>
TOTAL		4,743	5,093	6,237
Qaliofia	94.0	1,183	1,354	1,756
Menofia	93.5	772	865	1,632
Dakahlia	90.0	352	494	1,397
Gharbia	89.0	<u>525</u>	<u>631</u>	<u>1,629</u>
TOTAL		2,832	3,344	6,414
Kafr El Sheikh	82.9	411	678	1,486
Sharkia	82.7	850	850	2,284
Giza	80.7	1,143	1,399	2,523
Behera	78.0	1,255	2,085	3,512
Sohag	77.0	832	1,587	2,777
Assiut	76.0	659	1,114	2,120
Qena	74.0	531	1,131	2,325
Beni Suef	74.0	302	674	1,384
Minya	71.3	406	1,181	2,166
Foyoum	70.1	<u>449</u>	<u>1,022</u>	<u>1,858</u>
TOTAL		6,838	11,721	22,435
GRAND TOTAL		14,413	20,158	35,086

The MOEd has, in the past, received some assistance from UNESCO in the area of basic education. UNESCO has helped with the development of the Ministry's current basic education curriculum and has provided some instructional materials and equipment for basic education schools. Through this project, however, AID will become the major donor to basic education in Egypt. Other bilateral agencies have concentrated their aid on secondary technical education as has the World Bank. The latter is considering including assistance to basic education in its fourth educational project but the precise nature of this assistance is yet to be defined.

C. Inputs and Outputs.

Project inputs with respect to the construction and preparation of new classrooms have been geared to achieving, in the five targeted governorates, the middle option of matching population growth, raising enrollment levels among six year olds to the national average of 83 percent, and increasing first year preparatory enrollments by an average of 7 percent. This choice was based upon the Mission's judgment of available construction capacity. The high option would require classroom construction activity at three and one-half times the normal level of 2,000 classrooms per year; the middle option, approximately two times; and the low option, one and one-half times. The difference between the last two is not great but the gap between them and the high option is probably too large to manage. Hence, the choice of the middle option. The Mission recognizes the limited nature of this choice and is prepared to increase its investments in basic education as the construction capacity expands.

It is expected that project resources will finance the construction of and furniture for 6,595 classrooms in the targeted governorates. The anticipated distribution of these funds among the target governorates is as follows:

<u>GOVERNORATE</u>	<u>CLASSROOMS</u>	<u>FUNDS</u> <u>(\$ Million)</u>
Kafr El Sheikh	678	5.5
Behera	2,085	16.7
Sohag	1,587	12.7
Assiut	1,114	8.9
Qena	<u>1,131</u>	<u>9.1</u>
TOTAL	6,595	52.9

The project will also provide \$10 million to purchase instructional materials and equipment for basic education. It is estimated that, through these commodities, an additional 1,000 schools will be prepared to teach the basic education curriculum.

Finally, the project will finance approximately 140 person months of technical assistance for the MOEd. The services to be provided in this regard are those normally associated with policy review, program development

and decision-making. They are intended to supplement the analytical skills and knowledge of MOEd personnel and others involved in the basic education reform effort. They will include provision of state-of-the-art information about and professional analyses of problems or issues central to the reform effort; planning and execution of policy or program oriented research in Egypt; and consultation on the development of programs to achieve stated policy goals. A U.S. contractor will provide these services but it is expected that the appropriate mix of experts will include Egyptian as well as American specialists. Implementation arrangements for the technical assistance contract are discussed in a subsequent section. Generally speaking, American experts on short-term assignment, will work with Egyptian counterparts on specific tasks or problems identified by responsible MOEd officials.

The MOEd has identified three areas of immediate concern which are central to successful implementation of the basic education reforms. These are: (1) curriculum design; (2) teacher training; and (3) educational planning and cost analysis.

First, although the core subjects of the basic education curriculum have been identified by Egyptian educators, the MOEd feels that the problem of integrating practical and theoretical studies has not been wholly resolved. Moreover, it recognizes a need to adjust subject matter to grade levels and learning skills and develop instructional materials which relate practical as well as theoretical studies to the lives of students.

Second, the MOEd also faces the task of orienting approximately 145,000 primary and preparatory teachers to the concept of basic education and the new curriculum. The institutional framework to carry out this effort is in place. The MOEd has in-service training centers, teacher training institutes, and 19 faculties of education. Still, a program needs to be designed for use in these centers which will familiarize teachers with the new curriculum and teaching materials and up-grade their practical skills and knowledge.

And, third, the MOEd has outlined an ambitious program for reform. The cost of this program is high. It is, therefore, incumbent upon the MOEd to maximize the use of funds. To do so, it must be able to consider the relative impact on student learning of a variety of investment options such as single versus double session schools, more training for teachers versus more workbooks for students, or training teachers at secondary level institutes versus university level faculties of education. The MOEd also needs to be able to consider ways of reducing investment costs through, for example, the use of alternate school designs and construction materials or school locations given alternate criteria regarding access and classroom density.

The MOEd's immediate problems with respect to curriculum design, teacher training, educational planning and cost analysis can be resolved in a variety of ways. The purpose of project funded technical assistance is to

assist the MOEd review its options and develop action programs. For example, one approach to curriculum design, particularly the problem of integrating practical and theoretical studies, is to survey the learner's environment to determine what types of skill and knowledge are or might be especially useful to the learner. Once such skills are identified, the practical and theoretical knowledge required to understand their application can be defined and organized into learning modules or study units. In this case, project-funded technical assistance could assist the MOEd structure a community skills survey, define relevant theoretical and practical knowledge, and develop learning modules or study units and instructional materials. This, in turn, would require specialists with backgrounds in community-based curriculum, learning theory and the design of instructional materials. Similarly project-funded technical assistance could assist the MOEd prepare an in-service training program to orient teachers to the new curriculum, develop an appropriate workshop format and instructional materials, and train workshop instructors. And with regard to educational planning and cost analysis, project-funded T.A. could assist the MOEd develop a production function for Egyptian education. The specialists would identify data requirements, collect input and output information, perform necessary analyses and present results in ways, which could be used to arrive at investment decisions.

The particular skills and knowledge required immediately by the MOEd are those of the curriculum specialist, teacher trainer, educational planner, educational economist and school architect. The estimated level of effort required in each of these specialities is 36, 16, 18, 18 and 8 person-months respectively. Approximately eight person-months will be required for contract administration leaving a balance of 36 person-months. This remaining time will be used to examine issues of less urgency but equally important from the perspective of educational effectiveness. They include such matters as testing and evaluation, language instruction, pre-service teacher training and educational administration. The project also includes \$500,000 to fund activities related to technical assistance. These include such items as computer time for planning and cost analyses, data collection related to curriculum surveys, and materials for teacher workshops. The Mission will approve these activities on an individual basis following submission of plans and budgets by the MOEd.

AID's input will consist of a grant in the amount of \$45 million to the Government of Egypt. Of this amount, approximately \$32.2 million will finance the local costs of building and furnishing 2,907 new classrooms; \$10 million, the foreign exchange costs of instructional materials and equipment; \$2 million the foreign exchange and local costs of technical assistance and related activities; and \$0.8 million the foreign exchange and local costs of project evaluation. Ninety-six percent of AID's total input will finance capital investments. The Egyptian government's input consists of the local cost equivalent of \$38.3 million which will be used to finance the costs of building and furnishing 3,688 new classrooms.

D. Implementation Arrangements.

At least in part, successful achievement of the project's purpose rests on decisions made in three key areas. These are: (1) the selection of

sites for new schools or classrooms; (2) the definition of specific tasks to be accomplished through technical assistance; and (3) the identification of instructional materials and equipment. Given the rather broad agreement between the MOEd and USAID over the problems facing Egyptian education and the general directions of reform, the Mission believes that the most appropriate approach to making decisions in these key areas is to negotiate mutually acceptable criteria which would then guide MOEd decisions with respect to the specific use of project resources. In considering implementation arrangements, therefore, design has focused upon the decision making process as well as procedures for converting inputs to outputs. In both cases, that is, with regard to planning and approval, on the one hand, and project execution, on the other, the project will rely upon existing procedures and agencies to the extent possible. The procedures to be used and responsible agencies are described below.

1. Decisions.

Ultimately decisions as to the specific use of project resources will be made by the Minister of Education. Slightly different procedures, however, will be used to present him with options in each case. Those to be used for construction will be outlined first. They follow almost exactly existing procedures for educational investment planning.

The MOEd has developed a Five Year Investment Plan (1981-86) but the key working document is the annual investment plan approved by the People's Assembly. The preparation of this document begins in January of each year when the MOEd sets investment criteria and requests the Education Zones to establish their needs within these criteria. The Zones, in turn, convey this information to the Educational Directorates under their authority and ask that they identify their needs. (Generally speaking, Zone boundaries coincide with those of the governorates; those of the Directorates, with the boundaries of the markaz within the governorate.) The Directorates respond by identifying numbers of and sites for new schools or additional classrooms. Zone officials assess the reasonableness of the Directorates' requests and develop a governorate-wide investment plan. This plan is reviewed by the governor and his executive staff. After this review, the governor submits the plan to the Education Committee of the Local Council which reports on it to the Council as a whole. The Council has the authority to modify the plan. It is an elected body which functions at the governorate level. Its membership consists of two representatives from each markaz, the major administrative and political sub-divisions of the governorate. As markaz and Education Zone boundaries coincide, the Educational Directorates are represented in the debates over the investment plan. After approval by the Local Council, investment plans for the governorates are sent to the MOEd.

The MOEd carries out its own assessment of the investment plans submitted by the Zones. This assessment is based upon available census data, established guidelines and actual financial performance. It is done by the General Administration for Planning and Follow-Up (GAPFU) which has the authority to adjust plans and to delete specific projects if they fall outside of Ministry guidelines. GAPFU then prepares a national investment plan

showing allocations to the different governorates by level and type of education. This plan is submitted to the Ministries of Planning and Finance. The former determines if it fits with the government's overall investment planning targets. The latter sets the funding level which, until now, has always fallen well below the MOEd's requests. This necessitates adjustments in the plan which the MOEd makes in consort with the Ministry of Planning prior to the plan's presentation to the People's Assembly for approval as part of the government's annual budget submission. The People's Assembly is, of course, empowered to modify the educational investment plan submitted to it and it is during budget debates that representatives from the different governorates can make a case for modifications which favor their constituents. The approval of the People's Assembly, however, sets investment allocations by governorates and levels and types of education within the governorates. Projects not included in the plan approved by the People's Assembly cannot, by law, be funded.

Project resources earmarked for construction will become subject to the decision-making process which leads to the national investment plan for education. Throughout this process, site selection decisions lie largely with Local Councils based upon recommendations provided by Directorate and Zone officials following criteria established by the MOEd. Because of its role in preparing the national investment plan, the MOEd exercises a de facto veto power over decisions made by the Local Councils. The Ministry has successfully maintained this veto power over the years. As a result, the Mission believes that adequate controls over the decisions of Local Councils can be obtained by charging the MOEd with responsibility for applying site selection guidelines through the investment planning process. The Mission will monitor the application of these guidelines through informal consultations with GAPFU during the preparation of the educational investment plan prior to its submission to the People's Assembly and by formally acknowledging, after the People's Assembly has approved the educational investment plan, that the guidelines governing site selection have been satisfactorily applied. To assist the Mission in this regard, it will have access to complete school maps for each of the targeted governorates. Using site selection guidelines established for the project, these maps will identify potential locations for new schools or classrooms. These locations will be compared to the sites proposed by the Zones and Ministry. As both also have access to the same maps, the Mission expects little difficulty in arriving at agreements in this regard.

Project financed instructional materials and equipment are intended to provide teaching-learning aids which are appropriate for basic education and not readily available in Egypt. The basic education curriculum introduces new content and cuts across old distinctions between primary and preparatory education. To ensure the maximum level of coordination between the new curriculum and the aids already available in existing primary and preparatory schools, a special committee will be established to identify the instructional materials and equipment to be purchased through the project. This committee will consist of the Undersecretaries for Primary Education and Teacher Training, Preparatory Education and Basic Education. It will also

contain representatives from the Technical Sub-Committees of the Central Committee overseeing educational reform which are responsible for educational content and instructional aids. This committee will report to the Deputy Minister of Education.

Procedures governing decisions regarding project financed technical services will be similar to those used by AID to procure short-term technical assistance. First, a contract will be negotiated with a U.S. firm selected through competitive procedures. This contract will specify general areas in which technical services will be required and establish a maximum funding level. The Statement of Work for this contract is presented as Annex B. The MOEd will then draw against this contract through a series of work orders. Specific assignments will be set by the Central Committee's Technical Secretariat, chaired by the Deputy Minister of Education. The key working document in this regard will resemble AID's PIO/T. It will contain a statement of work specifying the particular task(s) to be accomplished in a particular area, type(s) of skills or knowledge required, level(s) of effort, responsible MOEd contacts and general qualifications of consultants(s). The contractor will assist in the preparation of this document. It will be reviewed by the Mission for clarity and specificity prior to its execution.

2. Execution.

Instructional materials and equipment will be procured through procedures established in AID Regulation 1. Direct letters of commitment, issued by AID/W, will be used to finance contracts between the MOEd and U.S. suppliers. The Mission believes this approach is more desirable than Handbook 11 procedures primarily because the MOEd is already familiar with Regulation I through procurements under the FY 79 Supplemental CIP.

Technical services will be procured through a level-of-effort, host country contract signed by the Ministry of Education and financed by an AID direct letter of commitment. The procedures to be followed in soliciting proposals, evaluating responses, and signing contracts are those outlined in the appropriate chapters of AID's Handbook 11, Country Contracting.

Construction, will be financed through the National Investment Bank (NIB) and carried out via contracts between Egyptian building firms and the Housing Departments or Local Councils of the targeted governorates as appropriate. The NIB, itself, is more fully described in the section dealing with the administrative capacity of implementing agencies. The balance of this section deals with financial and contractual procedures related to project-funded construction.

The first step in implementing construction projects included in the approved investment plan is for the Education Zone to prepare an "executive" program for each. This program identifies the project site, sets a construction schedule, and estimates total cost, funding source and quarterly projected cash requirements as well as disbursements for the life of the project. This program is submitted to the Technical Section of the NIB

where it is reviewed for reasonableness of cost and scheduling. For this purpose, the NIB uses norms provided by the Ministry of Housing. If the executive program is found acceptable by the Bank, it establishes a financial plan and account and authorizes the Zone to proceed. The Zone then requests the Housing Department to contract for construction or advises the Local Council that it may do so. If the project is a complete building, the Housing Department has contracting authority; if it consists of additional classrooms, then the Local Councils have authority. In both cases, competitive bidding procedures are followed as required by Egyptian law. Standard advertisements, bid forms and contracts have been developed by all targeted governorates. If the responses fall within the estimated costs of the approved executive program, a contract can be signed and construction begun. If not, a contract cannot be signed and the executive program must be re-negotiated with the Bank.

When a contract is signed, the Bank transfers to the Zone's account in the local office of the Central Bank funds equivalent to the first quarter disbursements as estimated by the project's executive program. Subsequent disbursements from the Bank to the Zone are based upon estimated financial requirements for the next quarter minus previously disbursed but unspent funds.

Contractor payments are initiated at the contractor's request for reimbursement directed to the Housing Department or Local Councils. Following this request, the engineer from these authorities responsible for site supervision prepares a payment voucher based upon the estimated value of work completed and materials stored at the site subsequent to any previous payments. Normally, the contractor receives 75 percent of the value of labor and 90 percent of the value of materials stored at the site. The full value of labor and materials is not paid to the contractor until after construction has been completed and the building has been formally accepted by the Education Zone. The voucher prepared by the project's supervising engineer is forwarded to the Education Zone where it is reviewed by the Building and Financial Units. The Financial Unit then prepares a check which is signed by the Financial Manager of the Zone and countersigned, after all relevant documents have been reviewed, by the representative of the Office of the Controller-General within the Ministry of Finance who is assigned to the Education Zone.

To facilitate the NIB's role in financing project-funded construction, AID will make its resources available to the Bank on a quarterly basis at the Bank's request. Prior to the initial disbursement, the Bank will compile the financial plans for active projects and estimate first quarter financial requirements. AID will then make this amount available. Subsequent disbursements to the Bank will be based upon estimated financial requirements for the following quarter minus unspent funds. The Bank's estimates in this regard will be prepared from quarterly reports of the Education Zones showing expenses incurred and paid for construction with supporting documentation. The payment mechanism by which AID will release funds to the NIB is fully described in the following section.

NIB accounts are audited on an annual basis by an independent unit of the Ministry of Finance. Those of the Education Zones are similarly audited. AID will covenant access to those portions of official Egyptian government audit reports which bear on the use of project funds.

The Bank's quarterly request for funds will also include a status report on active construction sites noting particularly when buildings have been formally accepted by the Education Zones and final payments made. The MOEd, on the other hand, will submit twice yearly reports as to when completed buildings become operational.

Currently, school construction in the targeted governorates is dominated by private sector building firms. It is thought that this is due, in part, to factors which tend to discourage the generally larger public sector firms, wholly or partially owned by governmental entities, from bidding on school construction jobs. These factors include the relatively small size of such projects (the approximate value of the typical six room school in the Delta area is \$41,000 and, in Upper Egypt, \$47,000), their discrete nature, the distance between sites, and lack of demand due to relatively low levels of educational investment.

It is anticipated that private sector building firms will actively seek project financed construction jobs. Nevertheless, the project will dramatically increase the demand for contractors in the targeted governorates and may draw the increased attention of public sector firms to school construction. This may be of advantage to the project as such firms do perform a significant portion of construction in Egypt and their participation could speed project implementation. For this reason, the Mission has determined not to categorically exclude commercial building firms wholly or partially owned by governmental entities from eligibility for AID financed construction under this project. Nevertheless, the Mission is committed to programs which strengthen the private sector and ensure a fair competitive position for firms in the private sector vis-a-vis the public sector. To this end, construction contracts will be let on a competitive basis as required by Egyptian law. Where it seems reasonable and more efficient to bid several jobs as a package, such packages will be on a scale appropriate to the financial and managerial capabilities of private sector firms. In general, the size of such a package will not exceed three schools. Furthermore, public and private sector firms will be treated as the same in all matters related to contracting and payments.

E. Financial Plan.

1. Cost Estimate.

The total cost of the project is estimated to be \$83.3 million. AID will provide, in the form of a grant to the Egyptian government, \$45 million and the Government of Egypt, the equivalent of \$38.3 million. The source and use of project funds are detailed in the following table. An annual inflation factor of 20 percent was used in calculating the costs of

classroom construction and furniture. Inflation was not included in costing technical assistance or instructional materials as these amounts represent the maximum level of project funding for these items. A contingency factor equal to \$2.1 million is included in AID funding. It will be used to adjust for unpredictable factors such as the added cost due to the inaccessibility of construction sites or additional costs for adopting classrooms to living accommodations for teachers. An exchange rate of U.S. \$1.00 = L.E. 0.70 was used in estimating the value of local costs.

SUMMARY COST ESTIMATE AND FINANCIAL PLAN
(\$ Millions)

	<u>A.I.D.</u>			<u>GOE</u>	<u>TOTAL</u>
	<u>FX</u>	<u>LOCAL</u>	<u>TOTAL</u>		
1. Construction	.0	20.7	20.7	26.4	47.1
2. Furniture	.0	2.6	2.6	3.2	5.8
Sub-total	.0	23.3	23.3	29.6	52.9
3. Materials & Equipment	10.0	.0	10.0	.0	10.0
4. Technical Assistance	1.0	1.0	2.0	.0	2.0
5. Evaluation	.4	.4	.8	.0	.8
Sub-total	11.4	1.4	12.8	.0	12.8
6. Inflation	.0	6.4	6.4	8.2	14.6
7. Contingency	.0	2.1	2.1	.0	2.1
8. NIB Support*	.0	.4	.4	.5	.9
Sub-total	.0	8.9	8.9	8.7	17.6
9. Total	11.4	33.6	45.0	38.3	83.3

*Discussed under the heading of administrative feasibility.

The relative costs of project outputs are summarized in the following table.

COSTING OF PROJECT OUTPUTS
(\$ Million)

<u>INPUTS/OUTPUTS</u>	<u>CLASSROOMS*</u>	<u>MATERIALS AND EQUIPMENT</u>	<u>TECHNICAL SERVICES</u>	<u>TOTAL</u>
AID	33.0	10.0	2.0	45.0
GOE	38.3	.0	.0	38.3
TOTAL	71.3	10.0	2.0	83.3

*Includes construction, furniture, NIB support, inflation, contingencies and evaluation costs.

Local costs will be incurred for construction, furniture, technical assistance and project evaluation. The estimated total of such costs is the Egyptian pound equivalent of \$71.9 million of which it is planned AID would provide \$33.6 million. The bulk of AID local cost expenditures will occur in FY 83 and FY 84 when they would reach the level of approximately \$9 million per year. AID does not anticipate having access to U.S. owned Egyptian currency in the amounts necessary to meet this level of expenditure and its other obligations. Hence, it will be necessary to purchase Egyptian pounds with dollars. The Mission, therefore, recommends a determination under Section 612(b) of the F.A.A. of 1961, as amended, to permit this. Its justification is presented as Annex C.

The Mission recommends that the full amount of the grant (\$45.0) million be obligated in FY 81.

Anticipated project expenditures by fiscal year are summarized below:

PROJECTION OF EXPENDITURES BY FISCAL YEAR
(\$ Million)

	<u>AID</u>	<u>GOE</u>	<u>TOTAL</u>	<u>PERCENT DISBURSED</u>
82	4.5	5.4	9.9	11.9
83	10.2	10.9	21.1	37.2
84	21.5	12.4	33.9	79.5
85	6.8	8.0	14.8	98.8
86	2.0	1.6	3.6	100.0
TOTAL	<u>45.0</u>	<u>38.3</u>	<u>83.3</u>	

2. Project Payment Mechanism.

AID funds to be provided under this project for commodities, technical services and evaluation will be made available based on provisions established and approved by AID during contract negotiations. AID funds for construction will be made available according to the following provisions.

An initial advance will be made to the National Investment Bank (NIB) based on demonstrated cash needs for the following period of not to exceed three months. Demonstrated cash needs shall be based on information provided by each participating Zone in the form and manner established in Annex D.

The NIB as well as each participating Zone shall open a special bank account for the purpose of depositing the advance. For identification purposes, the account shall include the name and number assigned to this project and that of the participating Zone. In the case of the NIB, the bank account name shall include the name and number of the Project and that of the Bank. Upon receipt of an advice from the NIB that the above accounts have been opened, AID will issue a check payable to the NIB's account in the amount requested as an advance.

The project account opened in the NIB may be drawn upon by the NIB solely for disbursement to participating Zones based on approved executive programs for projects included in the approved investment plans of the participating Zone. Any interest or other earnings on AID financed local currency under this project shall be paid directly to AID as earned and shall not be used to offset project expenditures.

Following the initial advance of funds and subject to the provisions of this clause, the advance shall be replenished quarterly, or more frequently if required. The advance shall be replenished during any given year based on the presentation by the NIB of the following:

(a) A Certified Fiscal Report (Annex D) in triplicate showing the amount of expenditures actually incurred by each participating Zone and the source (AID, Egyptian Government or other) of the funds used to cover these expenditures; and

(b) A certified Statement of Cumulative Expenditures and Quarterly Cash Needs (Annex D) in triplicate which provides not only an overall view of expenditures incurred (cumulative) under the project and the source of funds used to cover them but also the cash position of the Project Account (AID only) at the end of the reporting period and cash needs during the following three (3) months.

In addition to the above quarterly financial reports from NIB, the MOED shall present at the beginning of each year the following documentation:

(a) The educational investment plans of the Ministry of Education and participating Educational Zones; and (b) Lists of construction programs in each participating governorate. These lists should include total estimated cost for each program and sources (Egyptian Government, AID and other) of funds to finance these costs.

Notwithstanding any other provisions of this section, the total replenishments plus the initial advance shall not exceed the total amount authorized by AID under this Project.

For the purpose of accountability, AID funds as well as those provided by Egyptian Government for this project will be accounted for separately by NIB and each participating Zone.

In no event will AID funds be used to pay banking charges or any other related charges which may arise due to the handling of financial resources provided by this project.

Contractors will be paid by the Education Zones on the basis of work completed or materials purchased with necessary supporting documentation. In no event will AID funds be used to provide advance payments to contractors.

At least once each twelve months the Ministry of Finance will arrange for an independent audit of all books and records maintained by NIB

and each participating Zone. The Ministry of Finance will make available to the USAID those portions of these audit reports which bear upon the use of project funds.

III. PROJECT SPECIFIC ANALYSES.

A. Economic Feasibility.

1. Budgetary Considerations.

The Egyptian government's contribution to the project will be wholly absorbed by its construction component. This component is geared to matching population growth and raising enrollment levels among six year old children by approximately 9 percent and among preparatory school children by 7 percent in the targeted governorates by 1985/86. As shown earlier, however, anticipated investments in basic education will not be sufficient to attain the project's purpose or, on a national level, to keep pace with population growth. This situation with respect to national shortfalls is summarized on page 8; that for the targeted governorates, below:

Investments Required to Match: (\$ Million)

	<u>POPULATION GROWTH</u>	<u>GROWTH PLUS 83 PERCENT</u>
Demand	29.6	52.9
Supply	<u>23.1</u>	<u>23.1</u>
Difference	6.5	29.8

Additional Classrooms Required to Match:

	<u>POPULATION GROWTH</u>	<u>GROWTH PLUS 83 PERCENT</u>
Demand	4,758	6,595
Supply	<u>4,110</u>	<u>4,110</u>
Difference	648	2,485

To keep pace with population growth on the national level requires an increase in basic education investments of approximately \$2.9 million annually over the next five years. This amount is roughly equal to 0.0008 percent of the MOED's total 1980 budget. It also represents a marginal portion of the country's total 1980 investment budget of \$4.2 billion.

Higher recurrent costs are associated with higher levels of investment. A generous estimate would place these costs at \$900 per year per classroom. The estimated recurrent cost in current values of keeping pace with population growth throughout the country, therefore, is \$13 million annually. The estimated recurrent cost of the additional classrooms in the targeted governorates alone is \$2.6 million for a total annual increase of \$15.6 million. This latter amount represents 4 percent of the MOED's

recurrent expenditures in 1980 and 0.3 of a percent of total government expenditures on recurrent costs.

The overall budgetary impact of additional, project-inspired governmental expenditures is relatively small and, in the Mission's opinion, well within the financial capabilities of the Government of Egypt. The Mission, therefore, will covenant with the Government of Egypt a minimum level of investment in basic education sufficient to meet increased demand due to population growth and recurrent expenditures adequate to operate and maintain project financed classrooms.

Similarly, it is expected that the supply of teachers will be adequate to meet project needs. On an annual basis, Egypt's teacher training institutes (the equivalent of secondary schools) graduate approximately 7,500 new teachers and re-train approximately 2,000. These institutes are located within each governorate and, generally speaking, the governorates are self-sufficient in the production of teachers. In addition, the participating Educational Zones are among those which have developed "village teacher" programs. These programs provide full fellowships at local teacher training institutes for village children who have completed the ninth grade and are willing to become teachers. After their training is completed, these teachers are, to the extent possible, assigned to schools in or near their home villages.

2. Costs.

The Mission's willingness to invest in basic education is derived from fact and reasonably sound assumptions about the relationship between literacy and formal education.

The fact is that, in Egypt, literacy is associated with higher levels of expenditure per household. On the average, expenditures of households headed by literates (excluding those who hold primary school or higher certificates) exceeds that of households headed by illiterates by approximately 30 percent.⁴ It seems reasonable to conclude from this that literacy provides positive economic returns to individuals living within the Egyptian economy.

Against this fact, the Mission has assumed that universal, mass public education can be a reasonably cost effective way of providing literacy training and other benefits of value to both the individual and economy. Unfortunately, the information necessary to establish the relative cost effectiveness of Egyptian education is not currently available. The Mission is, however, through a separate activity, collecting financial information which will bear upon this question. It is also expected that a portion of project funded technical assistance will examine educational costs. In the absence of such data, the Mission has attempted to ensure

⁴Results drawn from a village household survey conducted by the Markaz Demographia in 1974/75 under commission from the Ministry of Local Government.

maximum returns on investment. In this regard, Mission engineers have compared school building costs with those of comparable local construction and believe they are reasonable. These costs will also be constantly reviewed and monitored throughout the life of the project by the NIB as it approves the executive programs for construction projects submitted by the Education Zones. To further ensure the least cost or best price, competitive procedures will be used to let construction contracts and to select the U.S. suppliers of instructional materials and equipment and technical services. At the same time, if it is assumed that project financed classrooms are used for a period of 20 years with an average of 45 children per classroom per year, the per student year cost of these classrooms to AID is \$12. Similarly, if an average life of 5 years is assumed for project financed instructional materials and equipment and that approximately 500,000 children per year will benefit from these aids, the per student year cost of instructional materials and equipment is \$4. It is the Mission's belief that such costs are reasonable.

B. Administrative Feasibility.

Project implementation responsibilities will lie primarily with the MOEd. It will contract for the procurement of educational commodities and technical services. The distribution of these commodities as well as the supervision of the technical services contractor will also be the responsibilities of the MOEd. It will also oversee decisions with respect to site selection. Financial control with regard to construction will lie primarily with the NIB but the Educational Zones of the participating governorates will play an important role vis-a-vis the preparation of executive programs and the control of all resources (receipts and disbursements) for each building project. Contracting for and supervision of project-funded construction are responsibilities to be carried by the engineering staffs of the Housing Departments and Local Councils of the participating governorates. Follow-up responsibilities, including acceptance of buildings, are shared by the NIB, the engineers of the Housing Departments and Local Councils, and the Education Zones.

Generally speaking, this distribution of project implementation responsibilities follows existing lines of authority and procedures for similar actions within the administrative framework of the Egyptian Government. With the exception of the NIB, these entities have performed their respective functions successfully for a number of years. Their ability to continue to do so is not questioned. The project, however, will increase their levels of work. Hence, the key implementation issue is whether the management capacities of these entities are sufficient to absorb the additional load. The NIB, on the other hand, was established in 1980 to facilitate the flow of investment funds beginning with the current Egyptian fiscal year. The issue with regard to the Bank, therefore, is whether it has adequate procedures and sufficient staff to monitor and control project funds destined for construction?

1. Ministry of Education.

Within the MOEd, planning and approval responsibilities related to school construction fall primarily to GAPFU. At the governorate level, the work of GAPFU is supported by the Planning and Follow-Up Units of

the Education Zones. Working with these local units, GAFU has prepared a five year plan for educational investments and, annually, prepares investment plans and budgets for the governorates far in excess of available funds. Since much of its planning work has already been accomplished, GAFU's capacity seems sufficient to absorb project related work. GAFU's plans, however, deal only with aggregated data and provide relatively little guidance as to specific locations for building new schools or classrooms.

To fill this gap, the Mission and the Egyptian Government will have finance pre-project activities which will prepare school maps for each of the targeted governorates. These maps will show the location, size, condition, and enrollments of existing schools and identify potential sites for new schools and classrooms according to criteria set by the MOED and the project. These maps will be prepared by GAFU staff in cooperation with employees of the participating Education Zones. Adequate topographical maps are available through the Egyptian Survey Authority. GAFU has already begun work on the map for Kafr El Sheikh.

Responsibilities for the selection of basic education commodities have been assigned to a special committee within the MOED. This committee has worked effectively to develop lists of items and specifications for similar procurements funded under the FY 79 Supplement and FY 80 CIPs. It has also proven to be highly adept at negotiating with U.S. suppliers and has established a system to receive commodities at the Port of Alexandria and distribute them throughout Egypt. It should have no trouble in continuing to perform these functions under the project.

Among the three categories of project assistance, the MOED's experience with outside technical advice is most limited. Foreign experts, however, are not new to the Ministry. Over a period of four months, for example, it hosted nine professional American educators as part of the basic education survey effort sponsored by the Mission. It has also worked with experts from other countries, the World Bank and UNESCO on a variety of projects. Normally, however, the nature of the technical services or personnel provided have been defined or chosen by the donor rather than the MOED. It is in this regard that the Ministry's experience with technical assistance is limited.

Because the MOED has identified a number of educational problems which the Mission feels merit serious attention and because it has begun to address these issues using available expertise, the Mission believes this equation can be reversed. Hence, it will rely upon the Technical Secretariat of the Committee for Orientation and Supervision to define tasks and set scopes of work for research or program development in areas related to basic education. It will also rely upon the MOED to contract for these services. Because the MOED has had some experience with host country contracting procedures through the Peace Fellowship Program, the Mission does not anticipate difficulties in negotiating an acceptable contract.

2. National Investment Bank.

The NIB was created in 1980 by the People's Assembly through Law No. 119. Its purpose is to finance all projects included in approved national investment plans and follow-up on their execution. Its resources are drawn from the national investment budgets, state-funded insurance and social security programs, foreign grants and loans designated for investment projects, and deposits of public sector firms. It is authorized to raise funds through the sale of stock and to borrow money. The Bank is to operate as a commercial venture. This means that, in effect, ministries and public sector firms must borrow investment capital from the Bank and are required to pay interest. Rates to service ministries, such as the MOED, however, are concessionary and are to be paid by the Ministry of Finance. The Bank's current portfolio includes approximately 3000 projects.

As a new institution, the NIB is working to establish operating procedures and relationships with its clientele. It has prepared a set of regulations instructing clients, such as the Education Zones, on the actions necessary to release funds allocated for particular projects. It has also developed forms which clients can use to report financial requirements, disbursements and progress. Until its own offices are established in the governorates, it will rely upon the facilities of the Central Bank's branch offices. It currently has a professional staff of 55, assigned as follows: Technical Unit, 35, Central Accounts, 10, Internal Audits, 5 and Information, 5. The Technical Unit will bear primary responsibility for implementation.

The USAID is the first donor to work with the NIB and this is the first of the Mission's projects to rely upon it for financial control. As a result, the Bank's officers have assigned a high priority to the Bank's role in project implementation and have agreed to adjust employee assignments to ensure the Bank's performance. Nevertheless, it may be necessary to supplement the Bank's capabilities, particularly in the area of follow-up and site inspection. Accordingly, project funds include approximately \$900,000 or 2 percent of construction costs, which can be used by the Bank to contract for engineering and other services vital to successful project implementation.

The Bank's payment procedures interlock with a well established system of financial control at the governorate level. The Zone's use of funds is governed by the financial regulations of the Government of Egypt. Transactions made by Zone officials require approvals from Controller-General personnel assigned to the Zone. Payments are provided only for services performed or materials purchased. Receipts are required and vouchers are highly detailed. Accounts are balanced monthly and audited annually.

The weakest link in this entire system may well be the ability of participating Zones to prepare reasonable "executive" programs as required by the NIB. This is a new procedure and one which requires the Zones to correlate disbursements with construction schedules. The basic information required to do so is available through the Housing Departments and prior construction experience. The Zones, however, will need practice in preparing

such programs and this is one of the services the Mission expects the Bank might provide either directly through its employees assigned to project implementation or through contract personnel.

3. Housing Department.

The most regularized portion of project implementation falls to the engineers of the Housing Departments and Local Councils of the participating governorates. The Government of Egypt has standardized procedures for procuring construction services. There are standard advertisements, standard bid forms, standard contracts, and standard designs and competitive procedures are used in awarding contracts. The engineers' major tasks, therefore, are adopting standard designs to particular sites and supervising construction.

In each of the targeted governorates, there are between 15 and 20 engineers working for the Housing Departments or Local Councils qualified to perform these tasks. It has been estimated by the Chief Engineers in each of these governorates that between 5 and 10 of these engineers could be made available to do so for the project. This, the Mission believes, is an adequate number.

On the other side of the coin, there are between 10 and 15 private sector contractors in each governorate with the ability to construct school buildings of the type funded by this project. It is felt that this number is fairly elastic and the availability of construction funds will draw contractors from the major cities and other governorates. The Mission believes, therefore, that there is adequate construction capacity to absorb the additional work entailed in the project.

C. Technical Feasibility and Environmental Concerns.

Project implementation relies upon existing or familiar techniques and procedures. It does not introduce new technologies or unique equipment and does not require highly technical or specialized skills. Furthermore, the services and commodities required to implement the project are readily available from U.S. suppliers. Construction materials and labor, on the other hand, are generally available in Egypt. There are, however, several issues related to implementation which may hamper achievement of the project's goal. These include the acquisition of land, provision of classroom furniture and the purchase of expendable supplies in connection with the use of project financed instructional materials and equipment. Such matters are discussed below.

Each of the targeted governorates has developed a standard school design. The designs all include provisions for toilets and adaptations which provide living quarters for teachers. The engineering standards applied in the design of these buildings are consistent with those used in the structural design of other publicly owned buildings. Mission engineers have reviewed the plans and technical specifications for these buildings and have determined

that they are acceptable to AID. Copies of all plans and specifications will be filed in the Mission for reference. Before alternate plans are used, Educational Zones will obtain USAID concurrence in their acceptability.

The buildings to be built are fairly simple. Of frame-masonry design, they use reinforced concrete for floors, columns, beams and ceilings or roofs. Walls are generally made of brick although concrete blocks or tiles are also used. All major materials required for this type of construction, e.g., cement, aggregate, re-enforcing iron and plumbing and electrical fixtures, are manufactured in Egypt and are readily available. Moreover, contractors are familiar with the designs to be used and construction techniques required.

Given the nature of the construction and materials used project financed buildings will require relatively little maintenance. Routine maintenance, such as replacing glass panes, light bulbs and painting, is covered through the MOEd's budget. In the past, financial constraints have limited maintenance efforts but conditions in the schools match or exceed standards of maintenance in other publicly owned buildings. The Mission, therefore, believes that project financed buildings will be adequately maintained.

The MOEd's investment budget also contains funds for the purchase of land. Typically, however, and especially in rural areas, land for schools is donated by the community. If the site conforms to MOEd criteria, title is given to the MOEd, and if funds are available, a school is built. The Basic Education Project will rely upon this same mechanism. Neither the MOEd or the Mission anticipates problems with land acquisition.

School furniture, on the other hand, is purchased by the Education Zones through central funding. All such furniture is now manufactured in Egypt. Typically, the Zones contract with the industrial schools under their jurisdiction or elsewhere for furniture. The furniture is built by industrial students during the summers. The schools receive a 10 percent fee and the students are paid for their work. The resulting furniture is both sturdy and functional.

A similar situation obtains with respect to project financed instructional materials and equipment. For the most part, these will be relatively simple tools, charts, machines or models which do not require expensive installation or maintenance. Some, however, may require expendable supplies. Such items are normally covered by the MOEd's budget which provides approximately \$60 per year per classroom for this purpose.

The Mission does not anticipate a significant, negative impact on the physical environment to result from this project. AID/W has concurred in this and, at the PID stage, approved a negative environmental impact determination. This determination was contingent upon Mission review of the standard school designs to be used to ensure that provision was made for adequate sanitary and solid waste disposal facilities. The Mission's

Environmental Officer has reviewed these designs and determined that such is the case. Nevertheless, the Mission shall also require local officials responsible for construction to certify that adequate sanitary and solid waste disposal facilities appropriate to the locale in which the building is constructed will be built. This certification will be incorporated in the executive programs prepared by the Education Zones. It is expected that they will be signed by the local engineers responsible for construction supervision.

D. Social Analysis.

1. Literacy and Education.

At the goal level, the project seeks to have a favorable impact on the physical quality of life index (PQLI). In general terms, Egypt's performance with regard to the PQLI has been reasonably satisfactory. By the early 1970's, Egypt's PQLI was about 43. By the mid-seventies, it had moved upward to about 48. Of the thirty-six countries with the same or lower per capita GNP, only six had equal or higher PQLIs. Similarly, Egypt is considerably ahead of the all-Africa PQLI average of 32 despite the fact that the per capita GNP level in Egypt is roughly 30 percent below the average level for Africa as a whole. Nevertheless, in absolute terms, the physical quality of life in Egypt remains low especially as regards literacy and primary education.

Among Egyptians over the age of ten, 56 percent can neither read nor write. In rural areas, this figure increases to 70 percent and, among rural women, it reaches 85 percent. Among this same population, 76 percent have not completed primary school. In rural areas, this figure rises to 85 percent and, among rural women, it reaches 93 percent.⁵ Among the current 6 to 15 year old population, approximately 65 percent are enrolled. In rural governorates, this figure drops to 52 percent and, among girls in these governorates, it falls to 45 percent⁶

The project assumes that literacy levels can be enhanced by expanding enrollments and increasing the efficacy of primary education. It further assumes that enrollment levels are constrained by access related problems such as distance to schools, overcrowded or mixed-sex classrooms, and incomplete or inadequate facilities. The social impact of the project, therefore, becomes a function of the location of project financed classrooms or schools and the relevance, efficiency and effectiveness of basic education.

⁵General Census for Population and Housing, CAPMAS, 1976, pp. 109-117.

⁶Basic Education Survey, Tables I and II

Primary school enrollments are particularly low in rural areas and among girls over the age of eleven. Although the enrollment problem has not been carefully researched, it is widely believed that socio-cultural and economic factors effect attendance. It is argued, for example, that in more traditional communities, girls are withdrawn from school when they reach the age of ten or eleven so that, in preparation for marriage, they can learn homemaking skills from their mothers and avoid social contact with boys outside of their family. Similarly, it is contended that agricultural families cannot afford to lose the labor of children who are sent to the fields rather than to school.

There is no doubt that such factors impact on enrollments. Nevertheless, during field trips undertaken by the project design team, evidence was gathered which suggests that their influence is compounded by access related problems. Some children, for example, live too far from schools to attend. The design team visited a number of communities which ranged in size from fifteen hundred to six thousand people to which the nearest school was at least two or three kilometers distant. In these communities, parents were reluctant to let small children, ages 6 to 8, travel to school. Other communities had enough classrooms to accommodate the younger children but not enough to provide a complete six grade primary education. As a result, some children were forced out of school after three or four years of education. In these cases, older boys might walk or hitchhike to the closest complete school but these opportunities are unavailable to girls. Still, in other communities, complete primary schools existed but they were not adequate to accommodate those who attended in reasonable comfort. Twenty children may be squeezed into a two-and-a-half-meter square mud-walled room with a cane roof but without windows or furniture. Elsewhere, sixty children might be fitted, elbow to elbow, in a standard five by six meter classroom. Overcrowding to this extreme seems to have a particularly negative impact on the attendance of girls. Fathers worry about girl-boy contacts and they object to mixed-sex classes above the third or fourth grade. It is easier for them, therefore, to keep their daughters home than to tolerate the anxiety generated by the closeness of boys and girls in overcrowded classrooms.

The project addresses these constraints through the construction of new schools or classrooms. It seeks to maximize its impact by targeting areas in which enrollments are relatively low and, within these areas, by establishing criteria which will govern the selection of sites for project financed construction.

The targeted areas were identified in the PID as the governorates of Assiut, Sohag and Qena in Upper Egypt and Behara and Kafr El Sheikh in Lower Egypt. Each is a predominantly rural governorate in that over 70 percent of their populations live outside of urban areas. Each is also characterized by relatively low levels of literacy, per child expenditures on primary education, primary school enrollments, and classroom capacity. Furthermore, all five fall at or below the median on a modified physical quality of life index for the governorates of Egypt (see Annex E). The relevant portion of the approved PID describing the targeted governorates is presented as Annex F.

Guidelines to govern the selection of construction sites have been derived from the problem of access as it exists in Egypt. The major facets of the access problem are: distance, mixed-sex classrooms, incomplete schools, severe overcrowding and sub-standard or inadequate buildings. Each of these factors seems to bear most negatively upon female enrollments. Hence, priority will be given to construction of new schools in communities more than two kilometers distance from a complete primary school. The minimum size of these new schools is to be six classrooms and they must be situated in locations which can be reasonably expected to require a school of this size by 1990.

Subsequently, priority will be given to the construction of additional classrooms in communities where female attendance falls below national enrollment levels for girls or where community norms require separate classrooms for girls. Following this, priority will be given to the completion of incomplete primary schools, the reduction of severe overcrowding, the replacement of sub-standard buildings, and the provision of teacher accommodations in isolated rural communities. Normally, the latter consist of converted classroom space and do not add significantly to the cost of the building.

Project funds will not be used to eliminate double session schools. Indeed, to the extent possible, the project will encourage double sessions as a cost effective approach to increasing enrollments.

As a condition precedent to the disbursement of project related construction funds, the MOED will be asked to formally establish site selection guidelines acceptable to the Mission and to inform participating Education Zones and Local Councils of these guidelines and the Ministry's role in ensuring their application.

To facilitate the application of these criteria, the MOED and the Mission have initiated a school mapping exercise for the targeted governorates. These maps will (a) mark the sites of existing primary, preparatory, basic and one-classroom schools; (b) indicate the size and condition of these buildings, e.g., number of classrooms, average number of students per classroom, single or double shift, new or old, and with or without sanitary facilities; (c) show the location and size of communities without schools or access to schools within a range of two kilometers and estimate the number of school age children in these communities; (d) identify potential sites for new schools or additional classrooms using the criteria stated above; and (e) estimate the number of children in the catchment basins of the areas identified and the size of the new school or number of additional classrooms required to accommodate them.

As noted elsewhere, such maps will be a condition precedent to the release of funds for the individual governorates. Until such maps are prepared and the problem of access is quantified, i.e., until the percentage of children living, for example, more than two kilometers from a complete school is known, it is not possible to set realistic social objectives as regards access. Nevertheless, an ex ante project evaluation is

scheduled to occur shortly after project implementation begins. It is expected that, at this time, school maps for all of the targeted governorates will be ready and that the Mission will be in a better position to quantify its objectives for access and expanded enrollments. Nevertheless, it is anticipated that six-year old enrollments in the targeted governorates will increase an average of 9 percent because of project financed construction.

The Mission is in a similar position vis-a-vis the quantification of social objectives for the two remaining project components, technical services and basic education commodities. Generally speaking, their purpose is to increase the efficacy of basic education. There is a general feeling, supported by some initial studies, that Egyptian education is less relevant, efficient and effective than it might be. Aggregate enrollment data, for example, indicate that 25 percent of all boys and 33 percent of all girls who began primary school in 1973/74 left permanently before completing the sixth grade. Similarly, preliminary research dealing with the acquisition of literacy and numeracy skills has shown substantial variations in achievement levels among schools and across rural-urban locations.

Unfortunately, existing studies of these problems have not clearly identified those variables related to skills acquisition which are both significant and subject to manipulation by policy makers. Nevertheless, an embryonic data base exists which would permit studies of this sort. An initial objective of project financed technical services, therefore, will be to develop this data base and perform appropriate analyses. Its subsequent objectives are to assist the MOED develop programs directed at alleviating problems identified through the initial analyses. Until such analyses are performed, however, it is difficult to quantify the expected impact of either project financed commodities or technical services on the efficacy of basic education. Again the ex ante evaluation, scheduled to begin soon after project implementation, will take a preliminary look at the effect of instructional materials and equipment on learning. Afterwards, the Mission will be in a better position to quantify anticipated impacts.

2. Beneficiaries.

The primary beneficiaries will be the school age children of Egypt, particularly those who live in the governorates targeted for additional construction and who were without access to complete primary or basic education. If it is assumed that project financed classrooms are used for twenty years by a minimum of forty-five 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.

Secondary beneficiaries will include building contractors and construction workers in the targeted governorates. Between fifty and one hundred contractors will be employed as a result of this project. It is anticipated that most will be relatively small companies from the private sector. Given the nature of the buildings themselves, it can be estimated that between one and two thousand skilled, semi-skilled and unskilled construction workers will be employed from project financed construction.

At the same time, project design, through the concept of additionality, has tried to ensure that the benefits derived by some are not taken at the expense of others. Hence, levels of basic education investment in non-participating governorates will be maintained.

IV. MONITORING AND EVALUATION.

Mission requirements as regards project evaluation fall into three categories: (a) monitoring covenants; (b) assessing implementation progress; and (c) measuring impact.

A. Monitoring Covenants.

The Egyptian Government and USAID have agreed to five covenants. These covenants are defined more fully elsewhere but relate to: (1) the Government of Egypt's contribution to the project; (2) the application of site selection criteria; (3) the staffing, furnishing, and maintenance of project financed schools and classrooms; (4) the nature of project financed instructional materials and equipment; and (5) reporting requirements and access to official audit reports. Responsibility for monitoring performance in this regard is assigned to the Project Officer.

To facilitate this task, the Project Officer shall have access to a variety of documents. As regards financial obligations, the Government of Egypt has agreed to provide, during the life of the project, the Mission with copies of the annual budget of the nation as a whole and that of the MOED shortly after their approval by the People's Assembly. In addition, the MOED will provide quarterly reports showing expenditures by budget chapter, levels of education and governorates. These reports are normally compiled by the MOED. The Mission will also receive regular statements for the project's special account maintained by the National Investment Bank.

As regards the application of site selection criteria, the MOED has agreed to provide copies of the approved investment plans for the targeted governorates indicating, at the same time, which components will be financed with project funds. The Project Officer will also have access to school maps for the targeted governorates identifying potential construction sites according to the agreed upon criteria.

As regards staffing and furnishing new schools and classrooms, the MOEd has agreed to prepare and, during July and January, submit bi-yearly reports noting when construction on a particular site was completed, when the school or classroom became operational and how many children are using the facility. The bi-yearly reports will also provide financial information relating to the total cost of each project and source of financing. And, as regards the basic education commodities, the MOEd has agreed to obtain Mission concurrence with the list of items to be procured.

B. Monitoring Implementation.

With respect to implementation, the Mission is interested in the NIB as a mechanism for controlling funds, construction progress, progress in the purchase and distribution of basic education commodities, and the utilization of technical services. The Project Officer will be responsible for evaluating implementation progress and informing Mission management of delays or problems during the Mission's regularly scheduled quarterly project reviews. Key documents in this regard include the implementation schedule as contained in the PP, the quarterly financial reports and funding requests prepared by the NIB, and scopes of work prepared by the MOEd for technical services.

C. Substantive Evaluation of Project Impact.

Mission and Agency policy require substantive evaluation (as opposed to monitoring) of project impact, i.e., the impact of project financed construction, commodities and technical services on educational access and efficacy. Its concerns in this regard can be summarized by the following questions:

1. Did project financed construction increase enrollments in rural areas particularly among girls?
2. Did increased classroom space reduce dropout rates and improve student achievement scores in reading, writing and arithmetic?
3. Did project financed instructional materials and equipment increase student achievement scores or their vocational knowledge and manual skill levels?
4. Did project financed technical services lead to programs which increased the relevance, efficiency or effectiveness of education?

The goal of the project is to increase literacy among the target population. It is hypothesized that literacy rates can be increased by expanding the coverage of the school system and improving the quality of primary school education. This project will contribute to this end by: (1) increasing enrollment rates among of the primary school population; (2)

increasing the retention and promotion rates of students once they have entered school; and, (3) increasing the effectiveness of instruction. An analysis of enrollments, efficiency and effectiveness will be undertaken in assessing project impact. This analysis will consider both the effect of direct project related inputs and selected variables falling outside the parameters of approved project activity which may influence project outcome.

Inasmuch as the Mission is interested in understanding the current basic education process in Egypt and is considering a follow-on project, provision has been made for the collection of baseline data and an ex-ante evaluation in addition to an external in-depth evaluation mid-term in the life of the project and an ex-poste impact evaluation upon project completion. The Mission believes that it is highly desirable that these three evaluations and the collection of baseline data be undertaken by a single contractor.

In conducting each of the three external evaluations and selecting baseline data the evaluation team is expected to identify and use measurable variables or indicators. Where possible, criteria for the selection of variables should be based upon: (1) data bases or the most reliable data collection system already in existence; and (2) data disaggregated at the level most appropriate for analysis. Since project impacts will be at the neighborhood level, small geographical areas and/or households are the most appropriate units of analysis. To ensure a reliable and relevant data base at this level, provision has been made to undertake sample household surveys in randomly selected communities to gauge project impact upon literacy. These surveys are expected to collect information about non-project factors that might facilitate or constrain attainment of project objectives. Factors expected to be covered are the socio-cultural, attitudinal and economic characteristics of the community.

The Mission will not carry out these evaluations by itself but will rely upon the services of a contractor. The contractor will develop appropriate hypotheses relating results to project interventions and other variables, operationalize variables; establish data requirements and collection procedures, collect baseline, control and progress data periodically over the life of the project; and perform appropriate statistical analyses. A statement of work for the required evaluation services is presented as Annex F. These services will be obtained through an AID direct contract. The contractor chosen, however, will be acceptable to the MOEd.

Three external evaluations are scheduled. Because the Mission has an interest in obtaining preliminary answers to the questions listed above as soon as possible, it anticipates an ex-ante evaluation to begin in June, 1982. This evaluation will examine the impacts of MOEd financed construction in areas similar to those targeted by the Basic Education Project and basic education commodities purchased through the FY 79 Supplemental Commodity Import Program. The second, a mid-point evaluation, will occur in April, 1984 and review progress to that point and the effectiveness of data collection systems. An ex-poste impact evaluation is scheduled to begin in March, 1986. The project budget provides \$800,000 for evaluation services.

V. IMPLEMENTATION SCHEDULE.

The project is composed of four inter-related components which are not inter-dependent. That is, the construction component can proceed regardless of progress made with respect to the procurement of technical services or instructional materials and equipment and vice versa. Responsibilities for the separate actions involved in each component as well as a description of the manner and types of procurement proposed were discussed in Section II.D., "Implementation Arrangements". These elements are summarized in the following tables along with targeted dates for their completion. A detailed Planned Performance Tracking Network is presented in Annex G.

INSTRUCTIONAL MATERIALS

<u>ACTIONS</u>	<u>RESPONSIBILITIES</u>	<u>TARGET DATE</u>	<u>DAYS ALLOTTED</u>	<u>PROJECT MONTH</u>
1. ProAg	AID/GOE	8/81		00
2. CPs	MOEd	10/81	60	02
M3. Preliminary Specs	MOEd	3/82	150	07
M4. Specs Approved	AID/W	7/82	120	11
M5. Solicitation issued CBD and Export Bulletin Notice Mailed	AID/W	8/82	30	12
M6. Responses Submitted	Offerors	10/82	45	14
M7. Evaluation	MOEd	11/82	45	15
M8. Negotiations Begin	MOEd	1/83	60	17
M9. Awards Proposed	MOEd	2/83	30	18
M10. Direct L/Coms issued	AID/W	3/83	30	19
M11. Deliveries to Alexandria	Suppliers	12/83	270	28
M12. Distribution to Schools	MOEd	2/84	60	30

TECHNICAL SERVICES

<u>ACTIONS</u>	<u>RESPONSIBILITIES</u>	<u>TARGET DATE</u>	<u>DAYS ALLOTTED</u>	<u>PROJECT MONTH</u>
1. ProAg	AID/GOE	8/81		00
2. CPs	GOE	10/81	60	02
S3. CBD Notice	MOEd	11/81	30	03
S4. Responses	Proposers	1/82	60	05
S5. Shortlist	MOEd	2/82	30	06
S6. RFP	MOEd	3/82	30	07
S7. Proposals	Proposers	6/82	90	10
S8. Ranked	MOEd	8/82	60	12
S9. Contract Signed	MOEd	10/82	60	14
S10. First Consultants	Contractor	1/83	90	17

CONSTRUCTION

<u>ACTION</u>	<u>RESPONSIBILITIES</u>	<u>TARGET DATE</u>	<u>DAYS ALLOTTED</u>	<u>PROJECT MONTH</u>
1. ProAg	AID/GOE	8/81		00
2. CPs	MOEd	10/81	60	02
C3. Initial Executive Programs Approved, Disbursement Request, and Bids	Education Zones/ NIB/Housing Departments	12/81	60	04
C6. Investment Plan and MOEd Budget	MOEd	7/82		11
C10. Investment Plan and MOEd Budget	MOEd	7/83		23
C16. All Classrooms Operational	MOEd	5/86		57

EVALUATION

<u>ACTIONS</u>	<u>RESPONSIBILITIES</u>	<u>TARGET DATE</u>	<u>DAYS ALLOTTED</u>	<u>PROJECT MONTH</u>
1. ProAg	AID/GOE	8/81		00
2. CPs	MOEd	10/81	60	02
E3. CBD Notice	AID/Cairo	11/81	30	03
E4. RFTP	AID/Cairo	1/82	60	05
E5. Submission	Proposers	3/82	60	07
E6. Evaluation	AID/Cairo	4/82	30	08
E7. Contract Signed	AID/Cairo	5/82	30	09
E9. <u>Ex-ante</u> Evaluation	Contractor/ AID/Cairo	12/82	180	16
E10. Mid-Point Review	AID/Cairo	4/84	30	32
E12. <u>Ex-coste</u> Evaluation	Contractor/ AID/Cairo	9/86	180	61

Approximately sixty-one months will elapse between the signing of the Project Agreement and the completion of the ex-poste evaluation. Project actions will be heaviest between the third and fourteenth months. During this period, it is estimated that project implementation and monitoring responsibilities will absorb approximately one-half of the American project officer's time and between 70 and 80 percent of the Egyptian project specialist's time. Within the Mission, project management responsibilities will be assigned to the Division of Human Resources and Development Cooperation (HRDC), Office of Education and Training (EDU). Generally speaking, the days allotted to accomplish particular actions reflect the Mission's experience in dealing with the MOED. The time allotted for meeting conditions precedent to disbursing construction funds, however, is short. Nevertheless, the Mission believes it is reasonable because the process of preparing school maps has already begun.

VI. CONDITIONS AND COVENANTS.

The Government of Egypt, through the Ministry of Education, and AID have agreed to cooperate fully to accomplish the purposes of this project. To this end, the former accepts the following conditions and covenants as regards the disbursement of grant funds.

A. Conditions Precedent to Disbursement.

1. First Disbursement.

Prior to any disbursement or to the issuance of any commitment documents under the Grant, the Cooperating Country shall, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

a. A statement of the names and titles, with specimen signatures, of the person or persons who will represent the Cooperating Country; and

b. Such other documentation as AID may reasonably request.

2. Additional Disbursement.

a. Technical Assistance.

Prior to any disbursement or to the issuance of any commitment documents for technical services under the Grant, the Cooperating Country shall, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID, an executed contract for technical assistance acceptable to AID with an organization acceptable to AID.

b. Instructional Materials and Equipment.

Prior to any disbursement or to the issuance of any commitment documents for instructional materials and equipment under the

Grant, the Cooperating Country shall, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID an executed contract or contracts for instructional materials and equipment acceptable to AID.

c. Construction.

Prior to any disbursement or to the issuance of any commitment documents for construction under the Grant, the Cooperating Country shall, except as the parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(1) A statement of the name of the person acting on behalf of the Cooperating Country through the National Investment Bank and of any additional representatives together with a specimen signature of each person specified in such statement.

(2) Guidelines to be used to select construction sites and evidence that all participating Education Zones and Local Councils have been informed of these guidelines and the role of the MOEd in ensuring their application and that Zones and Councils have agreed to abide by these guidelines.

(3) Copies of the current year national budget as approved by the People's Assembly, copies of the current year budget for the Ministry of Education as approved by the People's Assembly, copies of the current year educational investment plans of participating Educational Zones, and current lists of the construction programs in each participating governorate to be financed with Project funds; and

(4) Such other information concerning project financed construction as AID may reasonably request.

Prior to any disbursement or the issuance of any commitment documents for construction under the Grant to particular governorates, the Cooperating Country shall, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID, maps of such governorate which mark the locations of existing schools and identify potential sites for project financed construction as per MOEd guidelines.

B. Covenants.

The Cooperating Country shall covenant that it will:

1. invest in primary and preparatory or basic education at levels sufficient to keep pace with population growth and achieve the project's purpose;

2. provide, on a timely basis, all local logistic support required to ensure effective utilization of goods and services financed under the Grant;

3. manage grant funds in such a way as to ensure completion of all construction projects initiated under the Project or to provide all necessary additional financial resources to ensure their completion;
4. provide all necessary staff, furniture and maintenance required to operate project financed classrooms and twice yearly reports, on the use and operation of project financed classrooms during the life of and for one-year following the completion of the project;
5. obtain AID approvals for all school designates to be used under the project;
6. purchase only instructional materials and equipment of a type and level appropriate to the basic education curriculum;
7. use competitive procedures in line with Egyptian Government Regulations to obtain construction services and encourage, to the maximum extent possible, the participation of construction firms from the private sector;
8. furnish to AID on an annual basis during the life of the project and in form and substance satisfactory to AID copies of the national budget and the budget for the Ministry of Education as approved by the People's Assembly and copies of the investment plans of the Ministry of Education and the targeted Educational Zones clearly indicating which construction programs are to be financed by project funds; and
9. make available at AID's request copies of all official Egyptian Government audit reports related to project financing and cooperate with AID efforts to audit or evaluate any and all aspects of the project.

VIII. ISSUES.

The NEAC PID Review Cable (STATE 14868) and a subsequent AID/W cable (STATE 76573) identified several issues of concern to the Near East Bureau. These cables are appended as Annexes H and I respectively. The Mission's detailed responses to these issues are contained in the body of the PP itself and are summarized below.

A. Technical Assistance and Educational Reform.

The MOED has launched an ambitious educational reform effort but its capacity to study and develop alternate policies or programs is limited by financial and personnel constraints. The technical assistance component of the project will expand the MOED's analytical capacity by providing services normally associated with program development. That is, through a U.S. firm, the Ministry will gain access to current state-of-the-art information about educational problems of concern to it, professional analyses of the problems as they exist in Egypt, and program advice. The project establishes procedures for selecting problems to be examined and defining specific tasks to be accomplished through short-term consultancies. It also indicates

probable areas of concern, notably, curriculum design, in-service teacher training, and educational planning and cost analysis, but leaves the final selection of problems to the MOEd. Both the Ministry and the USAID recognize that the level of technical assistance to be provided through the project will not address all problems of concern to the Ministry. It will, however, help the Ministry analyze problems and develop programs or policies in areas of especially high priority.

B. Additionality.

The Mission's initial intent in this regard was to ensure increased investments in basic education. Its original plan as presented in the PID, was to covenant 1980 investment levels as a minimum to which AID resources would be added. The choice of 1980, however, was arbitrary and did not reflect a conscious policy option on the part of either the Mission or the Egyptian Government. The PP, on the other hand, links investments to population growth and enrollment targets. The Mission believes that this is a more reasonable approach and that the investment levels required to match population growth are within the financial capacity of the Government.

C. Funding Mechanism.

The PID submitted to the NEAC described a Fixed Amount Reimbursement (FAR) construction program as one part of the Basic Education Project. At the same time, AID/W was alerted to the fact that, during PP preparation the Mission would explore other funding mechanisms equally or more appropriate to the Egyptian context than FAR. It has opted to use a system of liquidated advances managed by the National Investment Bank. This system is fully described in the PP. In responding to the Mission's decision in this matter, AID/W raised two related questions addressed below.

1. Inspection and Attribution.

AID/W queried the Mission's intentions as regards the oversight by USAID engineers, either direct-hire or contract, of project financed construction and the identification of project funds with specific buildings.

The Mission views the Basic Education Project as one which, among other things, will provide a specific amount of money to be used to build classrooms in communities chosen on the basis of mutually acceptable criteria as identified in the PP. The Mission will monitor the MOEd's performance with regard to the application of site selection criteria. This means that the Mission will know which schools or classrooms are financed through project funds. The Mission has also reviewed building design specifications and construction standards in Egypt. It has determined that they are acceptable and, therefore, inspections of individual buildings are unnecessary.

2. Decentralization.

AID/W has asked whether project finances funneled through the National Investment bank in Cairo is consistent with the Mission's support for decentralization.

In the Mission's opinion, the measure of decentralization is the locus of decision making and financial control. Although the MOEd has a veto power, all decisions as regards school locations, size and types as well as contracting and contractor payments lie in the governorates with the Local Councils, Education Zones and Housing Departments. The National Investment Bank has no role in these matters. Rather, it serves primarily as a financial conduit guiding the flow of AID funds to the Education Zones in a manner consistent with Egyptian regulations.

TOTAL COST OF THE FIVE YEAR PLAN 81/82 - 85/86
EDUCATIONAL PROJECTS

<u>EDUCATION STAGE & TYPE</u>	<u>No. of New Classrooms</u>	<u>No. of Schools</u>	<u>Cost For Schools</u>	<u>Cost for Classrooms</u>	<u>TOTAL</u>	<u>Supplies</u>	<u>Total Equip. & Supplies</u>
<u>Primary Stage</u>	20,095	1,043	1,251,600	6,028,500	7,280,100	4,019,000	11, 299,100
Experimental Language Schools							
Nurseries	40	-	-	12,000	12,000	8,000	20,000
Primary	320	12	18,000	96,000	114,000	64,000	178,000
<u>Preparatory Stage</u>	7,991	270	648,000	2,796,900	3,444,900	2,397,300	5,842,200
<u>Secondary Stage</u>							
General	3,151	62	930,000	1,260,400	2,190,400	1,386,500	3,576,900
Industrial (3 years)	1,766	32	5,760,000	1,059,600	6,819,600	1,766,000	8,585,600
Industrial (5 years)	270	6	1,080,000	162,000	1,242,000	270,000	1,512,000
Industrial for Girls	306	5	180,000	153,000	333,000	275,400	608,400
Agriculture (3 years)	852	12	360,000	511,200	871,200	681,600	1,552,800
Agriculture (5 years)	96	2	60,000	57,600	117,600	76,800	194,400
Commercial (3 years)	2,752	61	915,000	1,100,800	2,015,800	1,410,800	3,426,600
Commercial (5 years)	91	3	45,000	36,400	81,400	40,000	121,400
<u>Teacher Training Schools</u>	559	9	180,000	223,600	403,600	335,400	739,000
<u>Special Education</u>							
Primary, Preparatory, Secondary	238	11	16,500	119,000	135,500	190,400	325,900
Teacher Trng. Special Edu.	10					5,000	5,000
Teacher Trng. Industrial Edu.	20					8,000	8,000
<u>Adult Education</u>	7,500					450,000	450,000
<u>Centers - Primary Stage Graduates</u>	25					12,500	12,500
<u>Different General Projects</u>							
World Bank Loan Project			38,993,200		38,993,200		38,993,200
Inflation			7,000,000		7,000,000		7,000,000
	<u>46,082</u>	<u>1,528</u>	<u>57,437,300</u>	<u>13,617,000</u>	<u>71,054,300</u>	<u>13,396,700</u>	<u>84,451,000</u>

EDUCATION STAGE & TYPE	Number	CONSTRUCTION PROJECTS		Rebuilt Schools Number	Schools Construction	Rooms & Facilities Construction	
		New Schools Construction	Site			Number	Construction
	1,043	56,790,000	20,860,000	500	27,000,000	8,026	24,078,000
<u>Primary Stage</u>							
Experimental Language Schools	10*	500,000				123	360,000
Nutrition	12	900,000	300,000				
Primary				170	14,800,000	3,181	9,543,000
<u>Preparatory Stage</u>	270	23,140,000	4,905,000				
<u>Secondary Stage</u>							
General	68	10,200,000	4,080,000	50	7,500,000	1,533	4,599,000
Industrial (3 years)	32	14,850,000	4,700,000	23	10,350,000	1,436	10,340,000
Industrial (5 years)	5	2,250,000	300,000			240	1,740,000
Industrial for Girls	5	750,000	300,000			207	1,488,000
Agriculture (3 years)	14	2,800,000	700,000	5	1,000,000	462	2,636,000
Agriculture (5 years)	1	200,000	50,000	-	-	78	234,000
Commercial (3 years)	73	10,950,000	5,500,000	56	8,400,000	1,391	4,173,000
Commercial (5 years)	1	150,000	60,000			73	219,000
<u>Teacher Training Schools</u>	10	2,500,000	760,000	5	1,250,000	309	927,000
<u>Special Education</u>							
Primary, Preparatory, Secondary	10	600,000	200,000	10	600,000	129	387,000
Teacher Trng. Special Edu.							
Teacher Trng. Industrial Edu.							
<u>Adult Education</u>							
<u>Centers - Primary Stage Graduates</u>							250,000
<u>Different General Projects</u>							
World Bank Loan Project					7,000,000		8,480,000
<u>Inflation</u>		<u>13,900,000</u>					
	<u>1,555</u>	<u>140,480,000</u>	<u>42,715,000</u>	<u>819</u>	<u>77,900,000</u>	<u>17,185</u>	<u>69,454,000</u>

*Completing.

<u>LOCATION STAGE & TYPE</u>	<u>CANCELLING DOUBLE SESSIONS</u>				<u>EQUIP. REQUIRED TO CANCEL DOUBLE SESSIONS</u>			
	<u>BUILDINGS REQUIRED TO CANCEL</u>	<u>DOUBLE SESSIONS</u>						
	<u>No. of Schools</u>	<u>Cost of Construction</u>	<u>Site</u>	<u>TOTAL</u>	<u>Classrooms</u>	<u>Schools</u>	<u>Workshops</u>	<u>TOTAL</u>
<u>Primary Stage</u>	3,700	152,000	77,500	229,500	9,360	4,440	6,700	20,500
Experimental Language Schools								
Nurseries								
Primary								
<u>Preparatory Stage</u>	400	32,000	8,000	40,000	2,730	960,000	1,310	5,000
<u>Secondary Stage</u>								
General								
Industrial (3 years)								
Industrial (5 years)								
Industrial for Girls								
Agriculture (3 years)								
Agriculture (5 years)								
Commercial (3 years)								
Commercial (5 years)								
<u>Teacher Training Schools</u>								
<u>Special Education</u>								
Primary, Preparatory, Secondary								
Teacher Trng. Special Edu.								
Teacher Trng. Industrial Edu.								
<u>Adult Education</u>								
<u>Centers - Primary Stage Graduates</u>								
<u>Different General Projects</u>								
School Furnishing & Preparation								
of World Bank Loan Projects								
Inflation	<u>4,100</u>	<u>184,000</u>	<u>85,500</u>	<u>269,500</u>	<u>12,090</u>	<u>5,400</u>	<u>8,010</u>	<u>25,500,000</u>

Notes: Total in millions

<u>LOCATION STAGE & TYPE</u>	<u>T O T A L S</u>				
	<u>CONSTRUCTION COST</u>	<u>SITE COSTS</u>	<u>CONSTRUCTION PROJECTS</u>	<u>EDUCATIONAL PROJECTS</u>	<u>TOTAL</u>
<u>Primary Stage</u>	259,868,000	98,360,000	358,228,000	31,799,100	390,027,100
<u>Experimental Language Schools</u>					
Nurseries	500,000	--	500,000	20,000	520,000
Primary	1,260,000	300,000	1,560,000	178,000	1,738,000
<u>Preparatory Stage</u>	79,483,000	12,905,000	92,388,000	10,842,200	103,230,200
<u>Secondary Stage</u>					
<u>General</u>	22,299,000	4,080,000	26,379,000	3,576,900	29,955,900
Industrial (3 years)	35,540,000	4,700,000	40,240,000	8,585,600	48,825,600
Industrial (5 years)	3,990,000	300,000	4,290,000	1,512,000	5,802,000
Industrial for Girls	2,238,000	300,000	2,538,000	608,400	3,146,400
Agriculture (3 years)	6,436,000	700,000	7,136,000	1,552,800	8,688,800
Agriculture (5 years)	434,000	50,000	484,000	194,400	678,400
Commercial (3 years)	23,523,000	5,500,000	29,023,000	3,426,600	32,449,600
Commercial (5 years)	369,000	60,000	429,000	121,400	550,400
<u>Teacher Training Schools</u>	4,677,000	760,000	5,437,000	739,000	6,176,000
<u>Special Education</u>					
Primary, Preparatory, Secondary	1,587,000	200,000	1,787,000	325,900	2,112,900
Teacher Trng. Special Edu.				5,000	5,000
Teacher Trng. Industrial Edu.				8,000	8,000
<u>Adult Education</u>				450,000	450,000
<u>Centers - Primary Stage Graduates</u>				12,500	12,500
<u>Different General Projects</u>				38,993,200	38,993,200
School Furnishings & Preparation of World Bank Loan Projects	250,000		250,000	7,000,000	7,250,000
<u>Inflation</u>	29,380,000		29,380,000		29,380,000
	<u>471,834,00</u>	<u>128,215,000</u>	<u>600,049,000</u>	<u>109,951,000</u>	<u>710,000,000</u>

SCOPE OF WORK FOR TECHNICAL ASSISTANCE CONTRACTOR

I. OBJECTIVE AND BACKGROUND

The objective of the technical assistance to be provided under the Basic Education Project is to support efforts of the Arab Republic of Egypt through its Ministry of Education (MOEd) to develop an analytical base for and to devise programs to implement planned educational change at the primary and preparatory levels (grades 1 through 9).

During recent years, educational change in Egypt has become a focal point of public discussion and comment. From these discussions, there has emerged a national commitment to reorganize the structure and content of the Egyptian educational system, improve the quality of its performance, and expand equitable access to formal as well as non-formal learning opportunities.

The system's current structure consists of primary (grades 1 to 6, ages 6 to 12) and preparatory (grades 7 to 9, ages 13 to 15), secondary general (Grades 10 to 12, ages 16 to 18), and three or five year secondary technical schools. The Ministry's new policy goal is to realign this structure, creating a system in which the major component is basic education (grades 1 to 9, ages 6 to 15) followed, for the majority of children, by secondary technical and continuing adult education. It also hopes to establish a pre-school program. At the same time, the system's content is to be geared more to productive skills and practical subjects and adapted to rural and urban environments. And its performance is to be improved by reducing repeater and dropout rates and increasing enrollments.

The responsibility to develop plans and programs which, when implemented, will achieve stated policy goals has been vested with the Central committee for Orientation and Supervision. This Committee is comprised of representatives from the MOEd as well as other interested government ministries, the People's Assembly, national political parties, the Teachers' Syndicate and universities. Under the umbrella of the Central Committee, sixteen sub-committees are functioning. Coordination is provided by a Technical Secretariat. The Central Committee is chaired by the Minister of Education and the Technical Secretariat, by his Deputy Minister. Approximately 500 individuals are currently involved in developing the required plans and programs.

Responsible MOEd officials have identified three areas of immediate concern which are also central to successful implementation of planned educational reform. These are: (1) curriculum design; (2) teacher training; and (3) educational planning and cost analysis.

With regard to curriculum design, the core subjects of the basic education curriculum have been identified by Egyptian educators and tested in approximately 450 basic education schools. Concerned officials, however, feel that the problem of integrating practical and theoretical studies has not been wholly resolved. Moreover, they recognize a need to adjust subject matter to grade levels and learning skills and develop instructional materials which relate practical as well as theoretical studies to the lives of students.

With regard to training, the MOED faces the task of orienting approximately 145,000 primary and preparatory teachers to the concept of basic education and the new curriculum. The institutional framework to carry out this effort is in place. The MOED has 6 in-service training centers, 77 teacher training institutes, and 19 faculties of education. Still, a practical program needs to be designed for use in these centers which will familiarize teachers with the new curriculum and up-grade their practical skills and knowledge.

And, finally, the MOED has outlined an ambitious program of educational reform. The cost of this program will be high and it is incumbent, therefore, upon the MOED to maximize the use of funds. To do so, it must be able to consider the relative impact on student learning of a variety of investment options such as single versus double session schools, more training for teachers versus more workbooks for students, or training teachers at secondary level institutes versus university level faculties of education. The MOED also needs to be able to consider ways of reducing investment costs through, for example, the use of alternate school designs and construction materials or school locations given alternate criteria regarding access and classroom density.

MOED officials have also identified a series of concerns which, although less urgent, are equally important as those listed above from the perspective of educational efficiency and effectiveness. These include the problems of drop-out and repeaters, testing and evaluation, language instruction, and educational administration.

II. STATEMENT OF WORK.

Each of the above problems or issues can be resolved in several ways. The purpose of project funded technical assistance is to assist the MOED consider its options within selected areas. Accordingly, the contractor's services shall include but shall not necessarily be limited to the following activities:

- A. Provide current state-of-the-art information on and professional analyses of educational problems, issues or programs identified by responsible MOED officials;
- B. Provide, as requested by responsible MOED officials, qualified consultants capable of:

1. planning and executing research activities related to the development of programs to implement planned educational change; and
2. advising and assisting responsible MOEd officials and others on the development and implementation of programs to achieve stated policy goals.

C. Provide a management structure and personnel capable of:

1. consulting with responsible MOEd officials as to specific areas and types of expertise required and specific tasks to be accomplished;
2. coordinating the timely and effective delivery of services; and
3. arranging all necessary logistical support for contractor personnel in Egypt and the United States.

III. LEVEL OF EFFORT.

Funding will be provided for approximately 140 person-months of technical assistance. Estimates as to the level of effort required to address the immediate concerns of the MOEd are as follows:

<u>SPECIALITY</u>	<u>PERSON-MONTHS</u>
1. Curriculum Design	36
2. Teacher Training	16
3. Educational Planning	18
4. Educational Economics	18
5. School Design	<u>8</u>
TOTAL	96

It is also estimated that 8 person-months will be required for contract administration leaving a balance of 36 person-months. This balance will be used to address other priority problems as identified by responsible MOEd officials. It is anticipated that all assignments will be of a short-term nature and that the appropriate mix of experts will include Egyptian as well as American specialists.

In addition to the funding provided for technical assistance, \$500,000 will be provided for support activities related to services provided by the contractor. Such activities might include computer time required to develop planning models or cost analyses, data collection, or workshops. These activities will be approved on an individual basis by the USAID following submission of plans and budgets by the MOEd.

REQUEST FOR SECTION 612(b) WAIVER
TO PERMIT DOLLAR FUNDING OF LOCAL COSTS

Section 612(b) of the Foreign Assistance Act of 1961, as amended, requires that, to the maximum extent possible, U.S. owned foreign currency be utilized in lieu of dollars to finance project costs.

The Basic Education Project contains a substantial local cost component to build and furnish new classrooms and to support technical assistance and project evaluation. The estimated total of local costs is the Egyptian pound equivalent of \$71.9 million (\$1.00 = L.E. 0.70) of which it is planned AID would provide approximately \$33.6 million. It is estimated that the bulk of local currency expenditures will occur during FY 83 and FY 84 when the local currency equivalent of approximately \$9 million would be required for each year.

AID does not now have access to local currency Egyptian pounds in the levels required for project implementation and does not anticipate that the necessary amounts will become available during the life of the project. Hence, it will be necessary to provide Egyptian pounds for local costs through dollar purchases.

It is, therefore, recommended that \$33.6 million be allocated for dollar purchases of Egyptian pounds to help meet the local currency costs of the project and that the above be used as a justification for the determination required under F.A.A. Section 612(b) that U.S. owned excess currency Egyptian pounds have been utilized in lieu of dollars to the maximum extent possible.

STATEMENT OF CUMMULATIVE
EXPENDITURES AND QUARTERLY CASH NEEDS

	<u>AID</u>	<u>GOE</u>	<u>TOTAL</u>
(1) Total Approved Budgets			
(2) Total Expenditures Incurred & Reported from Inception _____ through _____	_____	_____	_____
(3) Unexpended Balance	_____	_____	_____

Cash Needs

Total Cash Receipts	(4)
Total Expenditures Incurred & Reported from inception _____ through _____	(5)
Cash Balance Available	(6)
Cash Required for the period _____ to _____ as detailed below	(7)
Net Cash Requested herein	_____

Detailed Breakdown of Cash Requirements

	(9)			(10)
	<u>MONTH</u>	<u>MONTE</u>	<u>MONTH</u>	<u>TOTAL</u>
Behera				
Kafr El Sheikh				
Sohag				
Qena				
	_____	_____	_____	_____
	_____	_____	_____	_____

The undersigned hereby certifies: (1) that the above requested amount represents the best estimate of funds needed for disbursement to be incurred over the period described, (2) that appropriate refund or credit to the Grant will be made in the event of disallowance in accordance with the terms of the Grant, (3) that appropriate refund or credit to the Grant will be made in the event funds are not expended, and (4) that any interest accrued on the funds made available herein will be refunded to AID.

By _____
Title _____
Date _____

1. Represents the total amount budgeted for expenditure under the Project.
 2. Represents total expenditures incurred and reported to AID from inception (always provide date) through the date of this advance request.
 3. Is equal to (1) minus (2).
 4. Total amount of cash received to date.
 5. Same as (2) above for AID only.
 6. Is equal to (4) minus (5) and check book balance at the time this advance is requested.
 7. Total cash requirements for next period.
 8. Is equal to (7) minus (6).
 9. Month in which the expected expenditure will be made by each participating Zone.
 10. Total monthly expected expenditures.
 11. Total expected expenditures by month and cumulative during the period.
-

CERTIFIED FISCAL REPORT
FOR THE PERIOD _____ TO _____

<u>Participating</u> <u>Zone</u>	<u>Budget</u>			<u>Expended this Period</u>			<u>Total Expended to Date</u>		
	<u>AID</u>	<u>GOE</u>	<u>TOTAL</u>	<u>AID</u>	<u>GOE</u>	<u>TOTAL</u>	<u>AID</u>	<u>GOE</u>	<u>TOTAL</u>
Behera									
Kafr El Sheikh									
Assiut									
Sohag									
Qena									
TOTAL	=====	=====	=====	=====	=====	=====	=====	=====	=====

The undersigned hereby certifies a) all sub-projects for which expenditures are herein reported have been reviewed for reasonableness of costs; b) that expenditures reported above were reviewed and found incurred only for construction projects previously approved by AID; c) that appropriate refund will be made promptly upon request in the event of disallowance of costs not reimbursable under the terms of the Grant and or amendments; d) that information on the fiscal report is correct and supported by accounting records, invoices and receipts; and that such additional detailed supporting information as may be required will be furnished by NIB upon request.

By _____
Title _____
Date _____

TARGET GROUPS AND AREAS

The construction component of the project, on the other hand, is focused primarily upon school age children who are not enrolled in school. Its purpose is to increase enrollments. As noted above (page 4), the problem of low enrollments is most acute in rural areas and among girls. Preliminary analyses of causes associated with lower enrollment rates stress the impact of socio-cultural and economic factors. It is argued, for example, that in the more traditional areas girls are withdrawn from school when they reach marriageable age. This is generally before they complete primary school. Similarly, it is argued that farm families cannot afford to lose the labor of young children who are sent to the fields rather than to school.

These same analyses, however, also make reference to the effect on enrollments of several educational factors, namely "space", curricula, and teachers. They note, for example, that there are not enough classrooms to absorb all primary school age children even though 50 percent of Egypt's schools operate on double or triple shifts; that some pupils must travel great distances to reach school; and that grades five and six do not exist in some villages. Similarly, they point to problems of training and motivation that undermine teacher effectiveness and the general feeling that curricula are not wholly relevant to the needs of today's students and Egypt.

There is relatively little which can be done in the short-or-medium-term future to change socio-cultural and economic conditions underlying low enrollments. Actions can be taken, however, to make more classroom space available. For example, to achieve full enrollment among today's crop of 6 to 12 year old children, an estimated 59,000 additional classrooms are needed assuming double sessions and 35 children per classroom.

The need for new classrooms exists, in varying degrees, throughout Egypt. Only four out of the twenty-one major governorates have begun to approach the number of classrooms needed to accommodate all 6 to 12 year old children. New schools, therefore, could be usefully built in almost all parts of Egypt. It is the Mission's intent, however, to target project related construction funds on areas in which the need appears to be greatest.

In identifying these areas, the Mission has attempted to balance project specific criteria with broader equity and programmatic considerations. Among the former are the existing capacity of the local primary school system and enrollment rates. Among the latter are literacy rates, levels of expenditure on primary education, and the current distribution of USAID assistance through such projects as Basic Village Services and Provincial Cities.

Through discussions with MOED representatives and a review of relevant data, the Mission has identified five governorates in which the need for additional classroom space appears to be greatest. These are Sohag, Qena, and Assiut in Upper Egypt and Behera and Kafr El Sheikh in Lower Egypt. Each is a rural governorate in that over 70 percent of their populations live outside

urban areas. Each is also characterized by relatively low levels of literacy, expenditures on primary education, primary school enrollments and system capacity. Their standings relative to national ranges, averages and medians on these four variables are summarized in the following table.

	<u>LITERACY</u>	<u>EXPENDITURE</u>	<u>ENROLLMENT</u>	<u>CAPACITY</u>
Sohag	27%	\$25	57%	55%
Qena	29%	\$25	59%	60%
Kafr El Sheikh	30%	\$17	55%	46%
Assiut	32%	\$23	59%	54%
Behera	33%	\$16	55%	45%
National				
Range	27-67%	\$16-45	55-105%	45-105%
National				
Average	43%	\$29	71%	61%
National				
Median	42%	\$25	66%	57%

^aGeneral Census, 1979.

^bPer 6-12 year old child in governorate, 1978-79.

^c1978-79 school year, cf. Basic Education Survey, Table 2.

^dEstimated percentage of primary school age population existing facilities can accommodate with 35 children per classroom.

Although the relationship is not always perfect, the five governorates listed tend to fall to the low end of the national range and below the national average and median for each of the variables considered. Exceptions, such as Qena for expenditures and capacity, are quickly balanced by particularly low ratings on the remaining variables. For this reason, the Mission believes it is appropriate to target project related construction funds on the five governorates listed above. The MOEd concurs in the Mission's belief that these are the governorates with the greatest need for additional classroom space.

To further direct project funds to places of greatest need, the Mission will develop, through consultation with the MOEd and participating governorates, site selection criteria which will be reported in the PP. In this regard, the Mission will give priority to villages without schools or complete primary facilities and to the construction of separate schools for girls where social customs make this option desirable.

Currently, there are approximately 100 separate primary schools for girls in all of Egypt. Of these, about one-half are in the targeted governorates. Specifically, 21 are located in Assiut, 8 in Sohag, 8 in Behera, 6 in Qena and 1 in Kafr El Sheikh. The decision as to whether a school is to be single or mixed-sex rests with the community in which it is to be located. The project will follow community desires in this regard but will not build separate schools for boys unless adequate facilities for girls also exist in the community.

A Modified Physical Quality of Life Index for the Egyptian Governorates in Internal Comparison, Plus Components.

		<u>Internal PQLI</u>	<u>Infant Mortality</u>		<u>Literacy</u>		<u>Pure Water</u>	
			<u>Value</u>	<u>Score</u>	<u>Value</u>	<u>Score</u>	<u>Value</u>	<u>Score</u>
1.	Port Said	95	48	100	60	88	8	96
2.	Suez	78	60	86	56	78	65	69
3.	Alexandria	77	103	35	63	95	90	100
4.	Cairo	65	128	6	65	100	81	89
5.	Damietta	57	85	56	51	65	50	50
6.	Ismailia	51	74	69	49	60	30	25
7.	Dakahlia	45	79	64	44	48	29	24
8.	Giza	40	109	28	47	55	40	38
9.	Kanz El Sheikh	38	55	92	30	13	17	9
9.	Gharbia	38	99	40	45	50	29	24
11.	Behera	36	71	73	34	23	20	13
12.	Sharkia	30	89	52	37	30	16	8
13.	Kalyubia	28	118	189	46	53	20	13
14.	Qena	27	75	68	29	10	12	3
15.	Menufia	23	115	21	43	45	13	4
16.	Assuit	22	98	41	31	15	17	9
17.	Sohag	21	88	53	27	5	14	5
17.	Aswan	21	132	1	44	48	22	15
19.	Beni-Suef	18	106	32	32	18	12	3
20.	Fayoum	15	97	42	26	1	12	3
21.	Minya	15	103	35	29	10	11	1
	EGYPT	39	98	41	43	45	34	31

PROJECT: BASIC EDUCATION (263-0139)

SCOPE OF WORK FOR IMPACT EVALUATION SERVICES

I. Objective and Background.

The objective of the technical services required is to evaluate the impact of project financed construction, commodities and technical assistance on access to and the efficacy of education in Egypt.

In cooperation with the Egyptian Ministry of Education, USAID/Cairo has developed a project intended to expand enrollments, particularly in rural areas and among girls, and to enhance the relevance, efficiency and effectiveness of primary education. The project contains three components; construction, instructional materials and equipment, and technical assistance. The Mission seeks to anticipate as well as assess the impact of these components on educational access and efficacy. Its concerns in this regard are summarized by the following questions:

1. Did project financed construction increase enrollments in rural areas, particularly among girls?
2. Did increased classroom space reduce dropout or repetition rates and improve student achievement scores in reading, writing and arithmetic?
3. Did project financed instructional materials and equipment increase student achievement scores or their vocational knowledge and manual skill levels?
4. Did project financed technical assistance establish an empirical basis for decision-making or programs which increased the relevance, efficiency or effectiveness of education?

The project is scheduled to begin in July, 1981. The Mission anticipates a minimum of three evaluations. The first, an ex-ante evaluation, would begin in March or April, 1982. The second, a mid-point review of data and data collection systems and project progress, would occur around February, 1984. And the final, an ex-poste evaluation, early in 1986.

II. Statement of Work.

The contractor's services shall include but shall not necessarily be limited to the following activities:

A. Evaluation Design.

1. Identify relevant hypotheses through review of theoretical literature and consultants with USAID/Cairo staff.
2. Operationalize hypotheses.
3. Specify indicators, survey data availabilities and needs.
4. Develop an appropriate analytical methodology to test hypotheses.

B. Data Collection.

1. Prepare forms for collection of educational, demographic and socio-economic data.
2. Oversee field implementation of data collection efforts.
3. Supervise automated data processing of all data.

C. Analysis.

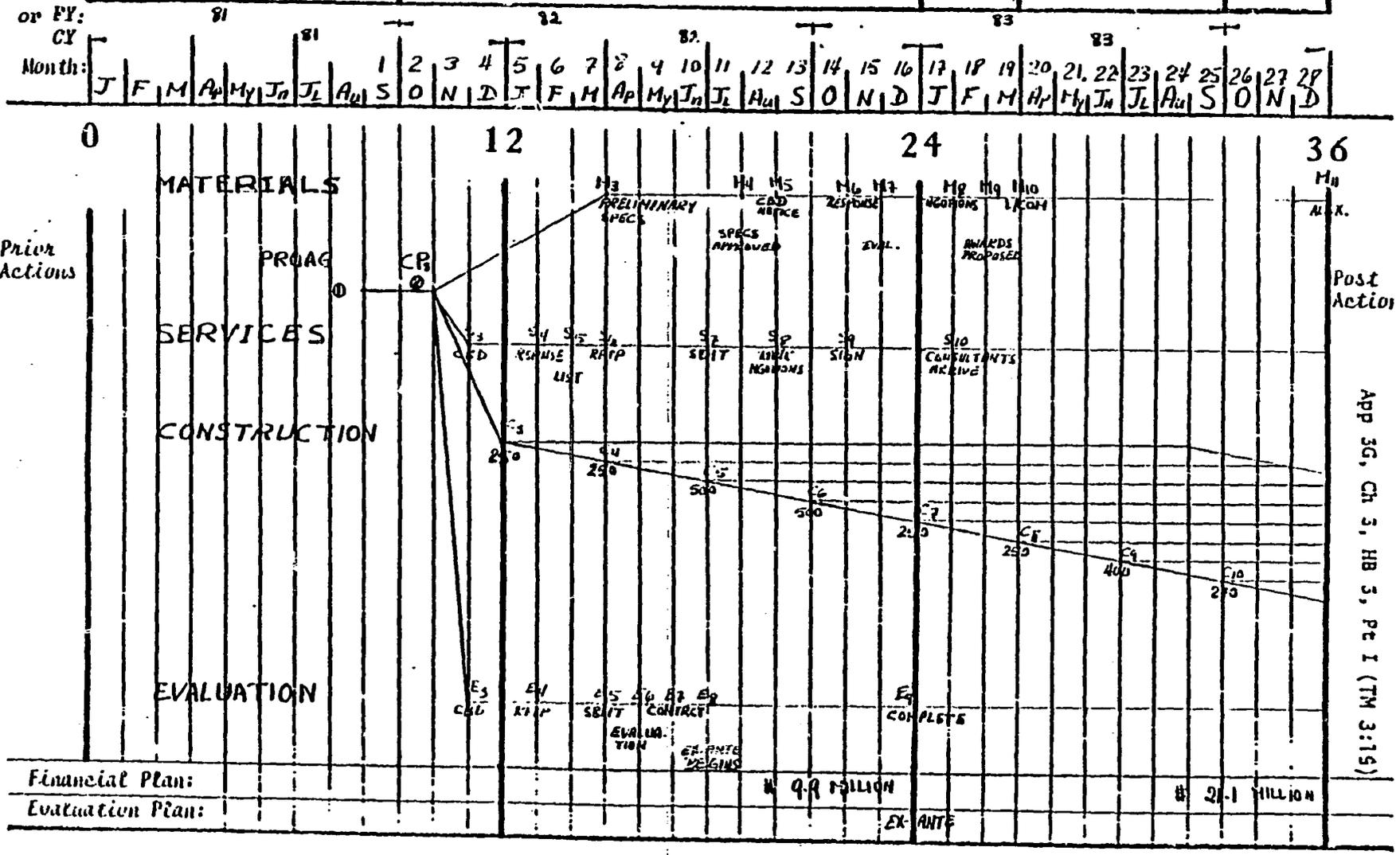
1. Test and revise ex-ante hypotheses.
2. Advise USAID/Cairo on educational implications of ex-ante analytical findings.
3. Prepare a report on ex-poste analytical findings.

III. Level of Effort.

It is estimated that 60 person-months will be required to carry out the services described above.

PPT FORM
(May be Expanded as Appropriate)

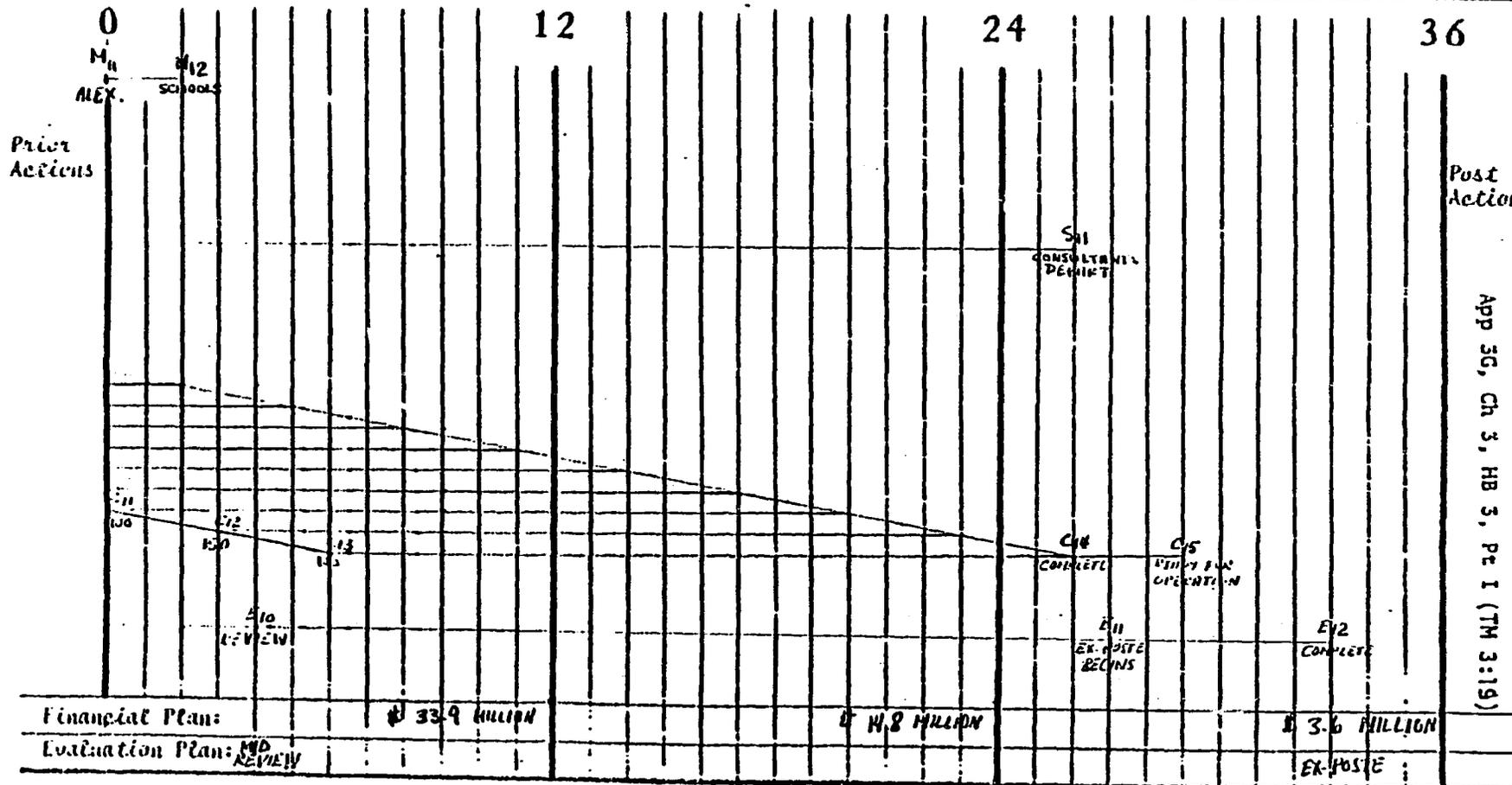
Country: EGYPT	Project No: 263-0139	Project Title: BASIC EDUCATION	Date: /X/ Original / / Revision #	PPT app
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Country: EGYPT	Project No: 263-0139	Project Title: BASIC EDUCATION	Date: / /	Original / Revision #	PPT app
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or FY: -	84	85	86	86																																
CY																																				
Month:	29 J	30 F	31 M	32 A	33 M	34 J	35 J	36 A	37 S	38 O	39 N	40 D	41 J	42 F	43 M	44 A	45 M	46 J	47 J	48 A	49 S	50 O	51 N	52 D	53 J	54 F	55 M	56 A	57 M	58 J	59 J	60 A	61 S	62 O	63 N	64 D



APP 5G, CH 5, HB 5, PE I (TM 3:19)

PPT FORM

Country:	Project No:	Project Title:	Date:	/x/ Original / / Revision #	Apprvd:
EGYPT	263-0139	BASIC EDUCATION			
<u>CPI DESCRIPTION</u>					
11) 8/31/81	PROJECT AGREEMENT SIGNED. AID/GOE		S7 6/30/82	SUBMISSION OF PROPOSALS. PROPOSERS	
12) 10/31/81	CONDITIONS PRECEDENT ARE MET. MOED/AID		S8 8/31/82	PROPOSALS RANKED. APPROVAL OF AID IS OBTAINED & NEGOTIATIONS START WITH TOP RANKED PROPOSER. MOED.	
<u>A. MATERIALS :</u>					
M3 5/31/82	PRELIMINARY SPECS. ARE WRITTEN. MOED		S9 10/31/82	CONTRACT IS SIGNED. MOED/CONTRACTOR	
M4 7/31/82	SPECS. APPROVED. AID/W		S10 1/31/83	CONSULTANTS ARRIVE. CONTRACTOR	
M5 8/31/82	SOLICITATION ISSUED, CBD & EXPERT BULLETIN NOTICE MAILED. AID/W		S11 2/28/86	CONSULTANTS DEPART CONTRACTOR	
M6 10/31/82	RESPONSES SUBMITTED OFFERORS.		<u>C- CONSTRUCTION :</u>		
M7 11/30/82	EVALUATION. MOED.		C3 12/31/81	START BUILDING 250 CLASSROOMS. MOED.	
M8 1/31/83	NEGOTIATIONS BEGIN. MOED.		C4 3/31/82	" " 250 " "	
M9 2/28/83	AWARDS PROPOSED. MOED.		C5 6/30/82	" " 500 " "	
M10 3/31/83	DIRECT LICOR ISSUED. AID/W		C6 9/30/82	" " 500 " "	
M11 12/31/83	DELIVERIES TO ALEX. SUPPLIERS MOED.		C7 12/31/82	" " 250 " "	
M12 2/29/84	DISTRIBUTION TO SCHOOLS. MOED.		C8 5/31/83	" " 250 " "	
<u>B. SERVICES :</u>					
S3 11/30/81	CBD NOTICE		C9 6/30/83	" " 100 " "	
S4 1/31/82	RESPONSES SUBMITTED OFFERORS.		C10 9/30/83	" " 250 " "	
S5 2/28/82	SHORT LIST IS DONE. MOED.		C11 12/31/83	" " 100 " "	
S6 3/31/82	RFTF IS ISSUED. MOED.		C12 3/31/84	" " 150 " "	
			C13 6/30/84	" " 100 " "	

APP 3G, Ch 3, HB 3, Pt I (TM 3:19)

PPT FORM

Country: EGYPT	Project No: 263-0139	Project Title: BASIC EDUCATION	Date:	/x/ Original / / Revision #	Appvd:
<u>CPI DESCRIPTION</u>					
CIV 2/2/86 COMPLETE CONSTRUCTION PHASE.					
CIS 5/3/86 SCHOOLS ARE READY FOR OPERATION.					
<u>D. EVALUATION :</u>					
E3 11/2/81	CBD NOTICE.	ADD			
E4 1/31/82	RESPONSE RFP SENT OUT.	AID/CAIRO			
E5 3/31/82	SUBMISSION OF PROPOSALS.	PROPOSALS			
E6 4/30/82	PROPOSAL EVALUATED/ NEGOTIATIONS START.	AID/CAIRO			
E7 5/31/82	CONTRACT SIGNED.	AID/CONTRACT			
E8 6/30/82	EX-ANTE BEGINS.				
E9 11/31/82	EX-ANTE IS COMPLETE.				
E10 1/30/84	CONTRACTOR REVIEWS DATA.				
E11 3/31/86	EX-POSTE BEGINS.				
E12 9/30/86	EX-POSTE IS COMPLETE.				

APP 3G, CH 3, HB 3, PC I (TM 3:19)

BEST AVAILABLE DOCUMENT

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 FF RUFHFC
 DF RUFHFC #4860/01 0201537
 ZNR HUUUU 22H
 P 201313Z JAN 91
 FM SECSTATE WASHDC
 TO AMEMBASSY CAIRO PRIORITY 3956
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ANNEX B
 Page 1 of 5.

22 JAN 91
 TOR: 1638
 ON: 03324
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TAGS:

SUBJECT: BASIC EDUCATION PROJECT (263-0139) PROJECT
 IDENTIFICATION DOCUMENT REVIEW BY THE NEAR EAST ADVISORY
 COMMITTEE

1. NEAC REVIEWED SUBJECT PID DECEMBER 18, 1987 AND APPROVED DEVELOPMENT OF THE PROJECT PAPER (PP). DURING THE REVIEW OF THE PID THE FOLLOWING ISSUES AND CONCERNS WERE DISCUSSED AND ARE INCLUDED BELOW FOR MISSION GUIDANCE:

2. PROJECT CONCEPTUALIZATION

1. NEAC VIEWED THE PROJECT DESCRIBED BY THE PID AS BASICALLY A SCHOOL CONSTRUCTION ACTIVITY WITH THE INCLUSION OF A MODEST PROVISION FOR TECHNICAL ASSISTANCE WHICH WOULD PROVIDE AN OPPORTUNITY TO EXPLORE QUALITATIVE NEEDS RELATED TO BASIC EDUCATION AS THEY MAY ARISE DURING THE LOP. THE NEAC CONSIDERED THE RATIONALE FOR THIS PROJECT TO BE GROUNDED FIRMLY IN CLASSROOM CONSTRUCTION WHERE THE ABSENCE OF ADEQUATE CLASSROOMS CONSTITUTES A BARRIER TO ENROLLMENT. NEAC ALSO JUDGED THE TA, WHILE ONLY VERY BROADLY DEFINED, AS WORTHY OF SUPPORT. NEAC CONCLUDED

THE TWO PROJECT ELEMENTS, CONSTRUCTION AND TA SHOULD BE DEVELOPED AS ESSENTIALLY DISCRETE AND UNRELATED, WITH PRIMARY PROJECT JUSTIFICATION AND OUTPUTS DEPENDENT ON THE CONSTRUCTION/ACCESS COMPONENT.

3. ESTABLISHMENT OF CRITERIA

(A) THE OBJECTIVE OF THE PROJECT IS TO INCREASE RURAL LITERACY BY INCREASING SCHOOL ENROLLMENTS THROUGH THE CONSTRUCTION OF ADDITIONAL CLASSROOMS. THE PP SHOULD CONTAIN A FULL DISCUSSION OF THE CRITERIA TO BE EMPLOYED IN DETERMINING SITE SELECTION. THESE CRITERIA SHOULD INCLUDE THE AVAILABILITY OF TEACHERS, EQUIPMENT, MATERIALS, AND MAINTENANCE AND THESE SHOULD THOROUGHLY ANALYZE THE GOVERNORATES' TECHNICAL, ADMINISTRATIVE AND FINANCIAL CAPACITY TO CONSTRUCT, MAINTAIN AND OPERATE AND MAINTAIN THE ADDITIONAL

(2) IS DESIRED. WITH RESPECT TO (1) IT WAS POINTED OUT THAT A 12 PERCENT INFLATION LEVEL WAS FAR TOO LOW TO SERVE AS A BASIS FOR DETERMINING WHETHER OR NOT REAL LEVELS OF INVESTMENT WERE BEING MAINTAINED. IT WAS ALSO POINTED OUT THAT ONE MIGHT AVOID THE PROBLEM OF DETERMINING THE APPROPRIATE INFLATION RATE BY COVENANTING FOR PRIMARY SCHOOL INVESTMENT LEVELS AT A FIXED PERCENTAGE (E.G., THE PRESENT PERCENTAGE) OF GNP NATIONAL BUDGET OR GDP. IN GENERAL THERE IS A NEED TO CLARIFY U.S. OBJECTIVES: DO WE WANT TO SEE BUDGETS GIVING HIGHER REAL LEVELS OF INVESTMENT TO EDUCATION OR TO PRIMARY SCHOOL EDUCATION? DO WE WANT TO SEE PRESENT PRIORITIES (AS REFLECTED IN SHARE OF NATIONAL BUDGET) MAINTAINED? REALISTICALLY CAN THIS PROJECT HAVE MEANINGFUL INFLUENCE ON THESE QUESTIONS? WOULD WE BE SATISFIED IF DISTRIBUTION OF PRIMARY SCHOOL BUDGET WAS CHANGED (E.G., FOCUSING NEW CONSTRUCTION WHERE THERE IS AN ACCESS PROBLEM), EVEN IF THIS WAS ACCOMPANIED BY A REDUCTION IN REAL LEVELS OF INVESTMENT? THESE ISSUES SHOULD BE DISCUSSED IN THE PP. MISSION SHOULD ALSO CONSIDER USE OF PROJECT TA TO DEVELOP A USAID STRATEGY PAPER WHICH WOULD IDENTIFY NATIONWIDE LITERACY TARGETS FOR BOYS AND GIRLS, WOULD

ANNEX H
Page 3 of 5.

RELATE THE ACHIEVEMENT OF THOSE TARGETS TO POSSIBLE USAID INTERVENTIONS, AND WOULD DEAL WITH THE OVERALL QUESTION OF APPROPRIATE GNP BUDGET LEVELS FOR EDUCATION. MEAC WAS IN ACCORD WITH PREVIOUS CDS DECISIONS TO MAKE LITERACY, ESPECIALLY RURAL FEMALE LITERACY ONE OF THE SELECTED AREAS OF BHM FOCUS.

5. THE INFLATION FACTOR

(A) THE MEAC CONSIDERED THE 12 PERCENT FACTOR USED FOR INFLATION TOO LOW AND THEREFORE THE MISSION SHOULD BE PREPARED TO STUDY ALTERNATIVE PROJECT MODIFICATIONS DURING PP PREPARATION. THREE OBVIOUS IMPLICATIONS ARE A DECREASE IN THE NUMBER OF CLASSROOMS BUILT, A REDUCTION OF CONSTRUCTION COSTS, OR AN INCREASE OF PROJECT FUNDING.

6. THE FUNDING MECHANISM

(A) WHEN CONSIDERING THE TWO FUNDING OPTIONS CONTAINED IN THE PID, FAR AND BUDGET SUPPORT, MEAC EXPRESSED A STRONG PREFERENCE FOR THE FAR ARRANGEMENTS BUT PRESERVES FINAL JUDGEMENT UNTIL THE MISSION HAS HAD THE OPPORTUNITY TO FULLY ANALYZE THIS ISSUE. THE MEAC'S PREFERENCE FOR FAR IS BASED ON THE EXPERIENCE WITH THIS PROCEDURE IN OTHER COUNTRIES (JORDAN, SYRIA, PORTUGAL AND AFGHANISTAN) FOR SIMILAR SCHOOL CONSTRUCTION PROJECTS. RECOGNIZABLY, THE RESULTS HAVE BEEN

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NO. Annex H 2 of 5

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NO. Annex H 4 of 5

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PROJECT LOG FRAME DURING THE DEVELOPMENT OF THE PROJECT PAPER.

D. NEAC NOTED THAT THE FINANCIAL PLAN, TABLE ON PAGE 7, AND THE PID FACE SHEET ARE INCONSISTENT WITH TABLE VI, PAGE 16, WHICH PROVIDES THE GCE CONTRIBUTION PLUS AN INFLATION FACTOR. THE FIGURE ON THE PID FACE SHEET IS DOLS. 8.3 MILLION WHILE TABLE VI INDICATES DOLS. 12.11 MILLIONS.

E. NEAC ASSUMES THAT THE PP WILL CONTAIN FULL DETAILS CONCERNING THE TECHNICAL ASSISTANCE ASPECT OF THE PROJECT INCLUDING PROBABLE AREAS OF INVESTIGATION, CONTRACTOR SCOPE OF WORK AND THE TYPE OF ORGANIZATION WHICH WOULD LIKELY MEET TA REQUIREMENTS.

F. THE PID INCLUDED REGULAR ASSESSMENTS OF PROJECT PROGRESS (PPS'S) AS A PART OF THE FORMALIZED EVALUATION COMPONENT OF THE PROJECT. THE MISSION SHOULD REGARD SUCH REGULAR ANNUAL ASSESSMENTS OR APPRAISALS AS PROJECT MONITORING OR PROJECT MANAGEMENT TOOLS TO BE INCLUDED UNDER THE PROJECT PAPER IMPLEMENTATION PLAN. THE PP EVALUATION PLAN THEN WOULD BE COMPOSED OF THE TWO INDEPTH STUDIES OF THE ATTAINMENT OF PROJECT OBJECTIVES AFTER THE EIGHTEENTH MONTH OF IMPLEMENTATION AND AT THE END OF

PROJECT. THE DISTINCTION BETWEEN REGULAR ASSESSMENTS AND FORMAL EVALUATIONS CAN BE DISCUSSED FURTHER WITH ANNETTE B. WINDIJK DURING HER JANUARY 1991 TDY:

G. SEVERAL OTHER SCHOOL CONSTRUCTION PROJECTS SUCH AS IN JORDAN, AFGHANISTAN AND PORTUGAL IN THE NEAR EAST REGION HAVE BEEN AND ARE BEING FUNDED BY AID. EVALUATIONS OF THESE PROJECTS CAN SERVE AS A VALUABLE RESOURCE DURING THE DEVELOPMENT OF THE PP AND LESSONS LEARNED FROM THESE EXPERIENCES SHOULD BE FULLY CONSIDERED. MARVIN HURLEY WILL HAND CARRY THOSE PERTINENT AND AVAILABLE EVALUATIONS TO THE MISSION DURING JANUARY FOR USE BY THE PP DESIGN TEAM. MUSKIE

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TO AMEMBASSY CAIRO PRIORITY 6753
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ANNEX I
File Page 1 of 4
26.A : [Stamp]

26 MAR 81
TOR: 1429
CN: 16872
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ACTION: AID-6
INFO: AMB

AIDAC

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ACTION TAKEN	DATE 3/31
NAN	INITIALS [Signature]

DCM
E/C
ICA
CHRON
11/HM

E.O. 12065: N/A

TAGS:

SUBJECT: BASIC EDUCATION, PROJECT 263-2139

REF: CAIRO 04612

1. THE FOLLOWING COMMENTS ARE PROVIDED IN RESPONSE TO THE REFERENCE CABLE AND THE ASSOCIATED MEMORANDA:

a) PP PARA 2 - THE NEAC RECOGNIZED THE INTER-DEPENDENCY OF ACCESS, RELEVANCE, EFFICIENCY AND EFFECTIVENESS TO IMPROVEMENTS IN THE QUALITY OF EDUCATION. HOWEVER, ONLY THE ACCESS PROBLEM WAS ADDRESSED IN ANY DETAIL IN THE PID AND THE OTHER FACTORS WERE ONLY BRIEFLY MENTIONED. BECAUSE THE PROBLEMS/NEEDS ASSOCIATED WITH RELEVANCE, EFFICIENCY, AND EFFECTIVENESS WERE NOT DEFINED IN THE PID, THE TA REQUIRED TO ADDRESS THESE PROBLEM AREAS SEEMED EQUALLY AMBIGUOUS. THEREFORE, THE NEAC HAD NO CHOICE BUT TO VIEW SCHOOL CONSTRUCTION AS THE CENTRAL FOCUS OF THE PROJECT. THE NEAC IS IN FAVOR OF ANY EFFORT TO SUPPORT THE GOE'S PLANNED EDUCATIONAL REFORM USING THIS PROJECT OR ANY OTHER. HOWEVER, IF THE MISSION INTENDS FOR THIS PROJECT TO BE THE MECHANISM TO PROVIDE THE SUPPORT FOR THE GOE'S REFORM EFFORTS, THE PP SHOULD BE MORE EXPLICIT ABOUT THE PROBLEMS TO BE ADDRESSED AND THE TA AND OTHER INPUTS WHICH WILL BE REQUIRED TO ACHIEVE THAT OBJECTIVE.

b) PP PARA 4 - THE NEAC AGREED IN PRINCIPLE TO THE CONCEPT OF ADDITIONALITY BUT HAD SERIOUS RESERVATIONS AS TO WHETHER THIS WAS A REALISTIC OBJECTIVE FOR THIS PROJECT. THE NEAC ALSO QUESTIONED THE USE OF A COVENANT TO ACHIEVE THAT PURPOSE. OUR PAST EXPERIENCE WITH COVENANTS DESIGNED TO BRING ABOUT POLICY CHANGES IN EGYPT INDICATES THAT SUCH AN APPROACH SHOULD BE USED WITH CAUTION. IF THE MISSION CHOOSES TO USE A COVENANT, THE PP SHOULD EXAMINE THE MEANS TO ENSURE THAT THE PURPOSE OF THE COVENANT WILL BE ACHIEVED AND THE RAMIFICATIONS FOR THE PROJECT IN THE EVENT THE GOE IS UNABLE OR UNWILLING TO MEET THE REQUIREMENTS OF THE COVENANT.

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C) RE PARA 6 - WE HAVE CAREFULLY REVIEWED THE CABLE AND THE RELATED MEMORANDA ON THE "BUDGET SUPPORT" VS. FAR ISSUE, BUT IT IS STILL UNCLEAR TO US WHAT THE "BUDGET SUPPORT" APPROACH REALLY ENTAILS. AS WE UNDERSTAND IT, THE TERM "BUDGET SUPPORT" IS BEING USED TO DESCRIBE A MEANS OF TAILORING THE PROJECT'S DISBURSEMENT AND IMPLEMENTATION PLANS AS CLOSELY AS POSSIBLE TO THE EXISTING GOE PROCEDURES WITH THE OBJECTIVE TO MINIMIZE THE MISSION'S MONITORING AND IMPLEMENTATION RESPONSIBILITIES. SUCH TAILORING IS EQUALLY RELEVANT TO THE FAR MECHANISM SO IT IS NOT CLEAR FROM THE INFORMATION PROVIDED HOW THIS OBJECTIVE WILL BE ACCOMPLISHED BY USING THE "BUDGET SUPPORT" APPROACH.

D) ONE FUNDAMENTAL POINT WHICH SEEMS TO HAVE INFLUENCED THE MISSION'S CHOICE OF AN APPROPRIATE DISBURSEMENT MECHANISM IS WHETHER OR NOT IT IS NECESSARY OR DESIRABLE TO ASSOCIATE AID FUNDS WITH SPECIFIC SCHOOLS. FRANKLY, WE ARE NOT SURE WHAT THE MISSION'S POSITION IS IN THIS REGARD. IT APPEARS THE MISSION BELIEVES THE FAR AND ITS ASSOCIATION WITH SPECIFIC SCHOOLS WOULD INCREASE MISSION'S STAFFING REQUIREMENTS FOR MONITORING AND INSPECTION. THIS NEED NOT BE THE CASE IF LOCAL CONTRACTORS ARE USED FOR INSPECTION/CERTIFICATION WITH RANDOM SAMPLE APPROVAL BY AID STAFF. AS WE UNDERSTAND IT, THE INVESTMENT BUDGET SUPPORT APPROACH AS PRESENTLY PERCEIVED BY THE MISSION WOULD ALSO ULTIMATELY BE IDENTIFIED WITH SPECIFIC PROJECT SCHOOLS AND THEREBY PRESUMABLY CREATE THE SAME NEED FOR MONITORING AND INSPECTION. AS LONG AS AID FUNDS ARE ASSOCIATED WITH SPECIFIC SCHOOLS, THE DISBURSEMENT METHOD CHOSEN DOES NOT ALTER THE NEED TO MONITOR AND INSPECT THOSE SCHOOLS EITHER WITH USDR STAFF OR SOME COMBINATION OF USDR STAFF AND LOCAL CONTRACTOR SUPPORT. IF THE MISSION IS PLANNING TO DESIGN A PROJECT WHEREBY OUTPUTS ARE MEASURED NOT IN TERMS OF SPECIFIC PROJECT SCHOOLS BUT IN TERMS OF BUDGET LEVELS ACHIEVED, THEN WE URGE THAT SUCH AN APPROACH, WHICH WE NOW HAVE TROUBLE UNDERSTANDING, BE APPROPRIATELY EXPLAINED AND JUSTIFIED BY CABLE BEFORE EXTENSIVE EFFORT IS EXPENDED TO PREPARE THE PP. IF THIS APPROACH IS FOLLOWED, A THOROUGH BUDGET ANALYSIS AND AN EVEN MORE THOROUGH ASSESSMENT OF THE TECHNICAL, ADMINISTRATIVE, AND FINANCIAL MANAGEMENT CAPABILITIES OF THE IMPLEMENTING ENTITIES WILL BE REQUIRED.

PUTTING ASIDE THE QUESTION OF THE RATIONALE FOR THE CHOICE OF A DISBURSEMENT MODE, WE DO NOT FULLY UNDERSTAND HOW THE PROPOSED SYSTEM WILL WORK OR IF IT IS WORKABLE. THE MEMORANDA CANDIDLY INDICATE THAT BOTH THE MISSION AND CERTAIN GOE OFFICIALS HAVE DOUBTS ABOUT THE EFFICIENCY AND EFFECTIVENESS OF THE PROPOSED SYSTEM, PARTICULARLY SINCE THE SYSTEM RELIES ON THE NIE WHICH IS NOT YET FULLY STAFFED OR FULLY OPERATIONAL AND ITS ROLE AND RESPONSIBILITIES NOT FULLY UNDERSTOOD. SIMILARLY, THE MONITORING AND IMPLEMENTATION RESPONSIBILITIES OF THE MOED AND THE MIN OF PLAN, ON WHICH THE SUCCESS OF THE PROJECT WILL LARGELY DEPEND, HAVE NOT YET BEEN DEFINED AND WILL APPARENTLY VARY DEPENDING ON HOW THE AID FUNDS ARE CATEGORIZED, I.E., CENTRAL OR LOCAL. NOR IS IT CLEAR HOW THE INVOLVEMENT OF THESE CENTRAL MINISTRIES IMPACT AT THE LOCAL LEVELS WHERE THE FINAL DECISIONS WILL BE MADE AS TO WHERE THE SCHOOLS WILL BE BUILT, CONSTRUCTION MONITORED, AND PAYMENTS TO CONTRACTORS MADE. NOR DO WE CLEARLY UNDERSTAND HOW THE AID SELECTION CRITERIA WILL BE INTEGRATED INTO THE GOE PLANNING AND BUDGETARY PROCESS AT THE LOWER LEVELS, HOW, WHEN AND ON WHAT BASIS THE AID FUNDS WILL BE

RELEASED TO THE NIE, AND WHAT ADDITIONAL CHECKS AND BALANCES WILL BE REQUIRED TO ENSURE THAT THE PURPOSES OF THE PROJECT WILL BE ACHIEVED.

F) WE ALSO NOTE THAT THIS PROJECT SEEMS TO DIVERGE FROM THE OTHER PROJECTS ORIENTED TOWARD THE LOCAL OR RURAL SECTORS IN THAT IT WILL TRANSFER RESOURCES AT THE CENTRAL RATHER THAN LOCAL LEVELS. WHEREAS IT WOULD APPEAR THAT THIS PROJECT WOULD LEND ITSELF TO REINFORCING THE GOE'S DECENTRALIZATION EFFORTS. IN TERMS OF TYING INTO THE GOE SYSTEM AT THE LOCAL LEVELS, LAYTON'S MEMO OF 1/11/88 IS MOST INFORMATIVE AND INDICATES A FINANCIAL FRAMEWORK EXISTS AT THE LOCAL LEVEL TO WHICH A PROJECT FUNDING MECHANISM COULD BE EASILY ADAPTED AND WE ENCOURAGE THE MISSION TO FURTHER EXPLORE THE POSSIBILITY OF TYING INTO THE GOE SYSTEM AT THE BASIC LEVELS.

G) WE ARE NOT COMMITTED TO ANY PARTICULAR FINANCING MECHANISM. THE NEAC ENDORSED THE FAR APPROACH AFTER REVIEWING THE PID BECAUSE (1) THE ACTIVITY AS DESCRIBED IN THE PID SEEMED TO LEND ITSELF MORE READILY TO THE FAR PROCEDURE WHICH IS OFTEN APPROPRIATE FOR PROJECTS INVOLVING MULTIPLE UNIT CONSTRUCTION AND (2) THE PID'S DISCUSSION OF THE INVESTMENT BUDGET ALTERNATIVE DID NOT PROVIDE SUFFICIENT DETAIL TO JUDGE ITS MERITS. HOWEVER, AS REFTEL AND MEMORANDA RECOGNIZE, A CASE WILL HAVE TO BE MADE THAT THERE EXISTS AN ACCEPTABLE SYSTEM FOR DISBURSING FUNDS THROUGH THE NIE AND THAT THE SYSTEM'S CURRENT

SHORTCOMINGS AND WEAKNESSES CAN BE OVERCOME.

ANNEX I
Page 4 of 4.

H) IN SUM, WE SEEK A DEMONSTRABLE WORKABLE MECHANISM WHICH WILL BE THE MOST EXPEDITIOUS AND EFFECTIVE MEANS FOR DISBURSING PROJECT FUNDS, WILL ENSURE THAT SCHOOLS ARE BUILT TO MEET SPECIFIC NEEDS, WILL BE CONSTRUCTED TO ACCEPTABLE STANDARDS AND AT REASONABLE COSTS. HAIG

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PROJECT AUTHORIZATION

Name of Country: Arab Republic
of Egypt

Name of Project: Basic Education

Number of Project: 263-0139

1. 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 Forty Five Million U.S. dollars (\$45,000,000) in grant funds over a one year period from date of authorization subject to the availability of funds in accordance with the AID OYB/allotment process to help in financing foreign exchange and local currency costs for the Project.

2. The Project consists of the provision of technical assistance for planning and implementing educational change, purchase of construction materials and equipment and building of new classrooms as part of an integrated effort to increase access to basic education opportunities and to improve the quality of instruction provided.

3. The Project Agreement 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:

4. Conditions and Covenants.

(a) Conditions Precedent to Disbursement

1. Technical Assistance

Prior to any disbursement or to the issuance of any commitment documents for technical services under the Grant, the cooperating country shall, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., an executed contract for technical assistance with an organization acceptable to A.I.D.

2. Instructional Materials and Equipment

Prior to any disbursement or to the issuance of any commitment documents for instructional materials and equipment under the Grant, the cooperating country shall, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. an executed contract or contracts for instructional materials and equipment.

3. Construction

Prior to any disbursement or to the issuance of any commitment documents for construction under the Grant, the cooperating country shall, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the name of the person acting on behalf of the cooperating country through the national investment bank and of any additional representatives together with a specimen signature of each person specified in such statement.

(b) Guidelines to be used to select construction sites and evidence that all participating education zones and local councils have been informed of these guidelines and the role of the Ministry of Education in ensuring their application and that zones and councils have agreed to abide by these guidelines.

Prior to any disbursement or the issuance of any commitment documents for construction under the grant to particular governorates, the cooperating country shall, except as the parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., maps of such governorate which mark the locations of existing schools and identify potential sites for project financed construction as per Ministry of Education guidelines.

(b) Source and origin of Goods and Services

Goods and services, including ocean shipping, financed by A.I.D. under the Project shall have their source and origin in Egypt or in the United States except as A.I.D. may otherwise agree in writing.

(c) Covenants

The cooperating country shall covenant that it will:

1. Provide, on a timely basis, all logistic support required to ensure effective utilization of goods and services financed under the grant;

2. Manage grant funds in such a way as to ensure completion of all construction projects initiated under the Project or to provide all necessary additional financial resources to ensure their completion;

3. Provide all necessary staff, furniture and maintenance required to operate and maintain Project financed classrooms and related facilities (including sanitary facilities) and twice yearly reports, on the use and operation of Project financed classrooms during the life of and for one year following the completion of the Project.

4. Obtain A.I.D. approvals for all schools designs to be used under the Project;

5. Purchase only instructional materials and equipment of a type and level appropriate to the basic education curriculum;

6. Use competitive procedures in accord with Egyptian Government regulations to obtain construction services and encourage, to the maximum extent possible, the participation of construction firms from the private sector;

5. Based on the justification set forth in the Project Paper, I hereby determine, in accordance with Section 612(b) of the Act, that the expenditure of United States dollars for the procurement of goods and services in Egypt is required to fulfill the purposes of the Project; the purposes of this Project cannot be met effectively through the expenditure of U.S.-owned local currencies for such procurement as such currencies are not available for such use; the administrative official approving local cost vouchers may use this determination as a basis for the certification required by Section 612(b) of the Act.

M. Peter McPherson
M. Peter McPherson
Administrator

Aug 18 81
Date

Clearances:
AA/NE:WAFord DM Date 14 Aug 81
A-AA/PFC:LSmucker MS Date 9-17-81
GC:JRBolton _____ Date _____

5C (2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual funding sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

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

A. GENERAL CRITERIA FOR PROJECT

1. FY 79 App. Act Unnumbered; FY 80 App. Act Unnumbered; FAA Sec. 634A; Sec. 653(b);
(a) Describe how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)?
(a) An Advice of Program Change will be transmitted to the appropriate Committees of Congress.
(b) The intended obligation is within the level of funds appropriated for Egypt for FY 81.
2. FAA Sec. 611(a) (1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?
(a) Yes.
(b) Yes.
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?
No further legislative action is required to implement the project except ratification of the signed project agreement.
4. FAA Sec. 611(b); FY 79 App. Act Sec. 101; N.A. FY 80 App. Act Sec. (501.) If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?

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; 611(e) determination is appended to the Project Paper.

6. FAA Sec. 209. Is project susceptible of 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 project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, 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.

The Project will increase literacy levels in the country thus indirectly contributing to the cited areas.

8. FAA Sec. 601(b). Information and conclusion 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).

The Project will provide opportunities for U.S. suppliers to sell basic education commodities to the Egyptian Ministry of Education and procure technical services from a U.S. contractor.

9. FAA Sec. 612(b); Sec. 636(h). 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 to meet the cost of contractual and other services.

The Project Agreement will provide for GOE contributions. U.S. owned Egyptian pounds are not sufficient to meet the requirements of this Project and other obligations. Hence, a determination under Section 612(b) has been requested.

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? U.S. owned local currency will not be used.

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 79 App. Act, Sec. 608; FY 80 App. Act Sec. (521.) 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.

3. FUNDING CRITERIA FOR PROJECT

N.A. Egypt is an ESF country.

1. Development Assistance Project Criteria

a. FAA Sec. 102(b); 111; 113; 281a.
Extent to which activity will
(a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts

intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

Yes. The Project seeks to expand primary school enrollments among rural youth particularly girls and increase the relevance, efficiency and effectiveness of basic education, purposes consistent with Section 102

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

No.

3C(3) - STANDARD ITEM CHECKLIST

Listed below are 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.

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

4. FAA Sec. 604(e). 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? N.A.

5. FAA Sec. 603 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 that such vessels are available at fair and reasonable rates. Yes.

6. FAA Sec. 608(a). Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items? N.A.

7. FAA Sec. 621. If technical assistance is financed, to the fullest extent practicable will such assistance, goods and professional and other services from private enterprise, be furnished on a Yes.

contract basis? 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?

The use of U.S.G owned facilities is not contemplated.

8. International Air Transport. Fair Competitive Practices Act, 1974.

Yes.

If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available?

9. FY 79 App. Act, Sec. 105; FY 80 App. Act Sec. [505.] Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States?

Yes.

B. Construction

1. FAA Sec. 601(d). If a capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest?

Yes.

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). for construction of productive enterprises, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million?

N.A.

C. Other Restriction

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. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, sale, longterm lease, exchange or guaranty of motor vehicles manufactured outside the U.S.? N.A.
5. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f). To pay for performance of abortions as a method of family planning or to, motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization? Yes.
- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes.
- c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.
- d. FAA Sec. 662. For CIA activities? Yes.
- e. FY 79 App. Act, Sec. 104; FY 80 App. Act Sec. [504.] To pay pensions, etc., for military personnel? Yes.
- f. FY 79 App. Act, Sec. 106; FY 80 App. Act. Sec. [506.] To pay U.N. assessments? Yes.

g. FY 79 App. Act, Sec. 107; FY 80 App. Act. Sec. [507.] To carry out provisions of FAA section 209(d)? (Transfer of FAA funds to multilateral organizations for lending.) Yes.

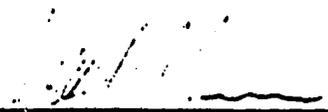
h. FY 79 App. Act, Sec. 112; FY 80 App. Act Sec. [511.] To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields? Yes.

i. FY 79 App. Act, Sec. 601; FY 80 App. Act Sec. [515.] To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes.

CERTIFICATION PURSUANT TO SECTION
611 (e) of FAA 1961 AS AMENDED

I, Donald S. Brown, 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, do hereby certify that in my judgment Egypt has both the financial capability and the human resources to effectively maintain and utilize the capital assistance to be provided for the construction of classrooms.

This judgment is based upon general considerations discussed in the capital assistance paper to which this certification is to be attached.



Donald S. Brown
Director

6/7/51

Date

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جمهورية مصر العربية

وزارة الدولة للتعليم والبحث العلمي

ARAB REPUBLIC of EGYPT
 Ministry of Education
 Minister's Office
 Cairo
 April 26 , 1981

Dear Mr. Brown,

It is my pleasure to note with appreciation the efforts and technical assistance extended to the Ministry of Education through the US. Agency for International Development in connection with "Basic Education", a field that is currently the focus of our concern.

The work so far accomplished has revealed the magnitude of efforts needed in the future to meet the objectives aspired to. In addition to the need for building new schools and classrooms to cope with the desired expansion , there is need for securing the appropriate equipment for these classrooms and schools as well as for developing the skills of teaching staffs and administrators in the light of Basic Education curricula and techniques .



جمهورية مصر العربية
وزير الدولة للتعليم والبحث العلمي

بسم الله الرحمن الرحيم
التاريخ / / ١٩٨

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I am glad to know that the US AID is willing to extend further assistance to the Ministry in carrying out its Basic Education plans and executive programs .

I wish to seize this opportunity to express my thanks and gratitude for past as well as for future efforts to promote educational performance in Egypt , hoping that we shall always proceed towards further fruitful cooperation .

Yours sincerely,

Dr. Mostafa Kamal Helmy

Minister of State

for

Education & Scientific Research

Mr. Donald S. Brown,
Director,
US Agency for International Development,
American Embassy,
Garden City,
Cairo, EGYPT.

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: From FY 81 to FY 86
Total U.S. Funding: \$45.0 million
Date Prepared: 5/1/81

Project Title & Number: **BASIC EDUCATION (261-0119)**

Project Purpose (A-1)	Measurable Objectives (A-2)	Key Activities (A-3)	Assumptions for achieving goal targets (A-4)
Enhance government efforts to improve physical quality of life (PQLI).	Literacy among rural youth increased.	Census data External project evaluations	Literacy is an NIB favorably impacting on PQLI. Formal primary education effective source of literacy training.
Expand enrollments and enhance efficacy of primary/basic education.	Enrollments among six-year olds in target areas increased 9%. In-service teacher-training program developed. Educational planning and cost analysis studies. Community-based curriculum development studies.	Education Zone enrollment reports. Baseline and progress data collected through external evaluations. Contractor studies/reports.	Shortages of classroom space constrain enrollments. MOEd will staff, furnish and equip project financed classrooms. Relevant, practical educational materials and equipment enhance learning.
1. Construction 2. Technical Assistance 3. Educational Commodities	6,595 new classrooms (\$71.3 million) 140 person-months plus sub-activities (\$2 million) Instructional materials and equipment for approximately 1,000 schools (\$10 million)	Education Zone and MOEd status reports. NIB Financial Reports Contractor Reports.	Adequate administrative capacity in NIB, Housing Dept., Education Zones and MOEd. Adequate supplies and timely provision of construction materials.
USAID Grant GOE Contribution	\$45.0 million \$28.3 million \$16.7 million	USAID Financial Records GOE, MOEd and NIB Reports.	Government investment in basic education sufficient to keep pace with population growth. Acceptable list of instructional materials. Acceptable school designs. Community donated building sites.